



Australian Government

Department of the Environment and Energy

ANNUAL REPORT 2018–19



Department of the Environment and Energy

Annual Report 2018–19

© Commonwealth of Australia, 2019.



The Department of the Environment and Energy Annual Report 2018–19 is licensed by the Commonwealth of Australia for use under a Creative Commons Attribution 4.0 International licence with the exception of the Coat of Arms of the Commonwealth of Australia, the logo of the agency responsible for publishing the report, content supplied by third parties, and any images depicting people. For licence conditions see: <https://creativecommons.org/licenses/by/4.0/>

This report should be attributed as ‘The Department of the Environment and Energy Annual Report 2018–19, Commonwealth of Australia 2019’.

The Commonwealth of Australia has made all reasonable efforts to identify content supplied by third parties using the following format: ‘© Copyright, [name of third party]’.

Disclaimer

The views and opinions expressed in this publication are those of the authors and do not necessarily reflect those of the Australian Government or the Minister for the Environment, Minister for Energy and Emissions Reduction or Minister for Waste Reduction and Environmental Management.

ISSN (Print): 2208-5351

ISSN (Online): 2208-536X

Image credits, front and back cover: Murtho cliffs as seen from the Headings Lookout Tower—part of the Riverland Wetlands Ramsar site © Copyright, Department of the Environment and Energy and Nerida Sloane

Letter of transmittal



Australian Government

Department of the Environment and Energy

Finn Pratt AO PSM
Secretary

The Hon Angus Taylor MP
Minister for Energy and Emissions Reduction
Parliament House
CANBERRA ACT 2600

The Hon Sussan Ley MP
Minister for the Environment
Parliament House
CANBERRA ACT 2600

Dear Ministers

As Secretary of the Department of the Environment and Energy, I am pleased to present the annual report on the operations of the Department for the reporting period ending 30 June 2019, as required by section 46 of the *Public Governance, Performance and Accountability Act 2013*.

I certify that this report has been prepared in accordance with all applicable obligations under the *Public Governance, Performance and Accountability Act 2013* and the *Public Governance, Performance and Accountability Rule 2014*.

I have copied this letter to the Assistant Minister for Waste Reduction and Environmental Management, the Hon Trevor Evans MP. Following its tabling, the report will be made available on the Department's website, www.environment.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Finn Pratt'.

Finn Pratt

11 October 2019

CC: The Hon Trevor Evans MP, Assistant Minister for Waste Reduction and Environmental Management

About this report

The Department of the Environment and Energy Annual Report 2018–19 has been prepared in accordance with the requirements for non-corporate Commonwealth entities' annual reports prescribed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). The requirements for content to be included in entities' annual reports were approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit on 2 May 2016. The compliance index indicates where information required under the PGPA Rule can be found in this report (see Appendix 14).

Further information

For more information concerning this annual report contact:

Assistant Secretary, Strategy and Governance Branch
Policy Analysis and Implementation Division
Department of the Environment and Energy
GPO Box 787, Canberra ACT 2601 Australia

Phone: 1800 803 772

Email: ciu@environment.gov.au

This annual report is also available electronically at www.environment.gov.au

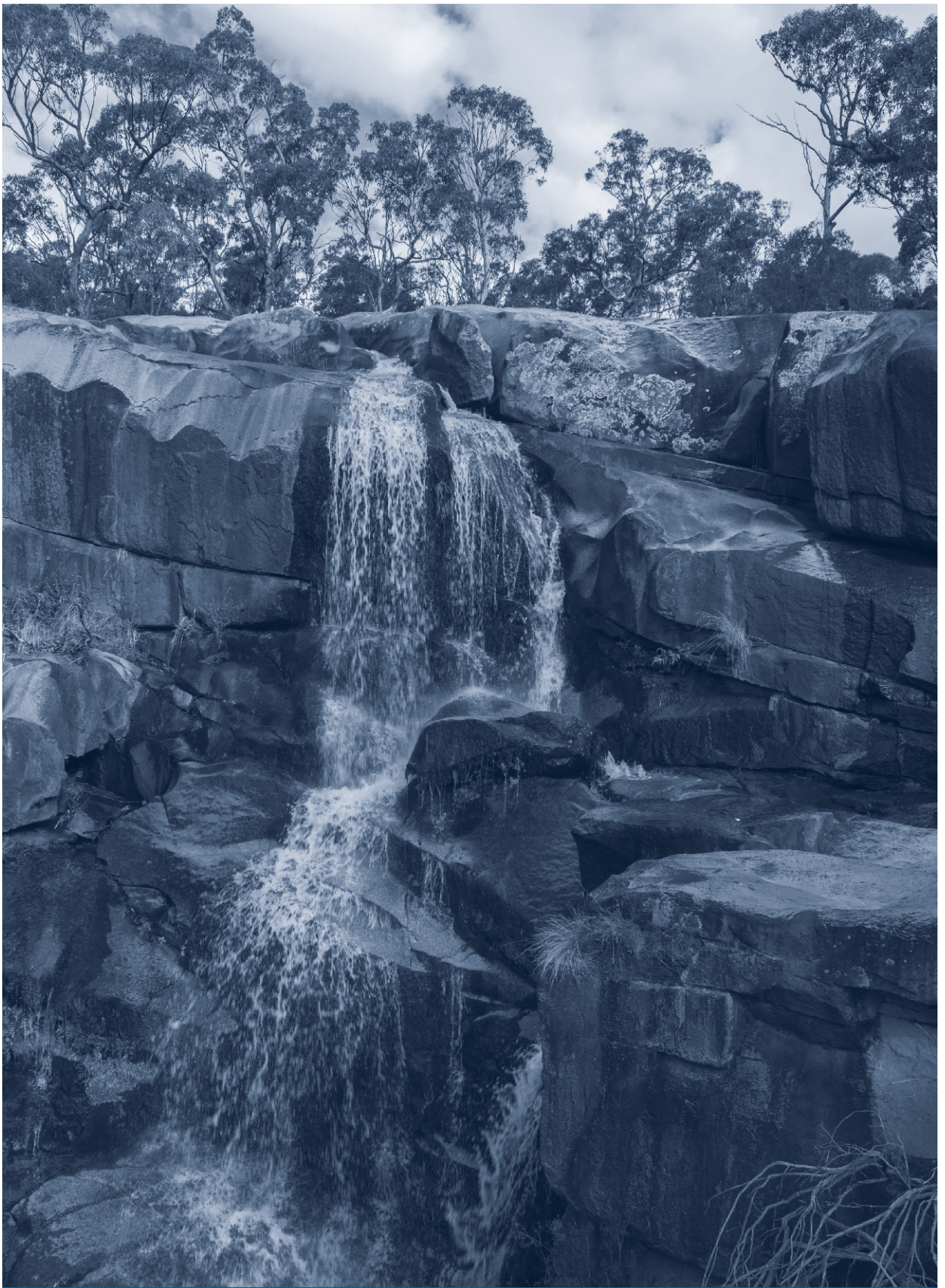
Acknowledgement of country

The Department acknowledges the traditional owners of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders both past and present.

Table of Contents

| | |
|--|------------|
| Letter of transmittal | iii |
| About this report | iv |
| 1 Overview | 1 |
| Secretary's review | 2 |
| Overview of non-financial performance | 2 |
| Overview of financial performance | 5 |
| Portfolio and Department structure | 7 |
| Legislation | 10 |
| Ministers | 10 |
| 2 Annual Performance Statements | 13 |
| Statement of preparation | 14 |
| Department purposes and activities | 14 |
| Overview of performance | 23 |
| Environment and Heritage Purpose: Conserve, protect and sustainably manage our environment and heritage | 24 |
| Climate Change Purpose: Develop and implement a national response to climate change | 57 |
| Antarctica Purpose: Advance Australia's strategic, scientific and environmental interests in the Antarctic | 66 |
| Energy Purpose: Support the reliable, affordable, sustainable and secure operations of energy markets | 72 |
| Science, information and research activity | 82 |
| 3 Management and Accountability | 91 |
| Management of human resources | 92 |
| Assets management | 113 |
| Procurement | 114 |
| External scrutiny | 118 |
| Central policy support | 123 |
| 4 Financial Statements | 133 |

| | |
|--|------------|
| Appendices | 229 |
| Appendix 1: Statement of certification with PGPA Rule section 10 (Fraud systems) | 230 |
| Appendix 2: Entity Resource Statement 2018–19 | 231 |
| Appendix 3: Expenses for outcomes | 233 |
| Appendix 4: Operation of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> | 240 |
| Appendix 5: Operation of the <i>Environment Protection (Alligator Rivers Region) Act 1978</i> | 263 |
| Appendix 6: Operation of the <i>Fuel Quality Standards Act 2000</i> | 269 |
| Appendix 7: Operation of the <i>Greenhouse and Energy Minimum Standards Act 2012</i> | 271 |
| Appendix 8: Operation of the <i>Hazardous Waste (Regulation of Exports and Imports) Act 1989</i> | 274 |
| Appendix 9: Operation of the <i>Natural Heritage Trust of Australia Act 1997</i> | 276 |
| Appendix 10: Operation of the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> | 278 |
| Appendix 11: Operation of the <i>Product Stewardship Act 2011</i> | 282 |
| Appendix 12: Operation of the <i>Product Stewardship (Oil) Act 2000</i> | 284 |
| Appendix 13: Operation of the <i>Water Act 2007</i> | 285 |
| Appendix 14: Compliance Index—List of PGPA Rule requirements | 292 |
| Appendix 15: Corrections to material errors in the 2017–18 Annual Report | 297 |
| Navigation Aids | 299 |
| Glossary | 300 |
| Abbreviations and acronyms | 306 |
| List of tables | 309 |
| List of figures | 311 |
| Index | 312 |



Gibraltar Falls, ACT © Department of the Environment and Energy

Overview

1

1 | Overview

Secretary's review

I am pleased to present the Department of the Environment and Energy 2018–19 Annual Report. This report celebrates our achievements and outlines the progress we have made to deliver on the Australian Government's environment and energy priorities.

The following overviews of our non-financial and financial performance during 2018–19 taken together meet the requirement for a review by the accountable authority.

I would like to thank everyone in the Department for their continued hard work, commitment and professionalism.

Finn Pratt AO PSM

Secretary, Department of the Environment and Energy



© Department of the Environment and Energy

Overview of non-financial performance

Our success is determined by our ability to deliver on our purposes and the extent of our progress towards our intended results. In 2018–19, our purposes were to conserve, protect and sustainably manage Australia's environment and heritage; develop and implement a national response to climate change; advance Australia's strategic, scientific and environmental interests in the Antarctic; and support the reliable, affordable, sustainable and secure operations of energy markets.

The Department delivers these purposes by advising Ministers on and implementing environment and energy policy, programs and regulation to support the Government in achieving a healthy environment, strong economy and thriving community now and for the future.

In 2018–19, the Department delivered significant investment to improve Australia's environment and heritage. A key focus was delivering Government investment to improve Great Barrier Reef water quality; and protect and restore coastal ecosystems and biodiversity. In 2018–19 the Great Barrier Reef Foundation began delivering the innovative \$443 million Reef Trust – Great Barrier Reef Foundation Partnership. The partnership includes over \$200 million for water quality improvement, \$58 million for crown-of-thorns starfish control and \$100 million for reef restoration and adaption science. This partnership represents a significant expansion of delivery capacity for reef protection programs.

In partnership with the Department of Agriculture and Water Resources, we delivered the second phase of the National Landcare Program—Regional Land Partnerships—using a reformed regional delivery model. Of the \$450 million available, we procured services totalling \$446 million. These projects will deliver on the program’s four environment outcomes: improving the trajectory of priority threatened species, improving the condition of threatened ecological communities, reducing threats to our internationally recognised Ramsar wetlands, and reducing threats to our World Heritage sites.

In 2018–19 the Australian Government announced the Australian Heritage Grants Program. Grants under the program strengthen recognition, conservation and preservation of National Heritage List place values and enrich appreciation of the values of these listed places through improved community engagement. Successful projects under the 2018–19 grants round will support management of ancient rock art sites, infrastructure upgrades to outstanding colonial buildings, enhancing the natural heritage values of sites and preparing management plans for National Heritage List places.

Our management and use of Commonwealth environmental water contributed to the protection and restoration of water-dependent ecosystems in the Murray–Darling Basin. For example, we delivered approximately 400 gigalitres (GL) of water for the environment from the Murray River valley, which was coordinated with approximately 221 GL of environmental flows from tributaries. Benefits resulting from this watering include growth of threatened vegetation in Barmah Forest; improved condition, breeding and recruitment of native fish and threatened bird species; and continuous flows into the Coorong, exporting excess salt from the Murray–Darling Basin.

During 2018–19, we continued to identify and list nationally threatened species, ecological communities and heritage places as matters of national environmental significance and successfully regulated international wildlife trade and the import of regulated live species, to conserve Australia’s biodiversity and meet international obligations. We continued to implement improvements—for example, by enhancing our business systems and streamlining processes to deliver better outcomes for matters of national environmental significance.

The Department continued to use a range of compliance tools to support regulatory outcomes. Our compliance activities are risk-based and informed by intelligence. We aim to encourage compliance, promote leading practice, establish trust with the regulated community, and assist businesses and individuals to understand and comply with the law.

We continued to support the health of our environment through national approaches to managing hazardous wastes, substances and pollutants, including a new, nationally agreed National Waste Policy, which will help to guide action on waste management, recycling and resource recovery until 2030.

In 2018–19 the Department continued to implement the Government’s climate change policies and programs to meet Australia’s emissions reduction targets: the Emissions Reduction Fund, the National Carbon Offset Standard and the Renewable Energy Target. The Department supported clean energy innovation by coordinating Australia’s participation in Mission Innovation and, jointly with the Department of Industry, Innovation and Science, establishing the Hydrogen Strategy Taskforce.

Australia remains on track to meet its 2020 emissions reduction target to reduce emissions by 5 per cent below 2000 levels. In the year to December 2018, emissions per capita and the

emissions intensity of the economy were at their lowest levels in 29 years. The Department supported the Government to develop the Climate Solutions Package, which was announced in February 2019.

We continued our work to support climate risk management capability through the Australian Government Disaster and Climate Resilience Reference Group. This included building understanding of climate risks across Australian Public Service departments; and mapping disaster and climate risks in Australian Government agency policies, programs and assets. We also worked with Australian Government agencies and the Commonwealth Scientific and Industrial Research Organisation to finalise *Climate compass: a climate risk management framework for Commonwealth agencies*. We completed a climate risk scan of the Department's policies and programs.

The Department continues to contribute to scientific research in Antarctica and the Southern Ocean that supports Australian Government policy and environmental management priorities. In 2018–19, we made progress towards achieving the staged commitments in the Australian Antarctic Strategy and 20 Year Action Plan, which sets out actions to support our national Antarctic interests. This included building our infrastructure capabilities, leading a world-class scientific research program to better understand the role of Antarctica in the global climate system and protecting Antarctica's unique environment through our regulatory activities.

Strong representation in international forums, including the Antarctic Treaty consultative meetings and the Commission for the Conservation of Antarctic Marine Living Resources, ensured that Australian objectives were met and demonstrated Australia's strong commitment to the Antarctic Treaty system and the Protocol on Environmental Protection to the Antarctic Treaty.

During 2018–19 the Department implemented and supported initiatives to ensure that energy markets continue to supply reliable, secure and affordable energy. We developed the Electricity Retail Code, which delivers savings to residential and business customers through implementation of a default market offer (DMO) price cap on standing offer contracts in regions not subject to retail price regulation. For a typical residential customer, the DMO price cap will deliver annual savings of around \$130 to \$180 in New South Wales, up to \$120 in south-east Queensland and up to \$170 in South Australia.

Further savings in energy bills are realised through energy efficiency programs. The Commercial Building Disclosure (CBD) Program, which mandates the disclosure of National Australian Built Environment Rating System (NABERS) ratings when buildings are offered for sale or lease, is driving improvements in energy efficiency. Since mid-June 2018, the average NABERS energy efficiency rating for commercial office buildings increased from 3.6 stars to 3.8 stars and the number of these buildings covered by NABERS increased by 7 per cent. Between 2015 and 2019, the CBD Program was projected to deliver over \$50 million in net benefits and 17,395 terajoules of energy savings through improvements to energy performance prompted by disclosure.

Consumers and households have access to more efficient products through the *Greenhouse and Energy Minimum Standards Act 2012*. Updated minimum energy performance standards and labelling requirements for air conditioners in 2018–19 will improve information for consumers and will remove inefficient products from the market, leading to lower energy bills for consumers.

Over the past 12 months, the Department has made significant progress towards making our information more discoverable and accessible so that we can increase its use. We have published large amounts of scientific information and data products—for example, through the National Environmental Science Program and the Geological and Bioregional Assessments Program—to assist those who make decisions about the management of Australia's environment.

Management and accountability

The Department's Corporate Plan 2018–19 outlined eight core capabilities that our organisation requires to ensure we achieve our purposes and build our influence over the upcoming years. These are preparing our workforce for the future, partnering for better outcomes, maintaining a positive risk culture, making evidence-based decisions and providing evidence-based advice, fostering innovation, improving our technology and digital capabilities, pursuing regulatory maturity, and communicating and engaging effectively. We continue to develop and progress our capabilities and will continue to strengthen them over the coming years.

During the year we progressed the implementation of our People Strategy, which outlines our four-year approach to building the capability of our people. Under the strategy, we delivered initiatives to cultivate leadership skills, capabilities and behaviours through development of our Leadership Strategy 2019–2023 and move towards an integrated and holistic approach to health and safety through endorsement of the Work Health and Safety Strategic Blueprint 2020.

In 2018–19, we commenced a review of our Reconciliation Action Plan to draw on the progress and lessons learnt from our current plan. The Department's goal is to be a leader in reconciliation, providing an inclusive workplace that fosters respect, understanding and unity between Aboriginal and Torres Strait Islander and non-Indigenous Australians. Our Reconciliation Action Plan is key to achieving this goal, as it outlines how we will involve Aboriginal and Torres Strait Islander peoples in all that we do.

Overview of financial performance

The Department's financial statements are presented in Part 4 of this report. The Australian National Audit Office issued an unqualified audit opinion for the financial statements on 30 September 2019.

A summary of the Department's financial performance and sustainability for departmental activities and activities administered on behalf of the Australian Government is provided below.

Departmental activities

Operating result

The Department operated within its approved budget.

Departmental revenue was \$459.61 million in 2018–19. Revenue from Government reduced by \$50.46 million, mainly due to the appropriation provided to the Director of National Parks changing to an administered appropriation.

Departmental expenses were \$598.55 million in 2018–19. This was \$28.26 million lower than in 2017–18, also mainly due to the cessation of payments to the Director of National Parks and lower supplier costs, which was offset by higher salaries expenditure and non-cash adjustments relating to Antarctic restoration provisions.

Financial sustainability

As at 30 June 2019, the Department had a positive net asset base of \$167.11 million.

Departmental assets totalled \$966.87 million, an increase of \$54.01 million from 2017–18, primarily due to the ongoing construction of the new science and resupply icebreaker ship.

The Department's liabilities totalled \$799.76 million as at 30 June 2019, an increase of \$140.44 million largely due to updated key economic and engineering assumptions associated with restoration obligations for the Australian Antarctic region.

Administered activities

Income

In 2018–19, the Department's administered income from activities on behalf of the Government totalled \$638.76 million. This included revenue from regulatory charges, dividend receipts and resources received free of charge for water entitlement assets. Administered income was \$331.57 million higher than in 2017–18, primarily due to increased water entitlement assets transferred from the Department of Agriculture, dividend receipts from the Australian Government's 100 per cent holding in Snowy Hydro Limited and asset impairment reversals.

Expenses

In 2018–19, the Department administered 10 programs on behalf of the Government, with expenses of \$606.99 million. This primarily included:

- › \$281.82 million to support sustainable management of natural resources and the environment
- › \$173.96 million in payments to the portfolio's corporate Commonwealth entities including the Director of National Parks and Australian Renewable Energy Agency
- › \$59.40 million in the management of Commonwealth environmental water
- › \$37.88 million to support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community
- › \$28.30 million for environmental information and research
- › \$15.18 million in management of hazardous wastes, substances and pollutants, and
- › \$7.67 million to support conservation of Australia's heritage and environment.

The overall decrease in administered expenses by \$502.98 million in 2018–19 was primarily driven by one-off funding arrangements provided in 2017–18 and delayed expenditure of the regional delivery aspect of the National Landcare Program in 2018–19.

Administered assets and liabilities

As at 30 June 2019, the Department had an administered net asset base of \$26.05 billion. Assets totalled \$26.11 billion, an increase of \$4.16 billion from 2017–18, primarily due to the increase in fair value of administered investments including Snowy Hydro Limited and Clean Energy Finance Corporation, as well as receipt of water entitlement assets.

The Department's administered liabilities totalled \$55.10 million at 30 June 2019 consisting predominately of end of year supplier and grant payables. The increase in total liabilities is related to timing of expenditure for the Regional Land Partnership program.

The Agency Resource Statement provides additional information on the various funding sources that the Department may draw upon during the year (see Appendix 2). For a summary of total expenses by outcomes, see Appendix 3.

Portfolio and Department structure

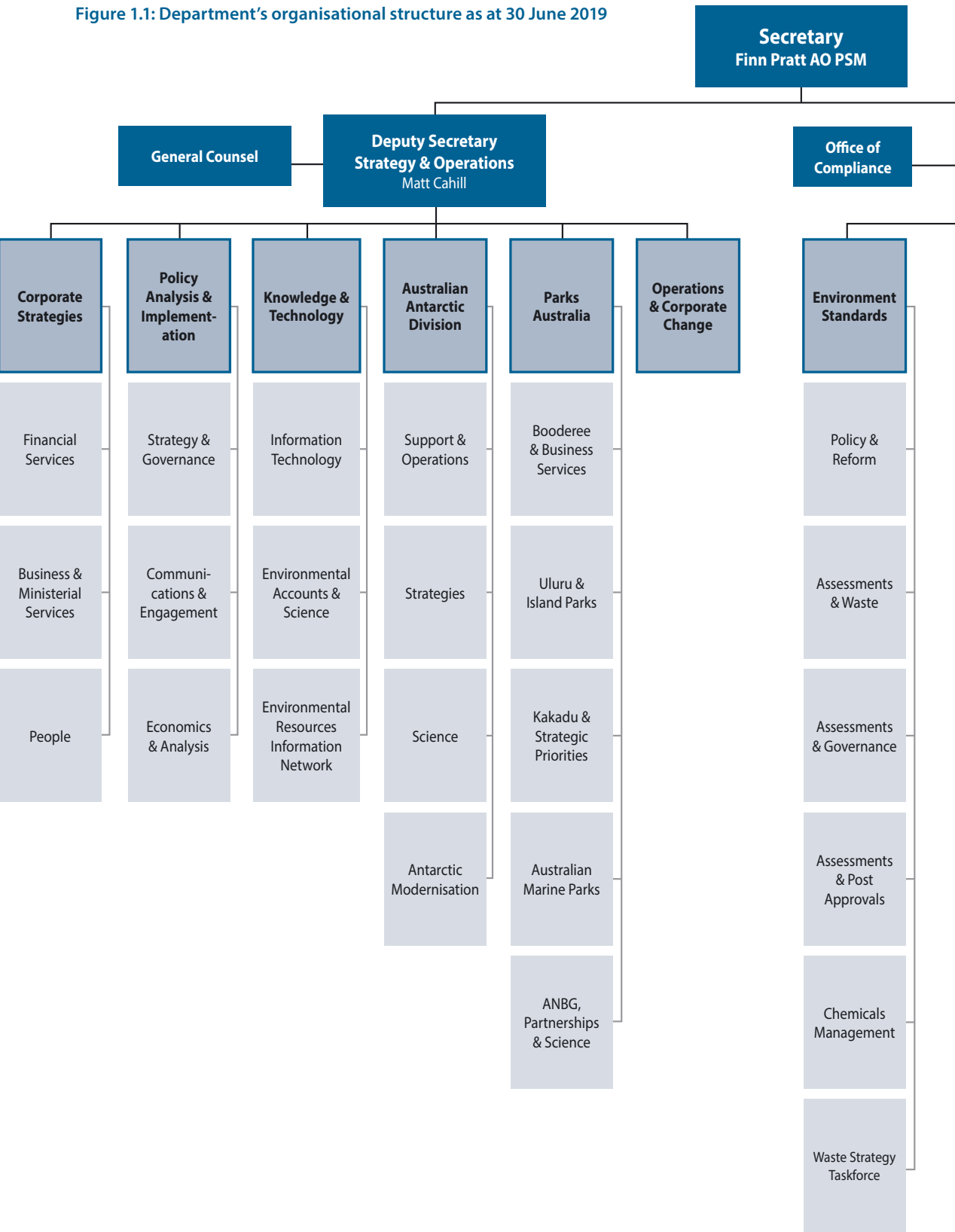
The Department's role in 2018–19 was to advise on and implement environment and energy policy, programs and regulation to support the Government in achieving a healthy environment, strong economy and thriving community, now and for the future. We did this by advising and supporting our Ministers and implementing the Government's priorities. Our activities covered four purposes: Environment and Heritage, Antarctica, Climate Change, and Energy.

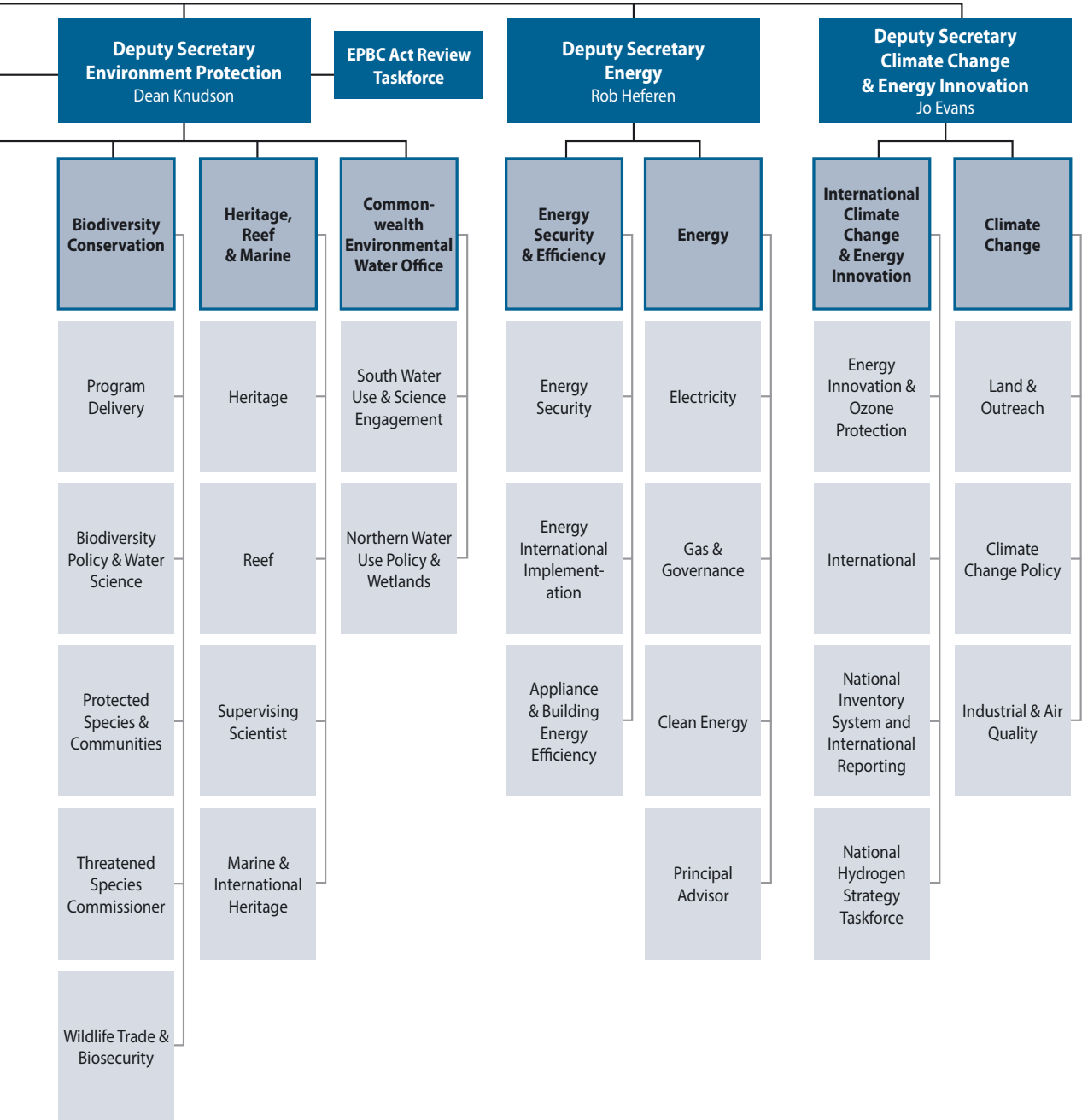
Information about the Department's purposes and their alignment with outcomes, as outlined in the Portfolio Budget Statements 2018–19, Portfolio Additional Estimates Statements 2018–19 and Corporate Plan 2018–19 is in Part 2 of this report on page 15.

In 2018–19, the Environment and Energy portfolio included the following entities:

- › Department of the Environment and Energy (lead agency)
- › Australian Renewable Energy Agency
- › Bureau of Meteorology
- › Clean Energy Finance Corporation
- › Clean Energy Regulator
- › Climate Change Authority
- › Director of National Parks (Parks Australia)
- › Great Barrier Reef Marine Park Authority
- › Sydney Harbour Federation Trust.

Figure 1.1: Department’s organisational structure as at 30 June 2019





Legislation

The Department and our portfolio agencies administer, on behalf of the Ministers, 65 pieces of legislation that provide the legal framework for issues across environment and heritage protection, biodiversity conservation, Antarctica, climate change, renewable energy, and energy markets. Further information on the legislation is available on our website.

www.environment.gov.au/about-us/legislation

Ten Acts specify that an annual operational report should be prepared and tabled in Parliament. These legislative reporting requirements are acquitted through the respective appendices in this report (see pages 240–291).

Ministers

In 2018–19, the ministers responsible for the Environment and Energy portfolio were:

- › **The Hon Josh Frydenberg MP**
Minister for the Environment and Energy (until 28 August 2018)
- › **The Hon Melissa Price MP**
Assistant Minister for the Environment (until 28 August 2018)
Minister for the Environment (28 August 2018 to 29 May 2019)
- › **The Hon Angus Taylor MP**
Minister for Energy (from 28 August 2018 to 29 May 2019)
Minister for Energy and Emissions Reduction (from 29 May 2019)
- › **The Hon Sussan Ley MP**
Minister for the Environment (from 29 May 2019)
- › **The Hon Trevor Evans MP**
Assistant Minister for Waste Reduction and Environmental Management (from 29 May 2019)



World Heritage listed Royal Exhibition Building and Carlton Gardens, Victoria © Department of the Environment and Energy (taken by staff)

Annual Performance Statements

2

2 | Annual Performance Statements

Statement of preparation

I, Finn Pratt, as the accountable authority of the Department of the Environment and Energy, present the annual performance statements of the Department, covering the 2018–19 financial year, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.



Finn Pratt AO PSM
Secretary

/ October 2019

Department purposes and activities

The Department delivers major Australian Government initiatives across four purposes: Environment and Heritage, Climate Change, Antarctica, and Energy. We deliver additional outcomes through our cross-cutting science, information and research activity. The Department pursues these purposes through 10 activities—see Table 2.1 below.

The annual performance statements report our progress towards achieving our purposes and activities during 2018–19 by reporting on yearly measures under targets.

Performance criteria and targets outlined in the annual performance statements were included in the Department's Portfolio Budget Statements 2018–19 (PBS), the Corporate Plan 2018–19, and/or the Portfolio Additional Estimates Statements 2018–19 (PAES). The relationship between performance information in the PBS and Corporate Plan is outlined in Table 2.1.

As outlined in the Corporate Plan, we are reviewing the design and implementation of our performance measurement and reporting framework to ensure it can better support decision-making and drive continual improvement. As part of our ongoing systematic review of performance measures, and in developing the Corporate Plan, we revised our performance measures to explicitly link to the data sources used to demonstrate performance. This systematic review updated some performance criteria in the Corporate Plan, compared with those included in the PBS. The revised performance information and yearly measures for each target were set out in the Corporate Plan. The source of all our performance measures is outlined in Table 2.2.

Table 2.1: Alignment between purposes and outcomes outlined in the Corporate Plan 2018–19 and Portfolio Budget Statements 2018–19

| Purpose Corporate Plan | Outcome Portfolio Budget Statements | Activity Corporate Plan | Program Portfolio Budget Statements |
|---|--|--|--|
| Environment and Heritage Conserve, protect and sustainably manage our environment and heritage | 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 | Investing in our environment and heritage | Program 1.1: Sustainable management of natural resources and the environment |
| | | Environmental watering | Program 1.3: Commonwealth Environmental Water |
| | | Regulating to protect our environment and heritage | Program 1.4: Conservation of Australia's Heritage and the Environment |
| | | Environmental health | Program 1.5: Environmental Regulation Program 1.6: Management of Hazardous Wastes, Substances and Pollutants |
| Climate Change Develop and implement a national response to climate change | 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 | Reducing Australia's greenhouse gas emissions | Program 2.1: Reducing Australia's Greenhouse Gas Emissions Program 2.3: Renewable Energy Technology Development |
| | | Adapting to climate change | Program 2.2: Adapting to Climate Change |
| Antarctica Advance Australia's strategic, scientific and environmental interests in the Antarctic | Outcome 3: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region | Antarctic science, policy and presence | Program 3.1: Antarctica: Science, Policy and Presence |
| Energy Support the reliable, affordable, sustainable and secure operations of energy markets | Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community | Energy market reform and energy efficiency programs Energy security | Program 4.1: Energy |
| Supports all other purposes and outcomes: | | | |
| Relates to 'Environment and Heritage' and supports all other purposes | Relates to Outcome 1 | Science, information and research | Program 1.2: Science, information and research |

Table 2.2: Source of performance measures by purpose and activity, 2018–19

| Environment and Heritage Purpose: Conserve, protect and sustainably manage our environment and heritage | |
|--|-----------------------------------|
| Activity: Investing in our environment and heritage | PBS 2018–19, pp. 43–45 |
| Performance criterion: Through investment and in collaboration with others, the Department contributes to the building of the Great Barrier Reef's resilience to respond to threats | Corporate Plan 2018–19, p. 18 |
| Target: Reef programs deliver on the Reef 2050 Plan and Reef Trust objectives | |
| Yearly measures: | |
| Dollars invested | |
| Number of projects/contracts | |
| Project designs and contracts reflect the objectives of the Reef 2050 Plan and Reef Trust | |
| Project outcomes are fed into modelling and monitoring programs to inform reporting on Reef health | |
| Performance criterion: Australia's biodiversity including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are conserved and protected via targeted investments and collaborative partnerships | Corporate Plan 2018–19, pp. 19–20 |
| Target: Threatened Species Strategy targets are met | |
| Yearly measure: | |
| The 21 Threatened Species Strategy Year Three targets have been met | |
| Target: Program objectives are delivered under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program | |
| Yearly measures: | |
| Project designs and contracts reflect the objectives of the programs | |
| Projects/contracts deliver against contracted activities to deliver project objectives | |
| Target: Contracts are in place to deliver Australian Government investment under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program | |
| Yearly measures: | |
| Dollars invested per program | |
| Number of projects/contracts per program | |

| | |
|--|-----------------------------------|
| Activity: Environmental watering | PBS 2018–19, p. 47 |
| Performance criterion: Protect and restore water-dependent ecosystems and their functions in the Murray–Darling Basin | Corporate Plan 2018–19, pp. 24–25 |
| Target: Water-dependent ecosystems are protected and restored | |
| Yearly measures: Commonwealth environmental water contribution to: <ul style="list-style-type: none"> › the restoration of the hydrological regime, which includes relevant flow components set out in the Basin Plan (section 8.51(1)(b)) › hydrological connectivity between the river and floodplain and between hydrologically connected valleys | |
| Target: Adequate flushing of salt from the River Murray system into the Southern Ocean | |
| Yearly measure: Murray–Darling Basin salt export | |
| Performance criterion: Australia’s priority wetlands are identified, conserved and protected | Corporate Plan 2018–19, p. 25 |
| Target: Ramsar Information Sheets (RISs) for Wetlands of International Importance listed under the Ramsar Convention (Ramsar sites) are prepared and updated, and include appropriate descriptions of the ecological character of the sites and threats to the sites | |
| Yearly measure: RIS updates completed for 10 Ramsar sites | |
| Activity: Regulating to protect our environment and heritage | PBS 2018–19, pp. 48–51 |
| Performance criterion: Australia’s biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are identified, conserved and protected through regulation | Corporate Plan 2018–19, pp. 28–29 |
| Target: Activities required by legislation are conducted within statutory time frames | |
| Yearly measures: Increase on previous trends across the following areas: <ul style="list-style-type: none"> › EPBC Act project decisions › other EPBC Act activities, including: <ul style="list-style-type: none"> – listing of a species or community decision – conservation advice – recovery plan – listing of key threatening processes – threat abatement plans – wildlife trade permits – listing of live imports on the Federal Register of Legislation | |
| Target: All Australian properties included on the list of World Heritage are well managed | |
| Yearly measure: Percentage of World Heritage Management Plans that are consistent with World Heritage Management Principles | |
| Target: 100 per cent of listed threatened species and ecological communities have an approved conservation advice and/or recovery plan | |
| Yearly measure: Percentage meeting this requirement | |

Continued next page

Continued

| | |
|---|-----------------------------------|
| Performance criterion: Compliance is used to deliver environment and heritage outcomes | Corporate Plan 2018–19, p. 30 |
| Target: Compliance activities are undertaken to deliver environment and heritage outcomes | |
| Yearly measure: Deliver priority outcomes outlined in the annual compliance plan | |
| Performance criterion: The Alligator Rivers Region environment remains protected from uranium mining effects consistent with statutory requirements | Corporate Plan 2018–19, p. 30 |
| Target: There has been no detrimental effect to the people and the environment of the Alligator Rivers Regions, including Kakadu National Park, as a result of mining activities | |
| Yearly measures: Chemistry monitoring program detects no exceedances of statutory water quality limits Biological Monitoring program does not detect any changes to biodiversity outside the Ranger project area Bioaccumulation and radiation data that is collected and assessed demonstrates that the annual dose to people does not exceed statutory limits | |
| Activity: Environmental health | PBS 2018–19, p. 52 |
| Performance criterion: The Department's regulatory activities and policies relating to management of hazardous wastes, substances and pollutants support environmental health outcomes | Corporate Plan 2018–19, pp. 33–35 |
| Target: Import of controlled chemicals does not exceed the limits set out in the Ozone Protection and Synthetic Greenhouse Gas Management Act and regulations (listed as yearly measures) | |
| Yearly measures: Limit on imports in 2018 calendar year: HFC: 8.0 megatonnes CO ₂ e, HCFC: 2.5 ozone depleting (ODP) tonnes, MB: 29.73 tonnes non-quarantine and pre-shipment (QPS) | |
| Target: All Australians have access to timely, quality data on emissions and transfers of polluting or harmful substances | |
| Yearly measures: Review of National Pollutant Inventory Timely, quality data published by 31 March | |
| Target: The Department implements reforms to improve fuel quality | |
| Yearly measure: Review and remake the legislative instruments made under the <i>Fuel Quality Standards Act 2000</i> that sunset in October 2019 | |
| Target: Activities required by legislation are conducted within statutory time frames | |
| Yearly measures: Product Emissions Standards legislation commences Product Emissions Standards benchmarks for delivering on statutory time frames are set Increase on previous trends for existing legislation | |
| Target: Compliance activities are undertaken to deliver environmental health outcomes | |
| Yearly measure: Deliver priority outcomes outlined in the annual compliance plan | |

| | | |
|---|--|-----------------------------------|
| Climate Change Purpose: Develop and implement a national response to climate change | | |
| Activity: Reducing Australia's greenhouse gas emissions | | PBS 2018–19, pp. 59–61 |
| Performance criterion: Australia contributes to an effective global response to climate change | | Corporate Plan 2018–19, p. 40 |
| Target: Australia's national interests are well represented in the Paris Rulebook and frameworks for international markets | | |
| Yearly measure: Australia's domestic policy priorities are reflected in agreed elements of the Paris Rulebook | | |
| Performance criterion: Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond | | Corporate Plan 2018–19, p. 40 |
| Target: Department initiatives contribute to reducing Australia's greenhouse gas emissions | | |
| Yearly measures: Trends in Australia's emissions and projected emissions are on track to meet commitments Tracking against legislated large-scale renewable energy target of 33,000 GWh of eligible electricity generation in 2020 Tracking of Australian Government expenditure on clean energy research and development against 2015 levels (Target: \$216 million by 2020) Tracking of private finance invested in clean energy leveraged by CEFC Tracking of ARENA spending | | |
| Activity: Adapting to climate change | | PBS 2018–19, pp. 60–61 |
| Performance criterion: Effective management of climate risk and effective adaptation action by governments and the community | | Corporate Plan 2018–19, pp. 42–43 |
| Target: Australian Government agencies effectively manage climate risk | | |
| Yearly measures: Number of departments mapping climate risks Finalise Climate Compass, a guide to climate risk management in the Australian Public Service Finalise the National Climate Science Strategy | | |
| Target: The energy sector has climate information and support to manage its risks from climate change and extreme weather | | |
| Yearly measure: The information needs of the energy sector are identified | | |

Antarctica Purpose: Advance Australia's strategic, scientific and environmental interests in the Antarctic

| | |
|--|-----------------------------------|
| Activity: Antarctic science, policy and presence | PBS 2018–19, pp. 65–66 |
| Performance criterion: Antarctica and the Southern Ocean are protected, valued and understood | Corporate Plan 2018–19, pp. 45–46 |
| Target: Australian Antarctic Strategy and 20 Year Action Plan are implemented in accordance with stated time frames and priorities | |
| Yearly measures: Year Two activities achieved Year Five activities on track | |
| Target: Scientific research conducted in Antarctica and the Southern Ocean is internationally recognised and conducted in accordance with the Australian Antarctic Science Strategic Plan | |
| Yearly measures: Number of institutions collaborating in the Australian Antarctic Program (Target: average of at least 100 over previous five years) Number of scientific publications published in peer-reviewed journals (Target: average of at least 100 over previous five years) | |
| Target: Enhance the understanding and importance of Antarctica to Australia and the world | |
| Yearly measure: Reach as measured through traditional and social media metrics | |

Energy Purpose: Support the reliable, affordable, sustainable and secure operations of energy markets

| | |
|---|---|
| Activity: Energy market reform and energy efficiency programs | PBS 2018–19, pp. 72–74, PAES 2018–19, p. 38 |
| Performance criterion: The Department, in collaboration with the COAG Energy Council and energy market bodies, delivers national energy market reforms that support the long-term interests of consumers, including affordable, reliable and secure supply in gas and electricity markets | Corporate Plan 2018–19, pp. 48–49 |
| Target: Reduction in electricity bills for households and businesses | |
| Yearly measure: Cost of electricity bills for households and businesses | |
| Target: Department-led actions deliver against the Government's energy market reform priorities, including the retail market and gas market reforms | |
| Yearly measure: All actions for energy market reform measures are delivered within agreed time frames | |
| Performance criterion: National energy efficiency performance is improved | Corporate Plan 2018–19, p. 49 |
| Target: Demonstrated improvement in the energy efficiency performance of Australian office buildings, and appliances and equipment sold in Australia | |
| Yearly measures: Increase in the average National Australian Built Environment Rating System rating (weighted by building size), compared with the baseline year of 2017–18 All Greenhouse and Energy Minimum Standards product registrations are assessed and processed within time frames that allow products to be sold in Australia shortly after application New product determinations are implemented in a timely manner | |

| | |
|---|---|
| Activity: Energy security | PBS 2018–19, pp. 72–74, PAES 2018–19, p. 38 |
| Performance criterion: Timely, comprehensive and accurate analysis is provided that informs government decisions on energy security | Corporate Plan 2018–19, p. 50 |
| Target: National Energy Security Assessments provide information on the reliability, affordability and adequacy of Australia's energy supply | |
| Yearly measure: Deliver a review of national liquid fuel security | |
| Performance criterion: Australia moves towards compliance with its International Energy Agency stockholding obligation | Corporate Plan 2018–19, p. 51 |
| Target: Australia can effectively contribute to an International Energy Agency collective action | |
| Yearly measures: Procurement framework for oil stock tickets is in place Australia holds up to 400 metric kilotonnes of oil stock tickets | |
| Performance criterion: Commonwealth ownership of Snowy Hydro Limited promotes energy market competition and supports the transition of Australia's energy system | Corporate Plan 2018–19, p. 51 |
| Target: Governance arrangements to manage Commonwealth shareholding in Snowy Hydro Limited meet all statutory requirements | |
| Yearly measure: All statutory requirements met | |
| Activity: Science, information and research | PBS 2018–19, pp. 45–46 |
| Performance criterion: Data and information generated by the Department are used by stakeholders and/or support evidence-based decision-making | Corporate Plan 2018–19, pp. 53–56 |
| Target: The Department provides taxonomic information to the public and builds Australia's taxonomic capacity | |
| Yearly measures: Number of taxa revised or newly described under the ABRS (Target: 650) Number of researchers supported under the ABRS (Target: 100) | |
| Target: The Department has lifted the maturity of its information and data management to enhance discovery of, access to and use of data | |
| Yearly measures: All divisions actively contribute to a central dataset register All divisions are engaged in reformed information and data governance arrangements The Department has identified all critical and high-value datasets | |
| Target: National Environmental Science Program (NESP) projects deliver collaborative, practical and applied research to inform decision-making and/or on-ground action | |
| Yearly measures: 100 per cent of completed NESP projects* inform policy or management action with a target of at least one user in all cases NESP project outputs are discoverable, accessible and reusable as per the requirements of the Data Management and Accessibility Guidelines *Projects include those from all six hubs and emerging priorities funding | |

Continued next page

Continued

Target: Geological and bioregional assessments are completed for the Cooper, Isa and Beetaloo regions by June 2021 to inform decision-makers and the community

Yearly measure:
Baseline assessment reports for the Cooper and Isa regions published at www.bioregionalassessments.gov.au/

Target: National environmental-economic accounts are developed, publicly released and used by decision-makers

Yearly measures:
Foundational activities 1, 2 and 4 in the environmental-economic accounting Strategy and Action Plan have been completed
Foundational activities 3 and 5 have commenced

Target: Provide advice to regulators on the potential impacts of coal seam gas and large coal mining development proposals on water resources

Yearly measure:
All advice provided to regulators by the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) is delivered within statutory time frames and made publicly available

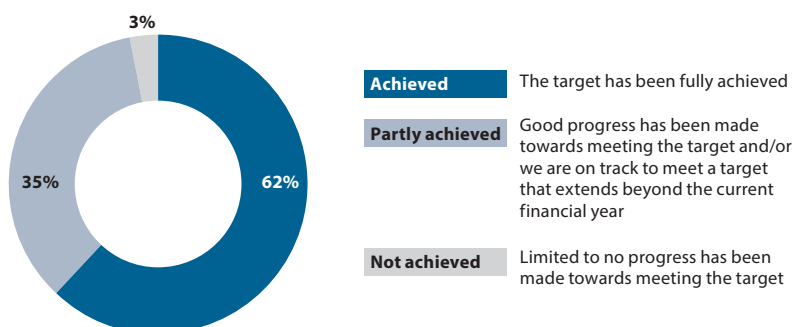
Overview of performance

In 2018–19, the Department successfully delivered outcomes across all four of its purposes and the science, information and research activity. Overall, we achieved 62 per cent and partly achieved 35 per cent of our performance measures. Two measures were not achieved. Our collaborative, evidence-based and professional approach to policy development, program delivery and regulatory activities was the cornerstone of our success.

Many of the policies and programs we implement have long-term objectives and there is a time lag between implementation and observed outcomes. Accordingly, some targets extend beyond the current financial year, and, while we demonstrate that we are on track to meet the target in the longer term, the targets are reported as partly achieved during the reporting period. In other cases, policies and programs are in the early stages of implementation. The two-yearly measures that were not achieved in 2018–19 relate to meeting statutory time frames for EPBC Act project decisions and decisions on international wildlife trade permits. We did not meet time frames because of the need to seek additional information from proponents; and significant workloads.

The chart below provides a graphical snapshot of our overall performance. The achievement ratings reflect the percentage of yearly measures achieved, partly achieved or not achieved across all four purposes and the cross-cutting science, information and research activity.

Figure 2.1: Performance snapshot overall



Overviews of our performance against each of our purposes are included under the following sections: Environment and Heritage (page 24), Climate Change (page 57), Antarctica (page 66), Energy (page 72) and the cross-cutting science, information and research activity (page 82).

Environment and Heritage Purpose: Conserve, protect and sustainably manage our environment and heritage

Overview of performance against purpose

Investment in the Great Barrier Reef

The Reef 2050 Long-Term Sustainability Plan (Reef 2050 Plan) aims to protect the Outstanding Universal Value of the Great Barrier Reef. In 2018–19, the Department and the Great Barrier Reef Marine Park Authority (GBRMPA) continued to implement the plan in partnership with the Queensland Government and other key stakeholders. The Australian Government's Reef Trust is a key program underpinning delivery of the Reef 2050 Plan. Funding of \$706 million has been allocated to the Reef Trust over ten years from 2014–15 for improving reef water quality, protecting and restoring coastal ecosystems, and protecting biodiversity and threatened species. A further \$54 million has been allocated over seven years from 2016–17, for delivering the Reef 2050 Plan through the National Heritage Trust.

In 2018–19 the Department implemented an important partnership in the delivery of Reef Trust projects—the \$443 million Reef Trust – Great Barrier Reef Foundation (GBRF) Partnership. The six-year grant between the Department, which manages the Reef Trust, and the Great Barrier Reef Foundation includes over \$200 million for water quality improvement, \$58 million for crown-of-thorns starfish control and \$100 million for reef restoration and adaptation science. The partnership represents a significant expansion of delivery capacity for reef protection programs.

Investment in biodiversity, natural resource management and heritage programs

The National Landcare Program is the Australian Government's central commitment to natural resource management. The first phase was completed in 2017–18. In 2018–19, in partnership with the Department of Agriculture and Water Resources, we worked to deliver the second phase of the program using a reformed regional delivery model under the Regional Land Partnerships Program, which involves an investment of \$450 million over five years from 2018–19.

Since 2014, the year the Threatened Species Commissioner was appointed, the Australian Government has invested more than \$425 million for projects supporting outcomes for threatened species. In 2018–19, the Government committed over \$170 million from the new Regional Land Partnerships initiative for projects that support threatened species and threatened ecological community outcomes. These investments have helped to tackle threats and have contributed to the recovery of Australia's threatened species. The Threatened Species Strategy Year Three Report, released in June 2019, showed that, while more work remains, prospects are improving for priority threatened species.

In 2018–19 the Australian Government announced the Australian Heritage Grants Program. Grants under the program strengthen recognition, conservation and preservation of National Heritage List place values and enrich appreciation of the values of these listed places through improved community engagement. Successful projects under the 2018–19 grants round will support management of ancient rock art sites, infrastructure upgrades to outstanding colonial buildings, enhancing the natural heritage values of sites and preparing management plans for National Heritage List places.

Environmental watering

In 2018–19 the Department delivered 853 GL of water for the environment across the Murray–Darling Basin. Approximately 400 GL was delivered from the Murray River valley which added to environmental flows from tributaries (approximately 221 GL). These flows supported environmental outcomes from Hume Dam to the Murray Mouth—a distance of over 2200 km. Benefits resulting from the delivery include growth of threatened moira grass in Barmah Forest; improved condition of native fish, including Murray cod and trout cod, in Barmah–Millewa Forest; breeding and recruitment of the endangered Murray hardyhead; the threatened Australasian bittern and little bittern appearing in Barmah Forest and breeding in Millewa Forest; and continuous flows into the Coorong, exporting excess salt from the Murray–Darling Basin. Our northern fish flow also travelled over 1200 km to provide relief to fish and other river animals and to river communities.

Environmental regulation

Under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), any actions that will have or are likely to have a significant impact on a matter of national environmental significance are referred to the Department for assessment. In 2018–19, we enhanced business systems and streamlined our processes to deliver better outcomes for matters of national environmental significance. We continued to identify and list nationally threatened species, ecological communities and heritage places as matters of national environmental significance and successfully regulated international wildlife trade, including international trade of *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES) listed and native species, and the import of regulated live species, to conserve Australia's biodiversity and meet international obligations.

The Department uses a range of compliance tools to support regulatory outcomes. Our compliance activities are risk based and informed by intelligence. We aim to encourage compliance, promote leading practice, establish trust with the regulated community, and assist businesses and individuals to understand and comply with the law.

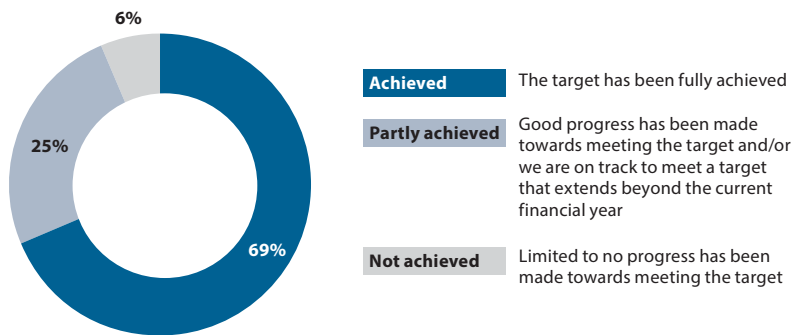
The Supervising Scientist coordinates and supervises the implementation of the regulatory arrangements for uranium mining in the Alligator Rivers Region, including undertaking environmental monitoring to assess the impacts of uranium mining on the biodiversity and ecological integrity of the region, which includes World Heritage listed Kakadu National Park. During 2018–19, no detectable impacts from mining activities were measured.

Environmental health

We continued our work in supporting environmental health by pursuing national approaches to managing hazardous wastes, substances and pollutants. In December 2018, Australia's environment ministers and the President of the Australian Local Government Association agreed to a new National Waste Policy. The policy provides a framework to guide collective national action on waste management, recycling and resource recovery until 2030. It is based on 'circular economy' principles, moving from a 'take, make, throw away' economy to one in which valuable resources are recirculated for as long as possible.

For our Environment and Heritage Purpose, 22 yearly measures were achieved and eight were partly achieved. Two-yearly measures related to statutory time frames were not achieved. Delays such as late applications and/or obtaining additional information to reach acceptable assessment outcomes were the most common factors behind not meeting the time frames.

Figure 2.2: Performance snapshot for Environment and Heritage Purpose



Activity: Investing in our environment and heritage

Relates to PBS Outcome 1 Program 1.1

Intended result:

Contribute to the improvement of the extent, condition and connectivity of Australia’s unique biodiversity and natural resources, consistent with national and international obligations, through protection of habitats and mitigation of threats to threatened species and ecological communities.

Analysis against activity

In 2018–19, the Department continued to deliver significant investment for improved outcomes for Australia’s biodiversity and heritage. Investments have contributed to habitat restoration, protection and threat mitigation for threatened species and ecological communities. We have had a strong focus on delivering Government investment to improve water quality and protect and restore coastal ecosystems and biodiversity. In 2018–19, we achieved six of the measures used to assess performance under this activity and partly achieved two measures.

The Department continues to pursue opportunities to improve the efficiency and effectiveness of our biodiversity and natural resource management investment programs. For example, in 2018–19 the Department used a procurement process to deliver investment under the Regional Land Partnerships Program to 54 management units. An open, competitive tender process enabled the Department to identify service providers that represent the best value for money, provide greater clarity about the services they deliver, and ensure outcomes are measurable.

The more than \$425 million for projects supporting outcomes for threatened species since 2014, coupled with efforts of the Threatened Species Commissioner to bring a national focus to priority issues (e.g. the threat of feral cats), have made an important contribution to achieving the Threatened Species Strategy targets. The Threatened Species Strategy uses a science-based approach, sets clear actions and supports partnerships to protect and recover Australia’s threatened plants and animals. Work under the strategy involves national efforts across states and territories and by a wide range of stakeholders. This collective effort is improving prospects for threatened species.

However, species recovery is a complex and lengthy process. Decline in some threatened species has occurred over many decades and cannot be reversed quickly, even with investment. Action undertaken since the strategy commenced, such as tree planting and creation of fenced areas, will generate benefits in the longer term and support future recovery targets. New investments under the reformed Regional Land Partnerships Program will also make important contributions to threatened species recovery efforts.

Partnerships also underpin our successful investment in the Great Barrier Reef. In 2018–19 the Department implemented an important partnership in the delivery of Reef Trust projects—the \$443 million Reef Trust – Great Barrier Reef Foundation (GBRF) Partnership. The partnership represents a significant expansion of delivery capacity for Reef protection programs. See case study on page 29.

A further change instigated in 2018–19 was the use of the Business Grants Hub to deliver a Reef Trust project. All departmental grants will be delivered via the whole-of-government hub arrangements in the future.

Performance results

| Performance criterion: Through investment and in collaboration with others, the Department contributes to the building of the Great Barrier Reef's resilience to respond to threats | |
|--|--|
| Target: Reef programs deliver on the Reef 2050 Plan and Reef Trust objectives | |
| Yearly measures | Results |
| Dollars invested | <p>Achieved</p> <p>The Department invested \$43,052,000 (GST exclusive) for Great Barrier Reef projects. In addition, the Great Barrier Reef Foundation committed an additional \$25,285,291 for Reef protection actions through the Reef Trust – GBRF Partnership.</p> <p>Data source: Budget tracking and reporting data</p> |
| Number of projects/contracts | <p>Achieved</p> <p>The Department managed 65 projects funded under the Reef Trust and Natural Heritage Trust (Reef 2050 Plan).</p> <p>Data source: Reef Branch Project Mega Tracker V1</p> |
| Project designs and contracts reflect the objectives of the Reef 2050 Plan and Reef Trust | <p>Achieved</p> <p>The Department funded two new projects under Phase VI of the Reef Trust:</p> <ul style="list-style-type: none"> › Reef Islands Initiative—Restoring and Protecting Island Ecosystems (a \$5 million Reef Trust contribution over five years) › Marine Debris Project—\$5 million over five years to deliver local actions to clean up litter and prevent it from entering Great Barrier Reef waterways. <p>Both projects align with Reef Trust outcomes and the themes of the Reef 2050 Plan and are consistent with the Reef Trust objective, outcomes and investment principles.</p> <p>Data sources: Internal proposal assessment documents Reef 2050 Long-Term Sustainability Plan <i>Reef Trust Special Account Determination 2014</i></p> |

Continued next page

| Performance criterion <i>(continued)</i> : Through investment and in collaboration with others, the Department contributes to the building of the Great Barrier Reef’s resilience to respond to threats | |
|--|---|
| Target <i>(continued)</i> : Reef programs deliver on the Reef 2050 Plan and Reef Trust objectives | |
| Yearly measures | Results |
| Project outcomes are fed into modelling and monitoring programs to inform reporting on Reef health | <p>Achieved</p> <p>All Reef projects with an on-ground component associated with water quality improvement related to agriculture reported data to the joint Australian and Queensland government funded Paddock to Reef Integrated Monitoring, Modelling and Reporting Program. This will also occur for relevant projects contracted under the Reef Trust – GBRF Partnership.</p> <p>Data from projects that delivered outcomes in 2016–17 and 2017–18 are reported in Reef Water Quality Report Card 2017 and 2018, to be released in 2019. Report cards track progress towards the Reef 2050 Water Quality Improvement Plan objectives and 2025 targets. The lag time between data collection and release of report cards is because of validation, analysis, scientific review and reporting.</p> <p>This data also informs the Great Barrier Reef Marine Park’s five-yearly outlook report, which examines the Great Barrier Reef’s health, the pressures it is under and its likely future. The report is scheduled for release in 2019.</p> <p>Outcomes from Reef projects for managing the current crown-of-thorns starfish outbreak are recorded and published by GBRMPA under the Eye on the Reef program.</p> <p>Data sources:</p> <p>Monitoring Evaluation Reporting and Improvement Tool (MERIT) in <i>Atlas of Living Australia</i> fieldcapture.ala.org.au</p> <p><i>Great Barrier Reef outlook report 2019</i></p> <p>Reef Water Quality Report Cards</p> <p>Eye on the Reef data</p> <p>Paddock to Reef Integrated Monitoring, Modelling and Reporting Program</p> |



Green turtle swimming over a coral reef at Heron Island in the Great Barrier Reef © David Harasti and the Department of the Environment and Energy

Reef Trust—Great Barrier Reef Foundation Partnership

In 2018–19 the Great Barrier Reef Foundation began delivering the innovative \$443.3 million Reef Trust – Great Barrier Reef Foundation Partnership.

In the first 12 months of the partnership, the foundation undertook a comprehensive planning and design phase, scaling up their operations and developing robust governance arrangements.

The foundation engaged with traditional owners and brought together expertise from a broad range of stakeholders to inform the development of partnership foundational plans, including an investment strategy, a monitoring and evaluation plan and the 2019–20 annual work plan.

The partnership will focus on embedding traditional owner involvement across all its components through a commitment that 10 per cent of the grant agreement will go towards traditional owner Reef-related activities.

The partnership has a collaborative investment target of \$300 million to \$400 million, to be raised from philanthropic, corporate and individual donations, plus contributed funds and effort from research and delivery partners.

To ensure no loss of momentum during the design phase in addressing challenges facing the Reef, the foundation also initiated a range of early investment projects. In 2018–19 the partnership invested \$22 million in more than 50 on-ground projects, including:

- › 11 water quality improvement projects in Reef catchments
- › 18 projects empowering traditional owners to expand their reef protection activities, including country-based planning and Indigenous junior ranger programs
- › 25 local action projects led by community groups and volunteer local marine advisory committees, including litter reduction, seagrass data collection and mangrove and turtle monitoring.

In 2019–20 the partnership will shift its focus to implementing the innovative protection agenda outlined in its annual work plan.

| Performance criterion: Australia's biodiversity including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are conserved and protected via targeted investments and collaborative partnerships | |
|--|---|
| Target: Threatened Species Strategy targets are met | |
| Yearly measure | Result |
| The 21 Threatened Species Strategy Year Three targets have been met | <p>Partly achieved</p> <p>The Department met 11 targets, partly met four targets and did not meet six targets.</p> <p>Highlights include:</p> <ul style="list-style-type: none"> › more than 18 million hectares are under feral cat control › more than 60 per cent of Australia's threatened plants are stored in conservation seed banks › six threatened birds and eight threatened mammals have improved trajectories › mallee emu-wrens were successfully translocated in the wild › there has been a doubling of the Norfolk Island green parrot population › as a result of feral cat control, the central rock-rat is at reduced risk of extinction. <p>Data sources:</p> <p>Assessment against Threatened Species Strategy targets draws on data held by the Australian Government and other government and non-government sources and is published in the Year Three Report at the following link:</p> <p>www.environment.gov.au/biodiversity/threatened/publications/strategy-home</p> |

| Target: Program objectives are delivered under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program | |
|---|---|
| Yearly measures | Results |
| Project designs and contracts reflect the objectives of the programs | <p>Achieved</p> <p><i>Regional Land Partnerships Program</i></p> <p>The Department procured around 140 projects to deliver on the four environment outcomes of the Regional Land Partnerships Program: improving the trajectory of priority threatened species; improving the condition of threatened ecological communities; reducing threats to our Ramsar wetlands; and reducing threats to our world heritage sites.</p> <p><i>Improving Your Local Parks and Environment Program</i></p> <p>The Department contracted 39 projects that are delivering against Improving Your Local Parks and Environment Program objectives. Projects will continue until the program ends in June 2020.</p> <p><i>Australian Heritage Grants Program</i></p> <p>The 2018–19 Australian Heritage Grants Program grants round is completed. The Department executed 29 contracts for National Heritage List projects that will contribute to the program's objectives.</p> <p>Data source:</p> <p>MERIT in <i>Atlas of living Australia</i></p> <p>fieldcapture.ala.org.au</p> |

Continued next page

Target (continued): Program objectives are delivered under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program

| Yearly measures | Results |
|--|---|
| Projects/contracts deliver against contracted activities to deliver project objectives | <p>Achieved</p> <p><i>Regional Land Partnerships Program</i></p> <p>Most of the 140 Regional Land Partnerships Program projects are ongoing and not due to finish until June 2023, however contracted activities for the first year were delivered in 2018–19.</p> <p><i>Improving Your Local Parks and Environment Program</i></p> <p>The 39 Improving Your Local Parks and Environment Program projects will continue until the program ends in June 2020.</p> <p><i>Australian Heritage Grants Program</i></p> <p>Project work for the 29 National Heritage List projects is scheduled to commence in 2019–20.</p> <p>Data sources:</p> <p>MERIT in <i>Atlas of living Australia</i> fieldcapture.ala.org.au</p> <p>Progress reports from grant recipients (provided via the Department of Industry, Innovation and Science Business Grants Hub)</p> |

Target: Contracts are in place to deliver Australian Government investment under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program

| Yearly measures | Results |
|---|--|
| <p>Dollars invested per program</p> <p>Number of projects/contracts per program</p> | <p>Partly achieved</p> <p><i>Regional Land Partnerships Program</i></p> <p>The Department has already procured services totalling \$446 million of the \$450 million available under the Regional Land Partnerships Program. The remaining \$4 million is to be contracted in 2019–20. We have procured services from 49 service providers, including 140 environment projects. Most of the procured projects are ongoing and not due to finish until June 2023.</p> <p><i>Improving Your Local Parks and Environment Program</i></p> <p>The Improving Your Local Parks and Environment Program budget of \$5.436 million is fully committed, with 39 projects delivering against program objectives. Projects will continue until the program ends in June 2020.</p> <p><i>Australian Heritage Grants</i></p> <p>In 2018–19, the Department executed 29 contracts with committed funding totalling \$5.8 million. Project work is scheduled to commence in 2019–20.</p> <p>Data sources:</p> <p>MERIT in <i>Atlas of living Australia</i> fieldcapture.ala.org.au</p> <p>Delivery agreements between the Department and the grants service provider (Business Grants Hub in the Department of Industry, Innovation and Science)</p> <p>Information on grants, published on the Department's website www.environment.gov.au</p> <p>Progress reports from grant recipients</p> |



City of Broken Hill—Silver City Highway © Department of the Environment and Energy

Australian Heritage Grants Program

In the 2018–19 Budget, the Australian Government announced the commencement of the Australian Heritage Grants Program, an ongoing heritage program which covers all National Heritage places (listed for natural, Indigenous or historic heritage values). The program replaced the completed Protecting National Historic Sites Program and the National Trust Partnership Program.

The Australian Heritage Grants Program will provide \$5.3 million funding each year to 2022–23 to strengthen recognition, conservation and preservation of National Heritage List place values and to enrich appreciation of the values of listed National Heritage places through improved community engagement. There are currently 116 places included in the National Heritage List and all are eligible to apply for funding under the Australian Heritage Grants Program.

Twenty-nine projects were successful under the 2018–19 grants round. These will support a range of activities including the management of ancient rock art sites, infrastructure upgrades to outstanding colonial buildings, enhancing the natural heritage values of sites and preparing management plans for National Heritage List places. Successful projects awarded in 2018–19 included:

- › removal and management of feral animals from high value areas in the West Kimberley including around rock art sites, rivers and wetlands and known areas of high biodiversity
- › conservation activities including surveying for priority and emerging weeds, and undertaking targeted weed control and site rehabilitation in the Kosciuszko National Park to address key objectives in the park's Plan of Management and the Australian Alps National Parks Strategic Plan
- › Yirrganydji cultural landscape recognition, management and engagement in the Great Barrier Reef and Wet Tropics of Queensland through developing a living cultural landscape atlas, cultural landscape heritage management plan and communication products including using 3D animation technology to bring Yirrganydji Indigenous stories and languages to life
- › development of a values planning framework to assist the community, council and statutory authorities to identify, protect, enhance and manage those values through the proposals, strategies and projects that take place within the City of Broken Hill.

Activity: Environmental watering

Relates to PBS Outcome 1 Program 1.3

Intended results:

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.

Improve the knowledge of, and inform decision-making on, the impacts to and management of water-dependent ecosystems consistent with international and national obligations.

Analysis against activity

The Australian Government has progressively acquired water to protect and restore the health of rivers, wetlands and floodplains of the Murray–Darling Basin. The Commonwealth Environmental Water Holder manages the water acquired for this purpose. The CEWH's management decisions, including on delivery, carryover and trade, are guided by the *Water Act 2007* and the Murray–Darling Basin Plan 2012 (the Basin Plan) and the Basin-wide Environmental Watering Strategy. It is also informed by seasonal climatic conditions, operational arrangements and advice from state and federal agencies, local communities, traditional owners and scientists.

The Basin Plan is a partnership between the Australian and Basin state and territory governments that sets the amount of water that can be taken from the Basin each year without negatively affecting rivers, lakes and wetlands, and plants and animals. Commonwealth environmental water contributes to the achievement of targets set in the plan. It is delivered to achieve environmental outcomes in conjunction with other sources of water, including natural flows, state-owned environmental water and irrigation water.

The Basin Plan is being implemented progressively and, as such, outcomes achieved are proportional to the progress made with respect to water recovery and implementation of state policy settings and operational arrangements. We achieved all three measures associated with our management and use of environmental water.

In 2018–19 the Department coordinated the implementation of the *Convention on Wetlands of International Importance* (Ramsar Convention) in Australia, including by improving documentation of the values and threats to our Ramsar wetlands, promoting wetland research and supporting implementation of priority protection and restoration activities. We partly achieved our measure related to implementation of the Ramsar Convention.

Performance results

| Performance criterion: Protect and restore water-dependent ecosystems and functions in the Murray–Darling Basin | |
|---|---|
| Target: Water dependent ecosystems are protected and restored | |
| Yearly measures | Results |
| <p>Commonwealth environmental water contribution to:</p> <ul style="list-style-type: none"> › the restoration of the hydrological regime which includes relevant flow components set out in the Basin Plan (section 8.51(1)(b))* | <p>Achieved</p> <p>Commonwealth water contributed to the restoration of a range of flow components that contribute to environmental outcomes such as improved river health and support for native fish, species and vegetation communities.</p> <p>In 2018–19 over 853 GL of Commonwealth environmental water was delivered across a range of flow components, including base flows and freshes, consistent with delivery in preceding years and the Basin Plan. See case study: Providing water for the environment throughout the Murray River valley, page 37.</p> <p>Data sources: State and Australian Government agencies involved in the Murray–Darling Basin Authority’s Living Murray Program</p> <p>Unpublished data from the Commonwealth Environmental Water Office (CEWO)</p> <p>Long-term intervention monitoring (LTIM) project</p> <p>Final acquitted data from 2018–19 and 2017–18 will be published on the CEWO webpage when it becomes available www.environment.gov.au/water/cewo</p> <p>The analysis of hydrological data for this measure is complex and involves multiple parties. Therefore, there is a lag time (approx. 9 months) between the end of year and the time when results are available to be published www.environment.gov.au/system/files/resources/b2b80f4a-b187-49d4-b24f-b792a0d7ae1a/files/2016-17-basin-evaluation-hydrology-report.pdf</p> |
| <p>Commonwealth environmental water contribution to:</p> <ul style="list-style-type: none"> › hydrological connectivity between the river and floodplain and between hydrologically connected valleys | <p>Achieved</p> <p>In 2018–19, the delivery of Commonwealth environmental water contributed to improved lateral and longitudinal connectivity in a similar way to the previous year’s delivery.</p> <p>In 2017–18, Commonwealth environmental water contributed to improved lateral connectivity and included 259,413 ha of lakes and wetlands (including the Lower Lakes, Coorong and Murray Mouth) and 36,951 ha of floodplain inundation.</p> <p>In 2017–18, Commonwealth environmental water contributed to watering actions (by flow component) along approximately 19,142 km of waterway.</p> |

Continued next page

| Target (continued): Water dependent ecosystems are protected and restored | |
|---|---|
| Yearly measures | Results |
| | <p>Data sources:</p> <p>The analysis of hydrological data for this measure is complex and involves multiple parties. Therefore, there is a lag time (approx. nine months) between the end of year and the time when results are published.</p> <p>Data from 2018–19 and 2017–18 will be published on the CEWO webpage when it becomes available.</p> <p>www.environment.gov.au/water/cewo</p> <p>Data from state and Australian Government agencies involved in the Murray–Darling Basin Authority’s Living Murray Program</p> <p>Unpublished data from the CEWO LTIM project</p> <p>2016–17 Basin-scale evaluation of Commonwealth environmental water—Hydrology</p> <p>www.environment.gov.au/system/files/resources/b2b80f4a-b187-49d4-b24f-b792a0d7ae1a/files/2016-17-basin-evaluation-hydrology-report.pdf</p> |
| Target: Adequate flushing of salt from the River Murray system into the Southern Ocean | |
| Yearly measure | Result |
| Murray–Darling Basin salt export* | <p>Achieved</p> <p>In 2018–19, more than 376 GL of Commonwealth environmental water was delivered through the Lower Lakes barrages, contributing to the export of salt from the Murray River.</p> <p>Trends over time indicate that Commonwealth environmental water has consistently contributed to the export of salt over the Lower Lakes barrages (see Table 2.3). Results for 2018–19 will be reported in the annual report next year.</p> <p>In 2017–18, Commonwealth environmental water contributed to the export of 240,722 tonnes (69 per cent) of the salt over the Lower Lakes barrages to the Coorong. All water delivered over the Lower Lakes barrages contributed to the cumulative export of 349,893 tonnes of salt from the Murray–Darling Basin (see Figure 2.3).</p> <p>Data sources:</p> <p>Long-term intervention monitoring project, short-term intervention monitoring, data from other state and Commonwealth agencies (e.g. Murray–Darling Basin Authority’s Living Murray program)</p> <p>Data from 2018–19 and 2017–18 will be published on the CEWO webpage when it becomes available.</p> <p>www.environment.gov.au/water/cewo</p> <p>CEWO LTIM project Lower Murray River 2017–18 summary report and technical report</p> <p>www.environment.gov.au/system/files/resources/dd763d84-4d33-4ce5-b8dd-b2fc77ae90d8/files/cewo-ltim-lower-murray-2017-18-summary-report.pdf</p> <p>www.environment.gov.au/system/files/resources/dd763d84-4d33-4ce5-b8dd-b2fc77ae90d8/files/cewo-ltim-lower-murray-2017-18-technical-report.pdf</p> |

* The volumes of Commonwealth environmental water reported above as delivered during 2018–19 are based on operational reporting provided by state-based delivery partners. These volumes are the best available; however, they are subject to minor revision by the responsible state authorities as they finalise state water accounts. Final acquitted volumes of Commonwealth environmental water delivery will be published on the website of the CEWO (www.environment.gov.au/water/cewo).

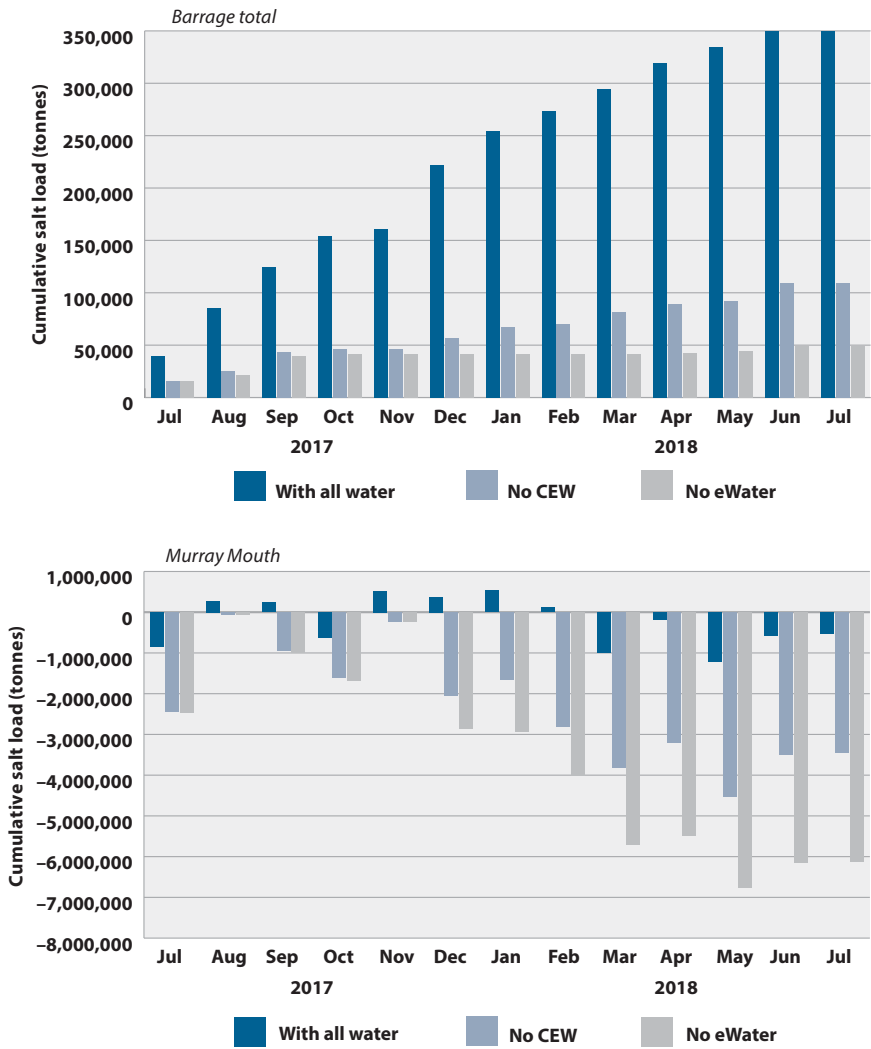
Table 2.3: Four-year record of modelled salt export (tonnes) over the barrages to the Coorong Lakes, 2014–15 to 2017–18

| Scenario | 2014–15 | 2015–16 | 2016–17 | 2017–18 |
|----------------|---------|---------|-----------|---------|
| With all water | 446,855 | 288,516 | 1,504,541 | 349,893 |
| Due to CEW* | 285,064 | 251,632 | 120,867 | 240,722 |
| Due to eWater | 294,449 | 257,485 | 186,750 | 300,970 |

*CEW: Commonwealth environmental water

Source: www.environment.gov.au/system/files/resources/dd763d84-4d33-4ce5-b8dd-b2fc77ae90d8/files/cewo-ltim-lower-murray-2017-18-summary-report.pdf

Figure 2.3: Cumulative salt export from the Murray–Darling Basin, 2017–18



Source: www.environment.gov.au/system/files/resources/dd763d84-4d33-4ce5-b8dd-b2fc77ae90d8/files/cewo-ltim-lower-murray-2017-18-technical-report.pdf



The Murray River at Budgee Creek in Barmah State Forest © John Baker and the Department of the Environment and Energy

Providing water for the environment throughout the Murray River valley

In 2018–19 the Department delivered approximately 400 GL of water for the environment along the Murray River below Hume Dam. This water added to environmental flows from tributaries (approximately 221 GL), supporting environmental outcomes from Hume Dam to the Murray Mouth—a distance of over 2200 km.

Benefits resulting from the delivery include:

- › growth of threatened moira grass in Barmah Forest
- › improved condition of native fish, including Murray cod and trout cod, in Barmah–Millewa Forest
- › threatened Australasian bittern and little bittern appearing in Barmah Forest and breeding in Millewa Forest
- › breeding and recruitment of the endangered Murray hardyhead, including new discoveries in South Australia and translocations to New South Wales, where this species has been absent for 10 years
- › movement of migratory fish species, including lamprey and congolli, between the Coorong, Lower Lakes and River Murray
- › better feeding grounds for waterbirds in the Lower Lakes and Coorong Ramsar site
- › greater diversity of plants fringing the Lower Lakes
- › continuous flows into the Coorong, exporting excess salt from the Murray–Darling Basin and supporting favourable estuarine conditions.

Delivery of the water relied on partnerships with state and regional water and land managers, river operators, traditional owners and local communities.

Very dry conditions in 2018–19 presented challenges for water management organisations responsible for balancing the needs of communities, industry, agriculture and the environment. As a result, some environmental objectives could not be met. In particular, the total volume of flow into the Coorong was 377 GL, significantly below the annual minimum target of 650 GL.



Aerial view over the Macquarie Marshes Nature Reserve © Allan Fox and the Department of the Environment and Energy

Building wetland resilience and supporting native fish communities in the Macquarie River valley

Over winter and spring 2018–19, the Department, in collaboration with New South Wales Government agencies, delivered 126,477 ML of water for the environment to the Macquarie River and Macquarie Marshes. Of this, 51,401 ML was Commonwealth environmental water. The delivery of water for the environment was aimed at building resilience in the system and to support native fish, waterbirds and frogs. It provided a refuge for these species to help last out the drought.

The environmental water delivered to the Macquarie catchment supported some parts of the Ramsar-listed wetland areas of the Macquarie Marshes by maintaining core areas of semi-permanent wetlands, providing habitat for migratory waterbirds and supporting biological diversity.

The water delivered to the catchment and marshes supported approximately 7.5 per cent of wetland vegetation, including reeds, water couch, mixed marsh and river red gum, and provided habitat for at least 42 species of waterbirds, including the nationally endangered Australasian bittern and migratory shorebird species such as Latham's snipe and sharp-tailed sandpiper. Water for the environment supported breeding and recruitment of frogs in the marshes and provided opportunities for native fish (e.g. Murray cod and freshwater catfish) to move and spawn.

The Department, the New South Wales Office of Environment and Heritage, the New South Wales Department of Primary Industries (Fisheries) and other agencies were involved in the water delivery. The New South Wales Office of Environment and Heritage undertook most of the ecological monitoring during the watering action.

| Performance criterion: Australia's priority wetlands are identified, conserved and protected | |
|--|--|
| Target: Ramsar Information Sheets for Wetlands of International Importance listed under the Ramsar Convention (Ramsar sites) are prepared and updated, and include appropriate descriptions of the ecological character of the sites and threats to the sites | |
| Yearly measure | Result |
| Ramsar Information Sheet updates completed for 10 Ramsar sites | <p>Partly achieved</p> <p>Ramsar Information Sheet updates include information on the ecological character of each Ramsar site, threats to the sites, management arrangements and monitoring activities.</p> <p>Ramsar site managers completed eight Ramsar Information Sheet updates in 2018–19.</p> <p>Four Ramsar Information Sheet updates were published on the Ramsar Secretariat's Ramsar Sites Information Service: Ord River Floodplain, Ginini Flats Wetland Complex, Shoalwater and Corio Bays, and Glenelg Estuary and Discovery Bay. Four Ramsar Information Sheets have been submitted to the Ramsar Secretariat but are yet to be published: Moreton Bay, Corner Inlet, Kerang Wetlands, and Edithvale–Seaford.</p> <p>Delays in completing Ramsar Information Sheet updates were due to the new Ramsar Information Sheet format within the newly established online Ramsar Sites Information Service and the need to transfer information and update information in that database.</p> <p>Data sources:</p> <p>Six-monthly reports by Commonwealth and state and territory members of the Wetlands and Aquatic Ecosystems Sub-Committee on the status of the RIS updates</p> <p>Ramsar Sites Information Service, managed by the Ramsar Secretariat, which holds the latest RIS for each site</p> <p>rsis.ramsar.org</p> <p>Australian Wetlands Database</p> <p>www.environment.gov.au/water/wetlands/australian-wetlands-database</p> |

Activity: Regulating to protect our environment and heritage

Relates to PBS Outcome 1 Programs 1.4 and 1.5

Intended results:

Identify, protect and conserve our world and nationally significant natural, Indigenous and historic heritage places, threatened species, ecological communities, cetaceans and migratory species.

Contribute to protecting internationally traded flora and fauna consistent with national and international obligations.

Support sustainable development outcomes by delivering efficient and effective regulation of matters of environmental significance.

Analysis against activity

The Department uses regulatory tools, including approvals, licences and permits, incentives, schemes and standards, to identify and protect threatened species and ecological communities and significant natural, Indigenous and historic heritage places. We regulate wildlife trade (imports and exports) to protect Australia's biodiversity and species threatened by international trade (species listed under the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES)) and to allow sustainable use of wildlife resources. We also have a regulatory role in protecting the Alligator Rivers Region from the impacts of uranium mining.

The *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) is the Commonwealth's central piece of environment legislation. Under this legislation, any actions that will have or are likely to have a significant impact on a matter of national environmental significance are referred to the Department for assessment.

In 2018–19, the Department achieved five measures used to assess performance under this activity, partly achieved three measures and did not achieve two measures.

In 2018–19 we continued our efforts to reform and streamline our administration of environmental regulation. For example, the transition to a new permit application and processing system for international wildlife trade decisions resulted in 89 per cent of decisions being made within the statutory time frame of 40 business days.

While we enhanced our business systems and continued to streamline our processes, fewer EPBC Act project decisions were made within the statutory time frame in 2018–19, compared with 2017–18. Delays are due to high workloads and working with project proponents to obtain additional information. This is an area of continued focus for the Department.

We continued to use assessments provided through the common assessment method for assessing nationally threatened species and ecological communities. This national environmental regulatory reform enables consistent listing across Australia. Thirty-one of the species listing decisions this year aligned the Commonwealth threat status of species with that of relevant states and territories.

During 2018–19, no impacts of uranium mining on the biodiversity and ecological integrity of the Alligator Rivers Region were detected. These results provide independent assurance to the regulatory authorities and the Minister, that the significant cultural and environmental values of the World Heritage listed Kakadu National Park have been protected.

Performance results

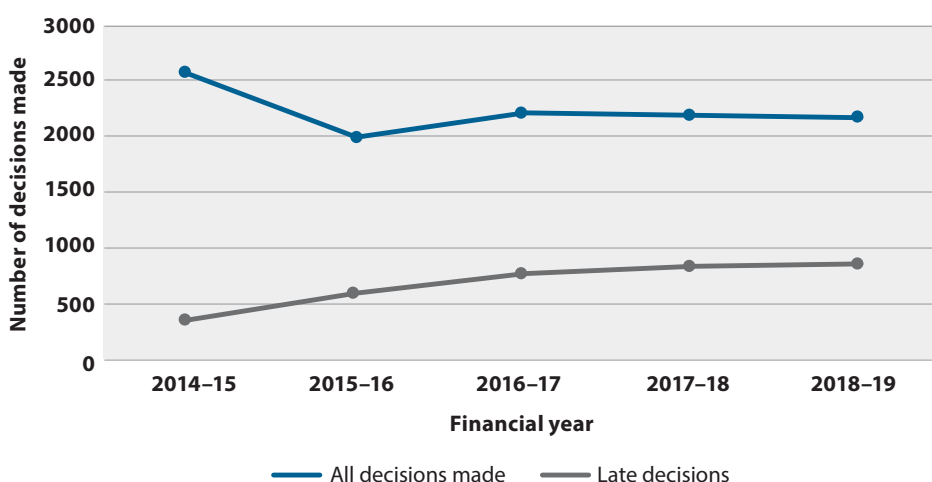
Performance criterion: Australia's biodiversity, including priority threatened species, ecological communities, cetaceans, and migratory species, and significant heritage places are identified, conserved and protected through regulation

Target: Activities required by legislation are conducted within statutory time frames

| Yearly measure | Result |
|---|---|
| Increase on previous trends across the following areas: <ul style="list-style-type: none"> EPBC Act project decisions | <p>Not achieved</p> <p>In 2018–19, 60 per cent of EPBC Act project decisions were made within statutory time frames (see Figure 2.4). A total of 2161 decisions were made, of which 861 were late. In 2017–18, 62 per cent were made within statutory time frames (2196 decisions made, of which 842 were late).</p> <p>Delays typically occur with high workloads and when working with project proponents to obtain additional information and reach acceptable environmental assessment outcomes. The case study on 'Environment Assessment and approvals training' details training for staff involved in environment assessments and approvals under the EPBC Act, page 42.</p> <p>See Appendix 4, 'Operation of the EPBC Act', for further information on referrals made under the EPBC Act, page 240.</p> <p>Data source: Internal Environmental Impact Assessment System database</p> |

Continued page 43

Figure 2.4: Number of EPBC Act statutory referral decisions versus late decisions, 2014–15 to 2018–19



Note: These statistics vary from one annual report to another with improvements in data quality and methodology. The figures in this graph are a revised and updated set of data on referral decisions.



Speaker presenting at a training course © Shutterstock

Environment assessment and approvals training

As recommended by a 2015–16 review of the Department’s regulatory processes, our Environment Standards Division offers a comprehensive formal training program for staff who are involved in environment assessments and approvals under the EPBC Act. This builds our capacity to undertake effective, legally robust assessments and helps to drive consistency across our regulatory practices. It fosters a collaborative culture of learning and knowledge sharing.

Attendance at these training sessions increased in 2018–19 with 116 new participants. Trainees included assessment staff with varying levels of experience from across the Department and officers from the New South Wales Department of Planning and Office of Environment and Heritage who undertake EPBC assessments under bilateral agreements

| Performance criterion (<i>continued</i>): Australia's biodiversity, including priority threatened species, ecological communities, cetaceans, and migratory species, and significant heritage places are identified, conserved and protected through regulation | |
|---|---|
| Target (<i>continued</i>): Activities required by legislation are conducted within statutory time frames | |
| Yearly measures | Results |
| <p>Increase on previous trends across the following areas:</p> <ul style="list-style-type: none"> listing of a species or community decision, conservation advice, recovery plans, listing of key threatening processes, threat abatement plans | <p>Partly achieved</p> <p><i>Listing of a species or community decision</i></p> <p>The statutory assessment completion time frame for Threatened Species Scientific Committee advice being provided to the Minister was met for all assessments completed in 2018–19. This is an improvement on 2017–18 results, when advice on the listing of one ecological community was provided late to the Minister.</p> <p><i>Conservation advice</i></p> <p>The Ministers or their delegate approved 51 conservation advices for species and four conservation advices for ecological communities in 2018–19.</p> <p>Conservation advices were published on the website within 10 days of approval, meeting all statutory time frames, as for 2017–18.</p> <p><i>Recovery plans</i></p> <p>In 2018–19 five recovery plans were made or adopted under the EPBC Act. Consistent with the four recovery plans approved in 2017–18, none were completed within statutory time frames.</p> <p><i>Listing of key threatening processes</i></p> <p>No key threatening processes were listed in 2017–18 or 2018–19.</p> <p><i>Threat abatement plans</i></p> <p>We made two threat abatement plans in 2018–19, whereas we made one in 2017–18. There is no statutory time frame requirement.</p> <p>See Appendix 4 for further information on species and ecological communities (pages 242–243) and Tables A4.A.7 to A4.A.11 (pages 254–258).</p> <p>Data sources:</p> <p>EPBC Act lists of threatened flora, fauna and ecological communities</p> <p>Species Profiles and Threats (SPRAT) database www.environment.gov.au/cgi-bin/sprat/public/sprat.pl</p> <p>Register of Federal Legislation for legislative instruments giving effect to threatened species and ecological community and key threatening process listing decisions and recovery plans www.legislation.gov.au</p> |
| <p>Increase on previous trends across the following areas:</p> <ul style="list-style-type: none"> › wildlife trade permits | <p>Not achieved</p> <p>The Department made 3307 decisions on international wildlife trade permit applications under Part 13A of the Act, resulting in 3109 permits being issued. Eighty-nine per cent of decisions were made within the statutory time frame, compared with 92 per cent in 2017–18.</p> <p>See Appendix 4 for further information on international wildlife trade (pages 244–246) and Tables A4.A.12 to A4.A.14 (pages 259–260), and A4.A.16, (page 261).</p> <p>Data sources:</p> <p>Permits Administration Workflow System and Customer Relationship Management databases</p> |

Performance criterion (continued): Australia's biodiversity, including priority threatened species, ecological communities, cetaceans, and migratory species, and significant heritage places are identified, conserved and protected through regulation

Target (continued): Activities required by legislation are conducted within statutory time frames

| Yearly measures | Results |
|---|--|
| <p>Increase on previous trends across the following areas:</p> <ul style="list-style-type: none"> › listing of live imports on the Register of Federal Legislation | <p>Achieved</p> <p>In 2018–19 the Minister approved seven additions to the live import list. In 2017–18 three additions were made to the list. There is no statutory time frame requirement.</p> <p>See Appendix 4 for further information on live imports (pages 245–246).</p> <p>Data source: Register of Federal Legislation for legislative instruments giving effect to live import list decisions www.legislation.gov.au/Series/F2019L00626</p> |

Target: 100 per cent of listed threatened species and ecological communities have an approved conservation advice and/or recovery plan

| Yearly measure | Result |
|-------------------------------------|--|
| Percentage meeting this requirement | <p>Partly achieved</p> <p>99.8 per cent of nationally listed species and ecological communities have either a conservation advice or a recovery plan in place.</p> <p>Data source: SPRAT database www.environment.gov.au/cgi-bin/sprat/public/sprat.pl</p> |

Target: All Australian properties included on the list of World Heritage are well managed

| Yearly measure | Result |
|---|---|
| Percentage of World Heritage Management Plans that are consistent with World Heritage Management Principles | <p>Partly achieved</p> <p>In 2018–19 Australia had 19 World Heritage listed properties. Management plans for these properties are required to be consistent with the management principles in the EPBC Regulations. A complete assessment of management plans against the principles has not been finalised.</p> <p>The most recent International Union for Conservation of Nature (IUCN) <i>World Heritage Outlook</i> report (2017) assessed all Australia's World Heritage properties with natural heritage values as having effective or highly effective management arrangements in place. Reports for all of these properties are available online.</p> <p>Management planning documents are under revision for the Greater Blue Mountains Area, the Wet Tropics of Queensland World Heritage Area and the Gondwana Rainforests of Australia.</p> <p>In 2018, the Australian Convict Sites: Strategic Management Framework was agreed. The framework ensures there are appropriate arrangements for the ongoing protection, management and presentation of the sites within national and state institutional structures.</p> <p>A grant under the 2018–19 Australian Heritage Grants Program will allow a revised World Heritage Management Plan to be developed for the Royal Exhibition Building in Melbourne, Victoria.</p> |

| | |
|--|---|
| Target (continued): All Australian properties included on the list of World Heritage are well managed | |
| Yearly measures | Results |
| | <p>Data sources:</p> <p>Project Agreement for World Heritage Management www.federalfinancialrelations.gov.au/content/npa/environment/project-agreement/PA_World_Heritage_Management.pdf</p> <p>IUCN <i>World Heritage Outlook</i> report www.worldheritageoutlook.iucn.org</p> <p>World Heritage List www.environment.gov.au/heritage/places/world-heritage-list</p> <p>Australian Convict Sites: Strategic Management Framework www.environment.gov.au/heritage/publications/aust-convict-sites-strategic-management-framework</p> |
| Performance criterion: Compliance is used to deliver environmental and heritage outcomes | |
| Target: Compliance activities are undertaken to deliver environment and heritage outcomes | |
| Yearly measure | Result |
| Deliver priority outcomes outlined in the annual compliance plan | <p>Achieved</p> <p>In 2018–19 the Department had four priority outcomes for compliance under this measure:</p> <ul style="list-style-type: none"> › Increase engagement with national environmental law, focusing on the EPBC Act and agricultural development › Disrupt wildlife crime › Compliance with EPBC Act approvals › Minimise exposure to fraud. <p><i>Increase engagement with national environmental law, focusing on the EPBC Act and agricultural development</i></p> <p>The Office of Compliance responded to 37 enquiries from the agriculture sector in New South Wales, indicating the value in reaching out to key stakeholders.</p> <p><i>Disrupt wildlife crime</i></p> <p>In 2018–19, the Office of Compliance undertook 28 new criminal investigations and commenced nine intelligence operations.</p> <p>Of 31* investigations and nine search warrants executed for alleged wildlife trafficking, 48 packages were seized containing 269 specimens being illegally shipped to 10 countries. Most of the packages were destined for Hong Kong. Other destinations included mainland China, Indonesia, Taiwan, Romania, Hungary, Sri Lanka, South Korea, Russia and Thailand.</p> <p>The Office of Compliance managed three prosecutions and referred one matter to the Commonwealth Director of Public Prosecutions. Of the matters in court, one was finalised, resulting in an individual receiving a suspended custodial sentence of one year, 10 months and 27 days.</p> |

Performance criterion (*continued*): Compliance is used to deliver environmental and heritage outcomes

Target (*continued*): Compliance activities are undertaken to deliver environment and heritage outcomes

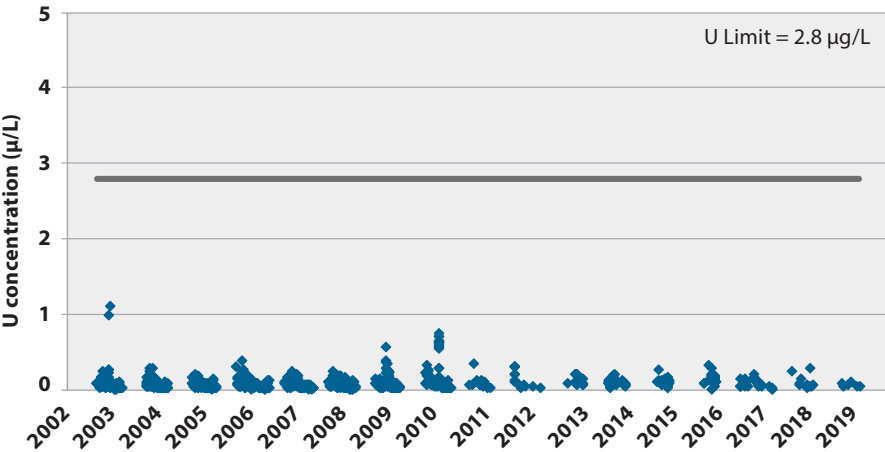
| Yearly measure | Result |
|----------------|--|
| | <p><i>Compliance with EPBC Act approvals</i></p> <p>In 2018–19, the Office of Compliance received 236 allegations of non-compliance and conducted 69 site inspections, with 65 cases commenced to investigate compliance. Of the finalised compliance investigations from matters commenced in 2018–19, 21 resulted in a warning letter being issued, one resulted in a directed audit and one infringement notice was issued. Six projects investigated were determined to be compliant.</p> <p><i>Minimise exposure to fraud</i></p> <p>As of July 2018, the Office of Compliance is currently investigating two EPBC Act related fraud cases.</p> <p>*This number includes 28 new investigations plus 3 investigations carried over from previous financial year</p> <p>Data sources: Office of Compliance quarterly reporting:</p> <ul style="list-style-type: none"> › target knowledge base › compliance and enforcement database (CEMS iBase) › client relationship manager › infringement notice register and compliance outcomes |

Performance criterion: The Alligator Rivers Region environment remains protected from uranium mining effects consistent with statutory requirements

Target: There has been no detrimental effect to the people and environment of the Alligator Rivers Regions, including Kakadu National Park, as a result of mining activities

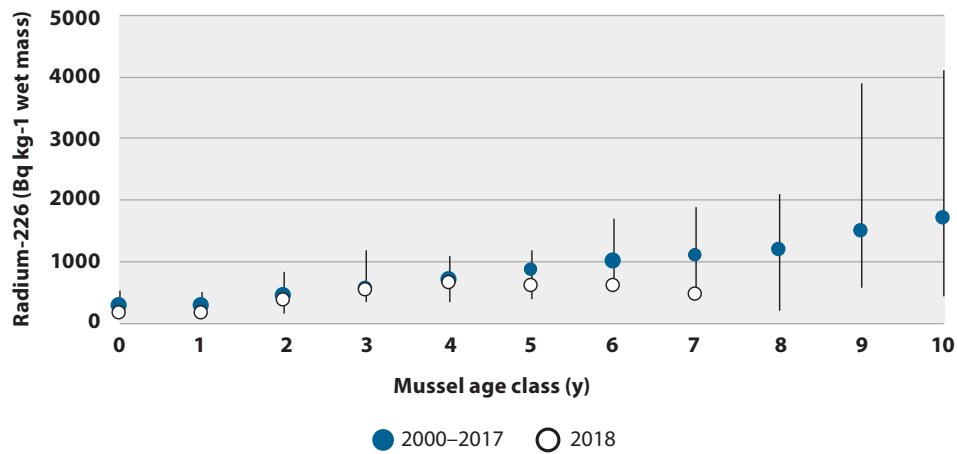
| Yearly measures | Results |
|---|--|
| Chemistry monitoring program detects no exceedances of statutory water quality limits | <p>Achieved</p> <p>Results of the Supervising Scientist's chemical monitoring program showed no exceedances of the statutory Ranger water quality objectives throughout the 2018–19 wet season. For example, concentrations of uranium in surface water downstream of the Ranger mine remained well below the limit of 2.8 µg/L (see Figure 2.5). See case study: Cumulative ecological risk assessment for the Ranger uranium mine, page 49.</p> <p>Data sources: Supervising Scientist publications www.environment.gov.au/science/supervising-scientist</p> |
| Biological monitoring program does not detect any changes to biodiversity outside the Ranger project area | <p>Achieved</p> <p>Results of the Supervising Scientist's biological monitoring program showed that downstream biological diversity, as measured using macroinvertebrate and fish communities, was protected, based on the observations and data that had been analysed as at 30 June 2019.</p> <p>Data sources: Supervising Scientist publications www.environment.gov.au/science/supervising-scientist</p> |

Figure 2.5: Uraniumx—Concentrations of uranium in surface water downstream of Ranger uranium mine, 2002–2018



| Target <i>(continued)</i> : There has been no detrimental effect to the people and environment of the Alligator Rivers Regions, including Kakadu National Park, as a result of mining activities | |
|---|--|
| Yearly measures | Results |
| Bioaccumulation and radiation data that is collected and assessed demonstrates that the annual dose to people does not exceed statutory limits | <p>Achieved</p> <p>The 2018 mine derived annual dose from radon decay products in air has been estimated to be 0.022 mSv, which is below the public dose limit of 1 mSv per year and comparable to previous years' results.</p> <p>Results of the bioaccumulation monitoring program were within the range reported in previous years, indicating that radionuclides in indicator species were of natural origin and not due to the operation of the mine (see Figure 2.6).</p> <p>Data sources: Supervising Scientist publications www.environment.gov.au/science/supervising-scientist</p> |

Figure 2.6: Radiationx—Radium-226 concentrations in freshwater mussels downstream of Ranger uranium mine, 2000–2017 and 2018





East Alligator River, Kakadu National Park © Department of the Environment and Energy

Cumulative ecological risk assessment for the Ranger uranium mine

In collaboration with the Commonwealth Science and Industrial Research Organisation, the Department has developed cumulative ecological risk assessment (CERA) models for the Ranger uranium mine. This project aimed to characterise the cumulative risks of multiple stressors, including their interactions, to aquatic and terrestrial ecosystems.

While earlier screening-level ecological risk assessments for the rehabilitation and closure of Ranger focused on the risks of multiple individual stressors in isolation from each other, the CERA models account for interactions between multiple stressors. In this way, they can help to determine whether and how the risk profile changes when interactions between stressors are considered.

The project produced both qualitative and quantitative CERA models.

The **qualitative** models describe the key ecological processes that are vital for sustaining terrestrial and aquatic ecosystems. These models provide a useful basis for identifying the ecological indicators that should be monitored to enable healthy ecosystems to be maintained or restored.

The **quantitative** models were constructed using the available datasets for terrestrial and aquatic ecosystems. This process has facilitated the collation, quality-checking and cataloguing of data needed to inform ecological risk assessments and has highlighted where further knowledge is required. The quantitative models for the aquatic ecosystem are able to predict the additive risk of contaminants for which there are biological-effects data. They were built with current knowledge about the biological effects of major contaminants and historical exposure data. Their primary purpose will be to assess the outputs from surface water quality modelling being undertaken by the mine operator.

The CERA models will help to provide a transparent basis for decision-making by enabling prospective management interventions at Ranger to be tested and assessed before implementation.

Activity: Environmental health

Relates to PBS Outcome 1 Program 1.6

Intended result:

Protect the environment through national approaches to effectively and efficiently manage hazardous waste, substances and pollutants.

Analysis against activity

The Department undertakes regulatory activities and policy and program functions to assist in protecting the health of Australia's environment from hazardous wastes, substances and pollutants. We are responsible for administering the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, the *Product Stewardship Act 2011*, the *Product Stewardship (Oil) Act 2011*, the *Product Emissions Standards Act 2017*, the *Hazardous Waste (Regulation of Exports and Imports) Act 1989*, the *National Environment Protection Measures (Implementation) Act 1998* and the *Fuel Quality Standards Act 2000*.

In 2018–19, we implemented our regulatory responsibilities on environmental health matters. We achieved eight measures used to assess performance under this activity and partly achieved two measures. The measure for the review of the National Pollutant Inventory (NPI) was partly achieved because the NPI Review Steering Committee is yet to make its final recommendations. We made good progress with remaking legislative instruments under the *Fuel Quality Standards Act 2000* during 2018–19 and are on track to finalise the remaining instruments before they sunset on 1 October 2019.

The Department's work with co-regulators and stakeholders improves compliance with national environmental laws and assists businesses and individuals to understand and comply with the law and to support environmental health outcomes. Our compliance activities are risk based and informed by intelligence.

Performance results

| Performance criterion: The Department's regulatory activities and policies relating to management of hazardous wastes, substances and pollutants support environmental health outcomes | |
|--|--|
| Target: Import of controlled chemicals does not exceed the limits set out in the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> and regulations (listed as yearly measures) | |
| Yearly measures | Results |
| Limit on imports in 2018 calendar year: › HFC: 8.0 megatonnes CO ₂ e | <p>Achieved</p> <p>7.889 megatonnes CO₂e of Hydrofluorocarbon (HFC) was imported in 2018, consistent with quotas set in the legislation.</p> <p>Data sources: <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> Ozone Licensing and Reporting System UNEP, Ozone Secretariat ozone.unep.org/countries/data</p> |
| Limit on imports in 2018 calendar year: › HCFC: 2.5 ozone-depleting potential (ODP) tonnes | <p>Achieved</p> <p>2.498 ODP tonnes of Hydrochlorofluorocarbons (HCFC) was imported in 2018, consistent with domestic quotas set in the legislation and well in advance of our international obligations.</p> <p>Data sources: <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> Ozone Licensing and Reporting System UNEP, Ozone Secretariat ozone.unep.org/countries/data</p> |
| Limit on imports in 2018 calendar year: › MB: 29.73 tonnes non-quarantine and pre-shipment (QPS) | <p>Achieved</p> <p>Consistent with our international obligations and legislation, 29.73 tonnes of methyl bromide was imported for non-quarantine and pre-shipment purposes.</p> <p>See Appendix 10 for legislative reporting on the operation of the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i>, page 278.</p> <p>Data sources: <i>Ozone Protection and Synthetic Greenhouse Gas Management Act</i> Ozone Licensing and Reporting System UNEP, Ozone Secretariat ozone.unep.org/countries/data</p> |

| Performance criterion <i>(continued)</i> : The Department’s regulatory activities and policies relating to management of hazardous wastes, substances and pollutants support environmental health outcomes | |
|---|---|
| Target : All Australians have access to timely, quality data on emissions and transfers of polluting or harmful substances | |
| Yearly measures | Results |
| Review of National Pollutant Inventory | <p>Partly achieved</p> <p>On 2 July 2018, the NPI Review Steering Committee released a discussion paper seeking public comments to inform a review of the NPI. A total of 60 stand-alone submissions were received. In addition, 314 people used a form on the Environmental Justice Australia website to make a submission.</p> <p>The objectives of the review are to identify whether the right substances are reported, the most valuable information collected, and that information collection is cost-effective.</p> <p>Data sources: Review of the National Pollutant Inventory—discussion paper and submissions www.npi.gov.au/resource/review-national-pollutant-inventory-discussion-paper-and-submissions National Pollutant Inventory www.npi.gov.au</p> |
| Timely, quality data published by 31 March | <p>Achieved</p> <p>On 29 March 2019, the Department published NPI data for 2017–18 (the 20th year of NPI publication of emissions from industry).</p> <p>The NPI provides the community, industry and governments with free information about emission estimates for 93 toxic substances and the source and location of these emissions. The 2017–18 data also details emissions from 4180 industry facilities, collected by state and territory governments.</p> <p>In 2018–19, NPI data was the most frequently viewed dataset published by the Department on data.gov.au, attracting a total of 2944 views.</p> <p>Data sources: National Pollutant Inventory www.npi.gov.au Data.gov.au data.gov.au/site-usage/dataset?month=&publisher=doee</p> |
| Target : The Department implements reforms to improve fuel quality | |
| Yearly measure | Result |
| Review and remake the legislative instruments made under the <i>Fuel Quality Standards Act 2000</i> that sunset in October 2019 | <p>Partly achieved</p> <p>Nine legislative instruments sunset in October 2019. The petrol and automotive diesel determinations were remade on 18 March 2019. The fuel quality standards regulations were remade on 4 April 2019.</p> <p>The remaining fuel quality standards (biodiesel, autogas, ethanol E10, Ethanol E85) are on track to be finalised before they sunset on 1 October 2019.</p> <p>Data source: Amended petrol and automotive diesel determination and fuel quality standards regulations published on the Federal Register of Legislation www.legislation.gov.au</p> |

| Target: Activities required by legislation are conducted within statutory time frames | |
|--|---|
| Yearly measures | Results |
| Product Emission Standards legislation commences | <p>Achieved</p> <p>The <i>Product Emissions Standards Act 2017</i> helps improve our air quality by setting emissions standards and stopping high-emitting products from entering Australia. It commenced on 15 September 2017. The <i>Product Emissions Standards Rules 2017</i> commenced on 5 January 2018.</p> <p>Import offences under the rules took effect on 1 July 2018.</p> <p>Data sources: The <i>Product Emissions Standards Act 2017</i> www.legislation.gov.au/Details/C2017A00104 The <i>Product Emissions Standards Rules 2017</i> www.legislation.gov.au/Details/F2018L00021</p> |
| Product Emissions Standards benchmarks for delivering on statutory time frames are set | <p>Achieved</p> <p>The <i>Product Emissions Standards Rules 2017</i> establish statutory time frames of 60 days for the processing of applications for exemptions and certifications.</p> <p>The Department processed all applications received within the statutory time frame.</p> <p>Data source: Data from the Client Relationship Management system developed for the Product Emissions Standards legislation</p> |
| Increase on previous trends for existing legislation | <p>Achieved</p> <p>Consistent with the previous financial year, in 2018–19 the Department met all applicable statutory time frames under the <i>Fuel Quality Standards Act 2000</i>. See Appendix 6 for legislative reporting on the operation of the Act, page 269.</p> <p>Consistent with the previous financial year, in 2018–19 the Department met all applicable statutory time frames under the <i>Hazardous Waste (Regulation of Exports and Imports) Act 1989</i>, which controls the export, import and transit of hazardous waste through a permitting system. See Appendix 8 for legislative reporting on the operation of the Act, page 274.</p> <p>Data sources: Permit notices www.environment.gov.au/protection/hazardous-waste/application-and-permit-notices Import and export licences www.environment.gov.au/protection/ozone/licences-and-reporting</p> |

| Performance criterion <i>(continued)</i> : The Department’s regulatory activities and policies relating to management of hazardous wastes, substances and pollutants support environmental health outcomes | |
|---|--|
| Target : Compliance activities are undertaken to deliver environmental health outcomes | |
| Yearly measure | Result |
| Deliver priority outcomes outlined in the annual compliance plan | <p>Achieved</p> <p>In 2018–19 the priority outcomes for compliance under this target were to:</p> <ul style="list-style-type: none">› reduce emissions to air from fuel and of ozone-depleting substances› disrupt hazardous waste crime. <p><i>Reduce emissions to air from fuel and of ozone depleting substances</i></p> <p>In 2018–19, the Office of Compliance engaged with 363 retail fuel sites. Where non-compliance was detected, the Department took action with the industry to ensure the supply of fuel is compliant with the requirements of the <i>Fuel Quality Standards Act 2000</i>.</p> <p>In 2018–19, the Department issued three infringement notices under the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i>. Two infringement notices were issued to two entities who imported equipment containing scheduled substances without a licence. A third infringement notice was issued to a domestic permit holder who discharged a scheduled substance while carrying out work on air conditioning equipment. All infringement notices have been paid.</p> <p>The Department has disrupted non-compliant behaviour in relation to imports of bulk HFCs and possession of bulk HFC without the relevant permits. In 2018–19, the Department seized three containers of bulk HFCs or approximately three tonnes of scheduled substance.</p> <p><i>Disrupt hazardous waste crime</i></p> <p>In 2018–19, the Office of Compliance continued to work with border agencies and industry to prevent the illegal export of hazardous waste, conducted an intelligence operation aimed at disrupting related illegal activity and had one case before the court.</p> <p>Data sources:</p> <p>Office of Compliance quarterly reporting:</p> <ul style="list-style-type: none">› target knowledge base› compliance and enforcement database (CEMS ibase)› client relationship manager› infringement notice register and compliance outcomes› compliance section statistics weekly report. |



One of the pathways for environmental release for these chemicals is through some types of firefighting foams © Shutterstock

Per- and Poly-fluoroalkyl Substances National Environmental Management Plan

The Department successfully coordinated development of the Per- and Poly-fluoroalkyl Substances National Environmental Management Plan (PFAS NEMP), which all Australian environment ministers agreed to in January 2018. Building on this success, we led a national collaborative process to develop new guidance for PFAS in four priority areas: environmental guideline values, soil reuse, wastewater management, and onsite containment.

On 7 December 2018, Australia's environment ministers agreed to national consultations on the new draft guidance. Open public forums held in every capital city attracted over 500 attendees representing industry groups, airports, ports, energy and water utilities, waste management providers, mining and petroleum companies, consultants, all levels of government, and environmental groups. The sessions involved discussion of a broad range of issues, from technical questions about the science underpinning associated standards to practical questions about applying the guidance at work sites.

Community attendees praised the science-based approach of the PFAS NEMP and urged environmental regulators to keep up the good work of protecting both people and wildlife. The Department, along with state and territory environment regulators, delivered presentations to various bilateral meetings and technical and advisory forums. Around 50 written submissions were received, which include useful suggestions on future priorities.

Input received during the consultation process is informing a revised PFAS NEMP, which is expected to be considered by environment ministers later in 2019. The high level of engagement in the consultations demonstrates the value of the NEMP as essential guidance on the shared challenge of PFAS contamination for businesses, managers of contaminated sites, regulators, consultants and the public.



Mugga Lane landfill site, Canberra © Department of the Environment and Energy

Australia's new National Waste Policy

In December 2018, Australia's environment ministers and the President of the Australian Local Government Association set a unified direction for waste and recycling in Australia by agreeing to a new National Waste Policy.

The policy provides a framework to guide collective national action on waste management, recycling and resource recovery until 2030. It is based on 'circular economy' principles, moving from a 'take, make, throw away' economy to one in which valuable resources are recirculated for as long as possible.

Australian governments also agreed to develop a national action plan to implement the 2018 National Waste Policy. The plan will include targets to drive action and will address waste priorities including reducing plastic pollution, supporting industry development, increasing demand for recycled materials and taking a national approach to waste policy and regulation.

The Department is working with the community, the business sector, the waste and resource recovery industry, state and territory governments and the Australian Local Government Association to draft the action plan.

Climate Change Purpose: Develop and implement a national response to climate change

Overview of performance against purpose

In 2018–19 the Department continued to implement the Government’s climate change policies and programs to meet Australia’s emissions reduction targets. We also implemented measures to increase resilience of Australian Government operations and activities to climate change impacts.

The Department continued to support practical action by businesses and the community to lower emissions through the Emissions Reduction Fund, the National Carbon Offset Standard and the Renewable Energy Target. The Department continued to support clean energy innovation by coordinating Australia’s participation in Mission Innovation and working with other agencies responsible for research and development funding to encourage more investment in clean energy research and development.

Australia remains on track to meet its 2020 emissions reduction target of reducing emissions by 5 per cent below 2000 levels. In the year to December 2018, emissions per capita and the emissions intensity of the economy were at their lowest levels in 29 years. Progress towards achieving Australia’s Renewable Energy Target has contributed to the status of electricity sector emissions, with the 2020 target of 33,000 gigawatt hours (GWh) of additional large-scale renewable energy generation due to be met and exceeded.

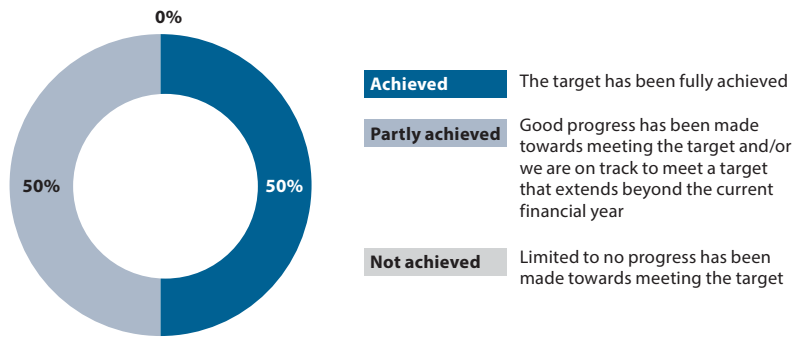
The Department supported the Government to develop the Climate Solutions Package, which was announced in February 2019.

The 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) was held in December 2018 in Katowice, Poland (the Katowice Climate Change Conference). Its outcome was in line with Australia’s domestic climate change priorities, increasing our confidence that claimed emissions reductions and climate action globally are genuine.

We have continued our work to support climate risk management capability. The Australian Government Disaster and Climate Resilience Reference Group, co-chaired by the Department and the Department of Home Affairs, met four times in 2018–19. Over this period the group conducted two scenario exercises with other Australian Public Service departments to inform understanding of climate risks; and continued to map disaster and climate risks in Australian Government agency policies, programs and assets. An important achievement during 2018–19 was our work with Australian Government agencies and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to finalise *Climate compass: a climate risk management framework for Commonwealth agencies*.

In 2018–19, we either achieved or partly achieved all measures under our Climate Change Purpose. Those that were partly achieved are generally ongoing in nature. Further information on our progress, including the factors that contributed to our success, is included below.

Figure 2.7: Performance snapshot for Climate Change Purpose



Activity: Reducing Australia’s greenhouse gas emissions

Relates to PBS Outcome 2 Programs 2.1 and 2.3

Intended results:

- Shape the global response to climate change and achieve Australia’s greenhouse gas emissions reduction targets.
- Increase uptake of low-cost clean energy technologies.
- Prepare the economy to deliver on climate commitments to 2030 and beyond.
- Support the Australian Renewable Energy Agency and the Clean Energy Finance Corporation.

Analysis against activity

In 2018–19 the Department continued to develop and implement policies and programs that reduce emissions. This includes boosting energy productivity, storing carbon in the landscape, increasing renewable energy supply, driving innovation, and enabling voluntary action.

We continued to shape the global response to climate change by supporting negotiations on the implementation of the Paris Agreement and building other countries’ capacity to reduce emissions. We achieved the yearly measure related to our international engagement.

Australia’s emissions projections 2018 reported that Australia is on track to overachieve its 2020 target. This measure and two others that relate to departmental initiatives contributing to reducing Australia’s greenhouse gas emissions were achieved. The two measures that were partly achieved extend beyond the current financial year (that is, the Large-scale Renewable Energy Target (LRET) and clean energy research and development expenditure).

There has been significant progress towards the Renewable Energy Target (RET). Record investment in large-scale renewable energy projects during 2018 means there will be enough new capacity to exceed the 2020 LRET target of 33,000 gigawatt hours. There was also an unprecedented level of investment in small-scale solar photovoltaic (PV) systems in 2018, with over 1.5 million kilowatts of solar PV capacity installed.

Our progress towards our intended results is affected by international treaties, negotiations and agreements, changes in technology, economic circumstances including consumer and business trends, and policies at other levels of government. One example of external factors affecting our ability to achieve targets under this activity is the ongoing growth of our liquefied natural gas exports, which contribute to global emissions reductions but increase our domestic emissions.

Performance results

| | |
|--|--|
| Performance criterion: Australia contributes to an effective global response to climate change | |
| Target: Australia's national interests are well represented in the Paris Rulebook and frameworks for international markets | |
| Yearly measure | Result |
| Australia's domestic policy priorities are reflected in agreed elements of the Paris Rulebook | <p>Achieved</p> <p>At COP24 the Parties to the Paris Agreement agreed on matters of implementation which provide a common platform for all countries to account for their commitments under the agreement. This is a strong outcome in line with Australia's domestic priorities, ensuring all parties are taking emissions reduction action commensurate to our own.</p> <p>Data sources: Decisions of the Conference of Parties serving as the meeting of Parties to the Paris Agreement adopted at the Katowice Climate Change Conference unfccc.int/decisions_katowice_climate_package</p> |
| Performance criterion: Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond | |
| Target: Department initiatives contribute to reducing Australia's greenhouse gas emissions | |
| Yearly measure | Result |
| Trends in Australia's emissions and projected emissions are on track to meet commitments | <p>Achieved</p> <p>The National Greenhouse Accounts track progress towards Australia's international emissions reduction targets.</p> <p>Based on Australia's 2018 emissions projections, published in December 2018, Australia is on track to meet and exceed its 2020 target by 367 million tonnes of carbon dioxide equivalent (Mt CO₂e).</p> <p>Australia's 2030 target is to reduce emissions by 26 per cent to 28 per cent on 2005 levels. The latest estimated emissions reduction task for 2021 to 2030 is 328 Mt CO₂-e to 395 Mt CO₂-e, including overachievement against previous targets.</p> <p>The \$3.5 billion Climate Solutions Package announced in February 2019 lays out how the Government plans to achieve the 2030 target.</p> <p>Data sources: Quarterly update of Australia's national greenhouse gas inventory, December 2018 www.environment.gov.au/climate-change/climate-science-data/greenhouse-gas-measurement/publications/quarterly-update-australias-nggi-dec-2018</p> <p>Australia's emissions projections and reporting to the United Nations Framework Convention on Climate Change</p> <p>Australia's emissions projections 2018 www.environment.gov.au/climate-change/publications/emissions-projections-2018</p> <p>Climate Solutions Package www.environment.gov.au/climate-change/climate-solutions-package</p> |



The Emissions Reduction Fund supports projects in the land sector, including reforestation © Arthur Mostead and the Department of the Environment and Energy

Meeting our climate change targets and providing opportunities for Australian businesses, communities and landholders

The Emissions Reduction Fund is a voluntary scheme that creates incentives for Australian businesses, communities and landholders to adopt new practices and technologies to reduce greenhouse gas emissions. Eligible activities include improving energy efficiency, diverting waste from landfill, and land sector activities such as revegetation and fire management in northern Australia.

To date, more than 780 projects have been registered through the fund, covering all sectors of the economy.

As well as providing new sources of revenue for Australian businesses, emissions reduction activities improve biodiversity, increase agricultural productivity, reduce energy bills and create employment opportunities for Indigenous Australians.

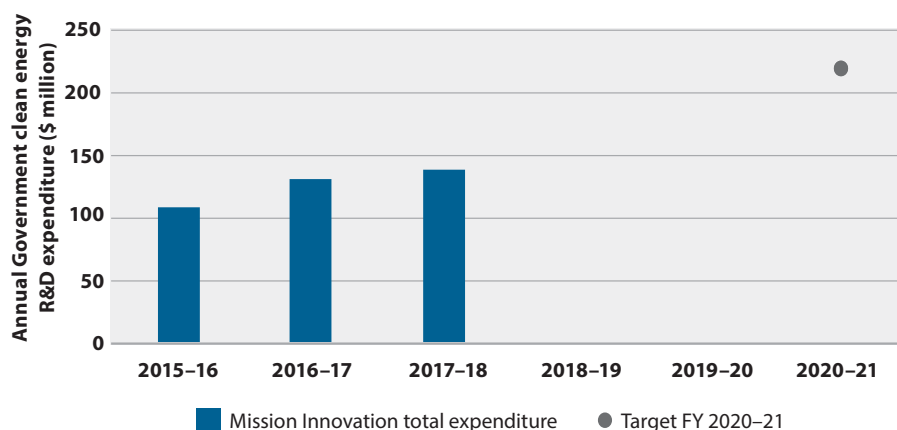
The Department works closely with businesses, governments, Indigenous organisations and technical experts in the design of the fund, in particular to develop the rules for estimating emissions reductions for eligible projects. The integrity of the fund is strengthened by the expert advice of the independent Emissions Reduction Assurance Committee which ensures these emissions reductions are genuine.

Relevant facts and figures:

- › By the end of 2018–19, eight reverse auctions had been held, with over 450 projects securing carbon abatement contracts to deliver over 190 million tonnes of low-cost abatement. This is helping Australia meet its 2020 and 2030 emissions reduction targets.
- › In February 2019, the Government announced the Climate Solutions Package—a \$3.5 billion investment to deliver 328 million tonnes of abatement needed to meet our 2030 Paris target. The package includes a further \$2 billion for the Emissions Reduction Fund, bringing the total investment in the fund since 2015 to \$4.5 billion.

| Performance criterion (continued): Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond | |
|--|--|
| Target (continued): Department initiatives contribute to reducing Australia's greenhouse gas emissions | |
| Yearly measures | Results |
| Tracking against legislated Large-scale Renewable Energy Target of 33,000 GWh of eligible electricity generation in 2020 | <p>Partly achieved</p> <p>The Clean Energy Regulator has confirmed that the Large-scale Renewable Energy Target of 33,000 GWh will be met in 2020.</p> <p>The Clean Energy Regulator previously estimated that 6400 megawatts (MW) of new renewable projects would need to be built between 2016 and 2019 to meet the 2020 target.</p> <p>Since the start of 2016, 6055 MW of new renewable projects have been built and are operational, and a further 6484 MW firmly announced (as at 31 May 2019). This pipeline of projects is more than what is required to meet the target.</p> <p>Data sources: Clean Energy Regulator 2018 Renewable Energy Target Annual Statement on progress towards the 2020 target www.cleanenergyregulator.gov.au/About/Pages/Accountability%20and%20reporting/Administrative%20Reports/The-2018-Renewable-Energy-Target-Annual-Statement---Progress-towards-the-2020-target.aspx Clean Energy Regulator Large-scale Renewable Energy Target market data www.cleanenergyregulator.gov.au/RET/About-the-Renewable-Energy-Target/Large-scale-Renewable-Energy-Target-market-data</p> |
| Tracking of Australian Government expenditure on clean energy research and development against 2015 levels (Target: \$216 million by 2020) | <p>Partly achieved</p> <p>Australia is making progress towards achieving its Mission Innovation pledge to double clean energy research and development spending to \$216 million by 2020.</p> <p>In 2017–18 (the latest year for which data is available) Australian public investment in clean energy research and development totalled \$136.9 million, a 27 per cent increase on our 2015–16 Mission Innovation baseline as shown in Figure 2.8.</p> <p>Data sources: Data from research and development funding organisations (e.g. ARENA; Department of Industry, Innovation and Science)</p> |

Figure 2.8: Annual clean energy research and development expenditure



| Performance criterion <i>(continued)</i> : Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond | |
|--|--|
| Target <i>(continued)</i> : Department initiatives contribute to reducing Australia's greenhouse gas emissions | |
| Yearly measures | Results |
| Tracking of private finance invested in clean energy leveraged by the CEFC | <p>Achieved</p> <p>In 2018–19 the CEFC committed \$1.5 billion.</p> <p>Since its inception in 2012, the CEFC has made investment commitments of more than \$7.2 billion towards projects with a total value of over \$24 billion.</p> <p>Data sources: CEFC quarterly investment reports and annual reports https://www.cefc.com.au/market-insights/statutory-reports/quarterly-reports/ www.cefc.com.au/media/402154/cefc_fy19_investment_update.pdf</p> |
| Tracking of ARENA spending | <p>Achieved</p> <p>In 2018–19, ARENA committed \$188.1 million in grant funding to renewable energy projects.</p> <p>Since its inception in 2012, ARENA has provided \$1.44 billion in grant funding to 478 projects contributing to projects with a total value of \$5.49 billion.</p> <p>Data sources: ARENA quarterly reports, ad hoc updates, annual reports and project reporting arena.gov.au/about/publications/</p> |

Activity: Adapting to climate change

Relates to PBS Outcome 2 Program 2.2

Intended result:

Provide guidance, support and information to increase the resilience of Australian Government operations and activities to climate change impacts, and assist businesses and communities to manage their climate risks.

Analysis against activity

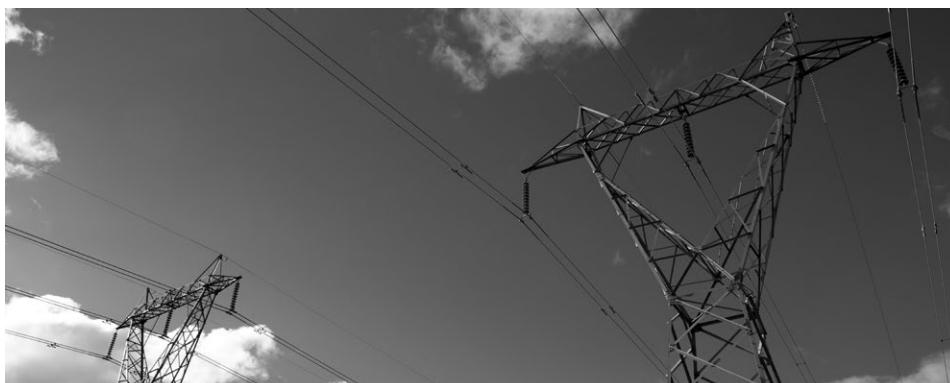
Strong engagement and collaboration between the Department and our partner agencies is vital to improve climate change resilience and climate risk management. A good example of this engagement and collaboration is our work with Australian Government agencies and the CSIRO to finalise *Climate compass: a climate risk management framework for Commonwealth agencies* (Climate Compass).

The Department achieved one measure associated with this activity and partly achieved the remaining three measures. Of the measures that we partly achieved, two are ongoing in nature (departments mapping climate risks, and identifying the climate information needs of the energy sector). Advice on finalising the National Climate Science Strategy is expected to be provided to the Minister for the Environment and the Minister for Industry, Innovation and Science in early 2019–20.

Performance results

| Performance criterion: Effective management of climate risk and effective adaptation actions by governments and the community | |
|--|--|
| Target: Australian Government agencies effectively manage climate risk | |
| Yearly measures | Results |
| Number of departments mapping climate risks | <p>Partly achieved</p> <p>Three departments, in addition to ours, have completed a scan of climate risks. This work is continuing.</p> <p>In 2018–19 the Department held five climate risk masterclasses, which were attended by officers from 20 Commonwealth agencies.</p> <p>For information on how the Department is considering climate risk, see page 111 in the 'Management and accountability' section.</p> <p>Data sources: Work plan tracking, information provided by agencies at meetings, minutes of the Australian Government Disaster and Climate Resilience Reference Group</p> |
| Finalise Climate Compass, a guide to climate risk management in the Australian Public Service | <p>Achieved</p> <p>Climate Compass was finalised in late 2018 and is publicly available on the Department's website.</p> <p>It provides step-by-step guidance on how to consider and manage climate risks, including a technical supplement with information on climate change, climate risk and sources of further information.</p> <p>Data sources: Work plan tracking, information provided by agencies at meetings, minutes of the Australian Government Disaster and Climate Resilience Reference Group</p> <p>Final version of Climate Compass http://www.environment.gov.au/climate-change/adaptation/publications/climate-compass-climate-risk-management-framework </p> |

| | |
|--|---|
| Performance criterion <i>(continued)</i> : Effective management of climate risk and effective adaptation actions by governments and the community | |
| Target <i>(continued)</i> : Australian Government agencies effectively manage climate risk | |
| Yearly measures | Results |
| Finalise the National Climate Science Strategy | <p>Partly achieved</p> <p>The National Climate Science Advisory Committee provides strategic direction for Australian climate science research.</p> <p>In 2018–19 the committee advanced the National Climate Science Strategy. It is expected to provide its advice to the Minister for Industry, Innovation and Science and the Minister for the Environment in early 2019–20.</p> <p>Data sources:</p> <p>Work plan tracking, information provided by agencies at meetings, minutes of the Australian Government Disaster and Climate Resilience Reference Group</p> |
| Target: The energy sector has climate information and support to manage its risks from climate change and extreme weather | |
| Yearly measure | Result |
| The information needs of the energy sector are identified | <p>Partly achieved</p> <p>The Electricity Sector Climate Information project completed the first year of a three-year program.</p> <p>See the 'Developing improved climate and extreme weather information for the electricity sector' case study for further information, page 65.</p> <p>Data sources:</p> <p>Ongoing management of the program, contracted schedule of deliverables, milestone reports from contracted providers</p> |



Transmission towers carrying high-voltage powerlines can be vulnerable to extreme weather events such as high-intensity winds and heatwaves © Department of the Environment and Energy

Developing improved climate and extreme weather information for the electricity sector

The Electricity Sector Climate Information project is designed to improve climate information and awareness of climate risks in the National Electricity Market (NEM). The intention is to make the NEM increasingly reliable and resilient by providing fit-for-purpose climate information for use in electricity sector planning.

As part of the project, the Bureau of Meteorology and CSIRO are working closely with the Australian Energy Market Operator (AEMO) and other industry stakeholders to understand their specific needs and deliver relevant, usable information to the sector. Activities including workshops and scenario exercises have helped to refine understanding of the sector's information needs, such as the risks from extreme temperatures, heatwaves and wind.

By the end of its first year the project had already identified and implemented improvements such as:

- › providing new techniques to analyse climate data at a finer spatial scale, including high-resolution data from the Bureau of Meteorology
- › providing targeted training to AEMO staff in using this high-resolution data
- › providing downscaled climate projections to better estimate future temperature-driven electricity demand across the NEM.

These improvements are already driving improvements in risk modelling and decision-making in the NEM.

Antarctica Purpose: Advance Australia’s strategic, scientific and environmental interests in the Antarctic

Overview of performance against purpose

In 2018–19, we made progress towards the year five commitments in the Australian Antarctic Strategy and 20 Year Action Plan, which sets out actions to support our national Antarctic interests. This included building our infrastructure capabilities, leading a world-class scientific research program to better understand the role of Antarctica in the global climate system and protecting Antarctica’s unique environment through our regulatory activities.

The Government announced its support for two new funding initiatives to provide financial certainty and coherence for Antarctic science: the Antarctic Science Collaboration Initiative (funded by Department of Industry, Innovation and Science) and the Special Research Initiative in Excellence in Antarctic Science (Australian Research Council).

Strong representation in international forums, including the Antarctic Treaty consultative meetings and the Commission for the Conservation of Antarctic Marine Living Resources, ensured that Australian objectives were met and demonstrated Australia’s strong commitment to the Antarctic Treaty system and the Protocol on Environmental Protection to the Antarctic Treaty.

We strengthened relationships with other nations, including through launching the Centre for Antarctic, Remote and Maritime Medicine—an expert network in this field.

Activity: Antarctic science, policy and presence

Relates to PBS Outcome 3 Program 3.1

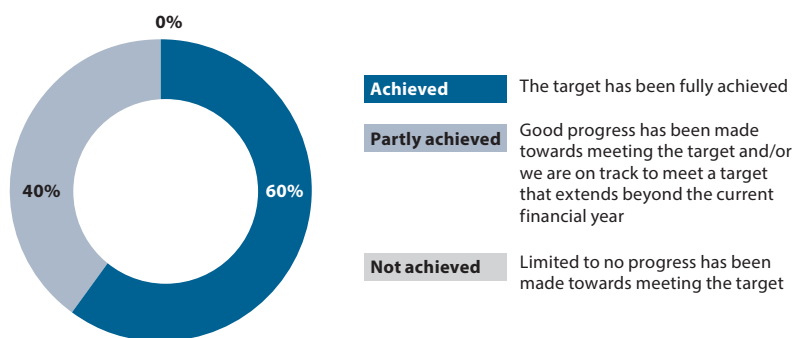
Intended result:

Strengthen Australia’s leadership in Antarctica and the Southern Ocean, including by conducting world-leading science, promoting environmental best practice, and developing economic, educational and collaborative opportunities.

Analysis against activity

The Department continues to work successfully towards Antarctica and the Southern Ocean being protected, valued and understood. The Department achieved three measures used to assess performance under this activity and partly achieved two measures.

Figure 2.9: Performance snapshot for Antarctica Purpose



Effective inter-agency and international collaboration across logistics and science supported the achievement of measures related to our scientific research; international engagement remains central to all activities in Antarctica. Internationally recognised research conducted in accordance with the Australian Antarctic Science Strategic Plan underpins Australia's role in the Antarctic Treaty System. Scientific research in Antarctica and the Southern Ocean continues to support Australian Government policy and environmental management priorities. The Department continues to work with other agencies to ensure a strategic approach to all of our Antarctic partnerships.

Budgetary pressures and competing priorities prevented the Heard Island and McDonald Islands management voyage from taking place. The Department is scoping options for undertaking this voyage at a later date. Operational planning continues to prioritise delivery of major projects in the Australian Antarctic Program.

Performance results

| Performance criterion: Antarctica and the Southern Ocean are protected, valued and understood | |
|---|--|
| Target: Australian Antarctic Strategy and 20 Year Action Plan are implemented in accordance with stated time frames and priorities | |
| Yearly measures | Results |
| Year two activities achieved | <p>Partly achieved</p> <p>The 2016 Antarctic Strategy and Action Plan set out Australia's national Antarctic interests and actions to advance these interests over the period to 2035.</p> <p>Year two activities were due to be finalised by the end of 2017–18. All activities have been achieved apart from revision of the Australian Antarctic Science Strategic Plan 2011–12 to 2020–21. Work has commenced by the newly appointed Australian Antarctic Science Council on the revision of the Plan and is anticipated for submission to the Minister for the Environment by end of 2019.</p> <p>Due to competing priorities, a Heard Island and McDonald Islands management voyage originally deferred from 2016–17 is yet to be undertaken.</p> <p>Data sources: Antarctic Strategy and Action Plan, tracking tables Whole-of-government interdepartmental committee reports</p> |

| Performance criterion (continued): Antarctica and the Southern Ocean are protected, valued and understood | |
|--|--|
| Target (continued): Australian Antarctic Strategy and 20 Year Action Plan are implemented in accordance with stated time frames and priorities | |
| Yearly measures | Results |
| Year five activities on track | <p>Partly achieved</p> <p>Year five activities are required to be finalised by June 2021. Major infrastructure capability initiatives progressed during 2018–19 to support our science leadership in Antarctica include:</p> <ul style="list-style-type: none"> › the new icebreaker RSV <i>Nuyina</i> underwent harbour acceptance trials and is scheduled to arrive in Hobart in 2020 › an overland traverse capability with associated ice core drilling to enable Australia's participation in the search for a million-year ice core › a detailed business case for a 2700 m paved runway near Davis research station to create year-round Antarctic aviation access › Australian and Tasmanian Government agreement to develop a business case for an Antarctic and science precinct at Macquarie Point in Hobart › a commitment by the Australian Government to invest more than \$450 million over the next 10 years to upgrade Australia's network of Antarctic research stations › planning for the new Macquarie Island research station. <p>More information on the Antarctic Strategy and Action Plan is on our website. www.antarctica.gov.au/about-us/publications/20-year-australian-antarctic-strategic-plan</p> <p>Data sources: Strategy and Action Plan, tracking tables Whole-of-government interdepartmental committee reports</p> |
| Target: Scientific research conducted in Antarctica and the Southern Ocean is internationally recognised and conducted in accordance with the Australian Antarctic Science Strategic Plan | |
| Yearly measures | Results |
| Number of institutions collaborating in the Australian Antarctic Program (Target: average of at least 100 over previous five years) | <p>Achieved</p> <p>In 2018–19 there were 173 international collaborators participating in the Australian Antarctic Science Program from 99 international institutions. This brings the average to 120 collaborations per year over five years (see Figure 2.10).</p> <p>Data source: Reports by Australian Antarctic Science Program chief investigators</p> |
| Number of scientific publications published in peer-reviewed journals (Target: average of at least 100 over previous five years) | <p>Achieved</p> <p>A total of 104 publications in peer-reviewed literature were lodged for inclusion in the Australian Antarctic Division publications database for 2018–19. This brings the average to 127 publications per year over five years (Figure 2.11).</p> <p>Data source: Reports by Australian Antarctic Science Program chief investigators and other sources, recorded on the Australian Antarctic Division publications database</p> |

Figure 2.10: Number of international institutions collaborating in the Australian Antarctic Program over the past five financial years

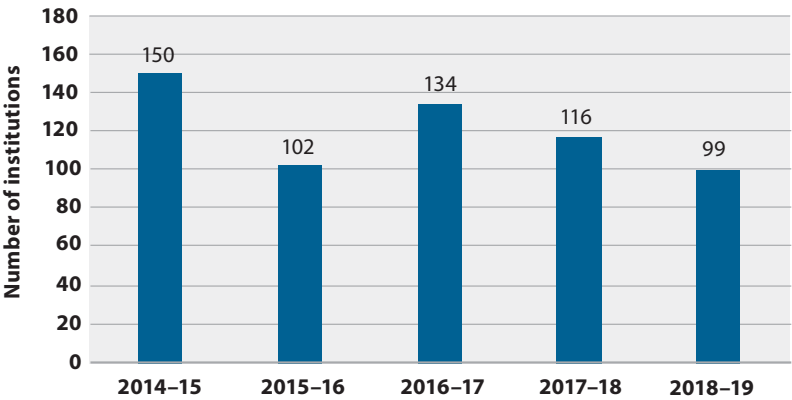
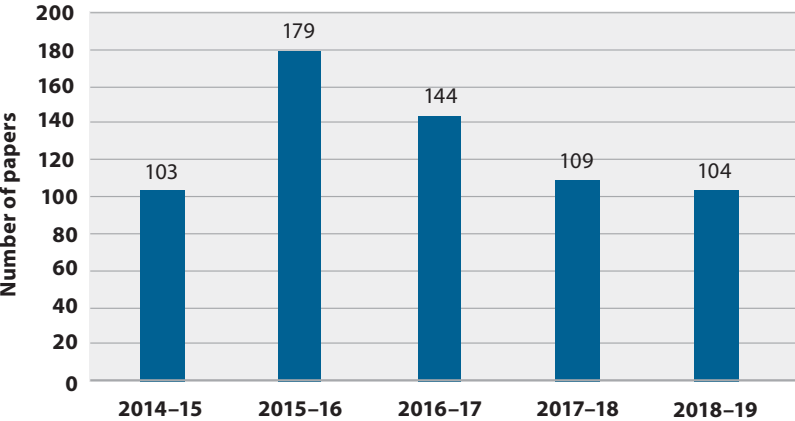


Figure 2.11: Number of papers published in peer-reviewed journals over the past five financial years





The Marine National Facility's RV *Investigator* among tabular icebergs during the Australian Antarctic Division's 2019 ENRICH research voyage © Alex Vail/The Marine National Facility/Australian Antarctic Division 2019

ENRICH voyage 2019 (RV *Investigator*)—the availability of Antarctic krill to large predators and their role in biogeochemical recycling in the Southern Ocean

The Australian Antarctic Division's 49-day ENRICH (Euphausiids and Nutrient Recycling in Cetacean Hotspots) voyage was completed safely in early 2019 and collected a wealth of new information about Antarctica's marine ecosystem.

Between January and March 2019, 28 scientists on board the Marine National Facility's RV *Investigator* conducted a structured survey of Antarctic krill and whales in East Antarctica and assessed the role of iron-rich whale faeces in stimulating ocean productivity. The ship's scientific echo sounders recorded the three-dimensional morphological characteristics of 975 krill swarms, with 41 target trawls providing information on krill size, maturity stage composition and growth rates. These data will be used to assess how swarm characteristics vary in space and time and how they affect the distribution of krill predators such as large baleen whales.

Ten different species of marine mammals were acoustically detected in the study area. The most frequently heard species was the endangered but very vocal Antarctic blue whale. These detections led to encounters with 19 groups of Antarctic blue whales for photo-identification, focal follows and drone photogrammetry, from which 25 individual Antarctic blue whales were identified.

The biogeochemistry team conducted 103 deployments of oceanographic instruments to describe the structure of the water column in the survey area and to determine macronutrient and trace metal nutrient availability to the microbes that drive iron recycling in the Southern Ocean. These data will be used to assess the major contributors to iron availability around Antarctica such as ice, krill, and whale faeces.

| Performance criterion <i>(continued)</i> : Antarctica and the Southern Ocean are protected, valued and understood | |
|--|--|
| Target: Enhance the understanding and importance of Antarctica to Australia and the world | |
| Yearly measure | Result |
| Reach as measured through traditional and social media metrics | <p>Achieved</p> <p>Social media metrics showed steady growth in reach across channels. During 2018–19, there was a 30 per cent increase in the number of Facebook followers and a 51 per cent increase in Instagram followers.</p> <p>Data source: Metrics as reported by social media companies</p> |

Energy Purpose: Support the reliable, affordable, sustainable and secure operations of energy markets

Overview of performance against purpose

Energy market reform and energy efficiency programs

The Department is implementing and supporting Government initiatives to ensure that energy markets continue to supply reliable, secure and affordable energy. We are focused on implementing reforms to reduce energy prices.

In 2018–19 the Department developed the *Competition and Consumer (Industry Code—Electricity Retail) Regulations 2019* (Electricity Retail Code). The Electricity Retail Code, which began operation on 1 July 2019, implements a default market offer (DMO) price cap on standing offer contracts in regions not already subject to retail price regulation: New South Wales, south-east Queensland and South Australia.

For a typical residential customer, the DMO price cap will deliver annual savings of \$129 to \$181 in New South Wales, \$118 in south-east Queensland and \$171 in South Australia. Savings for a typical small to medium-sized business on a standing offer may be between \$579 and \$878 in New South Wales, \$457 in south-east Queensland and \$896 in South Australia. The Electricity Retail Code also implements a reference price mechanism which requires electricity retailers to calculate and advertise their retail offers in comparison to the price cap. This will ensure customers can clearly compare electricity offers with a common reference point to find the best deal.

A range of energy efficiency initiatives are also helping to lower energy bills. Commercial buildings are becoming more efficient. The Commercial Building Disclosure (CBD) Program mandates the disclosure of National Australian Built Environment Rating System (NABERS) Energy for Offices ratings when a building is offered for sale or lease. The average NABERS energy efficiency rating improved and the number of commercial buildings covered by NABERS increased in 2018–19. The CBD Program has been projected to deliver over \$50 million in net benefits and 17,395 terajoules (TJ) of energy savings over the period 2015–2019 through improvements to energy performance prompted by disclosure. An independent review of the CBD Program is underway and will provide an updated analysis of the program's impacts.

The Department supported the Australian Building Codes Board in releasing an updated version of the National Construction Code (NCC) in May 2019. Apart from changes in standards for building fabric, the updated NCC provides building owners with alternative routes to NCC compliance through NABERS and Green Star design ratings. Following a one-year transition period, the revised NCC is expected to improve energy efficiency in new buildings by 30 per cent on average compared with the 2016 version of the NCC.

Consumers and households have access to more efficient products through the *Greenhouse and Energy Minimum Standards Act 2012*. During the year, updated minimum energy performance standards and labelling requirements were set for air conditioners. The updated standards will improve the labelling and information available to consumers and will remove some of the least efficient products from the market, leading to lower energy bills for consumers.

Domestic energy security

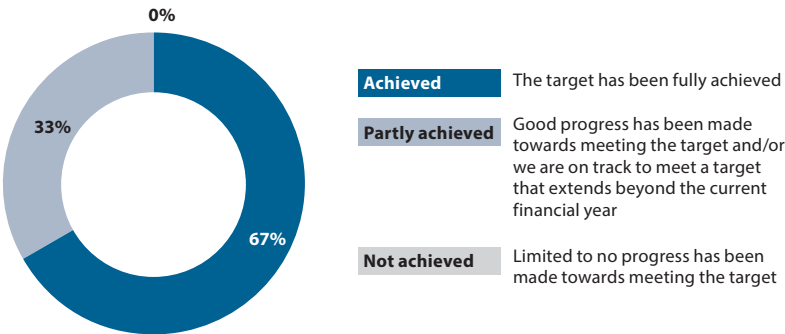
The Department continues to implement and support initiatives to support the reliability and security of domestic and international energy supply chains. The Department monitors risks to energy security through a National Energy Security Assessment, which will be delivered every three years from 2019. The Department is also conducting a review of the *Liquid Fuel Emergency Act 1984* to ensure the Government can respond effectively in the case of a severe disruption to fuel supplies.

International oil security

Through the Department’s work to secure international oil stock tickets, Australia has gained the capacity to participate in any collective action called by the International Energy Agency in response to a global oil emergency. Participation in collective actions supports the security of international liquid fuel supply chains.

In 2018–19, the Department achieved six measures used to assess performance under this purpose and partly achieved three measures. The measures that were partly achieved are ongoing in nature, with some progress made in 2018–19.

Figure 2.12: Performance snapshot for Energy Purpose



Activity: Energy market reform and energy efficiency programs

Relates to PBS Outcome 4 Program 4.1

Intended result:

Lower energy bills for consumers.

Analysis against activity

In 2018–19, the Department achieved three of the measures used to assess performance under this activity and partly achieved two measures. Key reforms such as the Retailer Reliability Obligation were delivered but some actions require further work. The measures that were partly achieved are ongoing in nature, with some progress made during 2018–19.

The Department’s work to achieve this purpose involves collaboration with partners and stakeholders, including through the Council of Australian Governments Energy Council (COAG Energy Council) and Energy Security Board and with other Australian Government agencies, state and territory governments and industry.

Key reforms in the energy and gas markets and for governance are underway, including reforms arising from recommendations of the Australian Competition and Consumer Commission (ACCC) Retail Electricity Pricing Inquiry and the Australian Energy Market Operator (AEMO) Integrated System Plan.

Performance results

| | |
|--|--|
| Performance criterion: The Department, in collaboration with the COAG Energy Council and energy market bodies, delivers national energy market reforms that support the long-term interests of consumers, including affordable, reliable and secure supply in gas and electricity markets | |
| Target: Reduction in electricity bills for households and businesses | |
| Yearly measure | Result |
| Cost of electricity bills for households and businesses | <p>Partly achieved</p> <p>In the deregulated electricity retail markets, market offer bills for residential customers in each region decreased between 1 March 2018 and 1 March 2019. In the National Electricity Market (NEM), market offers fell during this period:</p> <ul style="list-style-type: none">› in New South Wales, by between 2 per cent and 4 per cent across the three network areas› in Victoria, by up to 4 per cent across the five network areas› in south-east Queensland, by 7 per cent› in South Australia, by 4 per cent. <p>However, standing offer prices in these regions did not decrease across the board:</p> <ul style="list-style-type: none">› In New South Wales, depending on the distribution region, the change in standing offers ranged between a reduction of 0.2 per cent and an increase of 5 per cent.› In Victoria, depending on the distribution region, the change in standing offers ranged between increases of 2 per cent and 5 per cent.› In south-east Queensland, standing offers decreased by 4 per cent.› In South Australia, standing offers decreased by 3 per cent. <p>During 2018–19 the Department developed the Default Market Offer (DMO) for introduction on 1 July 2019. The DMO will serve as a price cap (to protect those on standing offers) and a reference bill (to improve transparency in the market by requiring all retailers to advertise their offers in comparison to that benchmark price).</p> <p>Data sources: Australian Energy Market Commission 2019 Retail Energy Competition Review, released 28 June 2019 www.aemc.gov.au/market-reviews-advice/2019-retail-energy-competition-review</p> <p>Australian Energy Regulator Final Determination—Default Market Offer Prices—April 2019 www.aer.gov.au/retail-markets/retail-guidelines-reviews/retail-electricity-prices-review-determination-of-default-market-offer-prices</p> |

| Target: Department-led actions deliver against the Government's energy market reform priorities, including the retail market and gas market reforms | |
|--|---|
| Yearly measure | Result |
| All actions for energy market reform measures are delivered within agreed time frames | <p>Partly achieved</p> <p>Energy market reform is an ongoing commitment of the Australian Government that involves collaboration with state and territory governments and industry. The Department's achievements during 2018–19 include:</p> <ul style="list-style-type: none"> › the introduction of the DMO as referenced in the previous target › working with states and territories and the Energy Security Board to implement National Electricity Law amendments to give effect to the Retailer Reliability Obligation (RRO), which ensures that enough of the right resources are available to meet demand in the NEM, particularly in regions with limited access to dispatchable generation. The final RRO rules were agreed in May 2019 and implemented on 1 July 2019 › implementing market reforms to make energy more affordable, including recommendations of the ACCC inquiries into the electricity and gas sectors › accelerating development of gas market reforms to improve signals for investment, increase competition, ensure efficient transportation of gas, and put downward pressure on gas prices, for example, development of transparency measures and pipeline regulation › continuing to implement the recommendations of the Independent Review into the Future Security of the National Electricity Market, such as development of the Integrated System Plan (ISP) by AEMO delivered in July 2018. The ISP provides an outlook to 2040 on the future needs of the NEM, including recommended transmission investments that will deliver secure, reliable and affordable energy › developing the Underwriting New Generation Investments program, for which 66 registrations of interest were received. Following the shortlisting of 12 projects, the program is in the final design stage and is preparing to deliver affordable, reliable power. The program's objectives are to reduce wholesale electricity prices by increasing competition and supply, to assist commercial and industrial customers and smaller retailers to access affordable energy supply arrangements and to improve reliability by increasing the level of firm and firmed capacity in the system. <p>Data sources:</p> <p>Published outcomes www.coagenergycouncil.gov.au</p> <p>ACCC electricity market monitoring 2018–2025 www.accc.gov.au/regulated-infrastructure/energy/electricity-market-monitoring-2018-2025/terms-of-reference</p> <p>ACCC gas inquiry 2017–2020 www.accc.gov.au/publications/serial-publications/gas-inquiry-2017-2020</p> <p>Underwriting New Generation Investments program www.energy.gov.au/government-priorities/energy-supply/underwriting-new-generation-investments-program</p> |

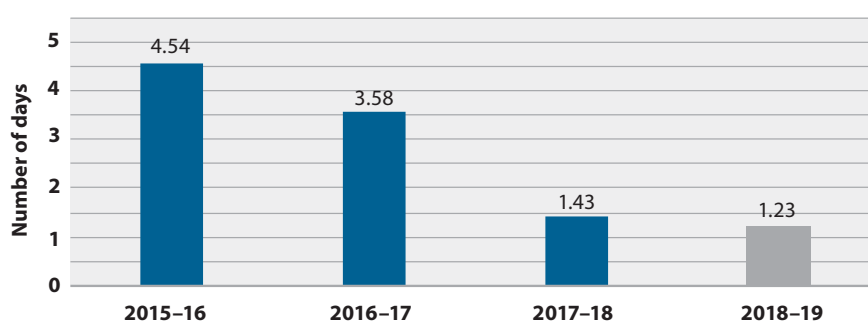
| Performance criterion: National energy efficiency performance is improved | |
|--|--|
| Target: Demonstrated improvement in the energy efficiency performance of Australian office buildings and of appliances and equipment sold in Australia | |
| Yearly measures | Results |
| Increase in the average NABERS rating (weighted by building size), compared with the baseline year of 2017–18 | <p>Achieved</p> <p>Commercial buildings are becoming more efficient. There was a 7 per cent increase in the number of commercial office buildings covered by NABERS since the previous year. The average NABERS energy efficiency rating for these buildings increased from 3.6 stars to 3.8 stars (out of six stars) (see Table 2.4).</p> <p>Higher NABERS ratings correlate with greater energy efficiency and lower overall energy consumption, leading to lower energy bills for building owners.</p> <p>Data source: CBD Program downloadable dataset http://cbd.gov.au/registers/cbd-downloadable-data-set</p> |
| All Greenhouse and Energy Minimum Standards (GEMS) product registrations are assessed and processed within time frames that allow products to be sold in Australia shortly after application | <p>Achieved</p> <p>Registration approval times averaged 1.23 days in 2018–19. This was a reduction in the average time to process an application from 1.43 days in 2017–18 (see Figure 2.13).</p> <p>The Department assessed and processed 5016 GEMS product registrations in 2018–19 (see Figure 2.14).</p> <p>Data sources: Building energy efficiency certificates (BEECs), self-assessments, GEMS registration database</p> |
| New product determinations are implemented in a timely manner | <p>Achieved</p> <p>New product determinations (legislative instruments) for air conditioners and three-phase cage electric motors were implemented in 2018–19.</p> <p>Data sources: Air conditioner determination www.legislation.gov.au/Details/F2019L00490 Three-phase cage induction motors determination www.legislation.gov.au/Details/F2018L01572</p> |

Table 2.4: Commercial Building Disclosure Program growth and results snapshots, June 2019 compared with June 2018

| | 20 June 2018 | 17 June 2019 | Change |
|---|---------------------------|---------------------------|------------|
| Number of commercial office buildings with a current BEEC | 1248 | 1337 | +7% |
| Mean energy efficiency rating by number of buildings (NABERS energy rating) | 3.64 stars | 3.8 stars | 0.16 stars |
| Represented office area (net lettable area) | 15,259,242 m ² | 16,195,785 m ² | +6% |

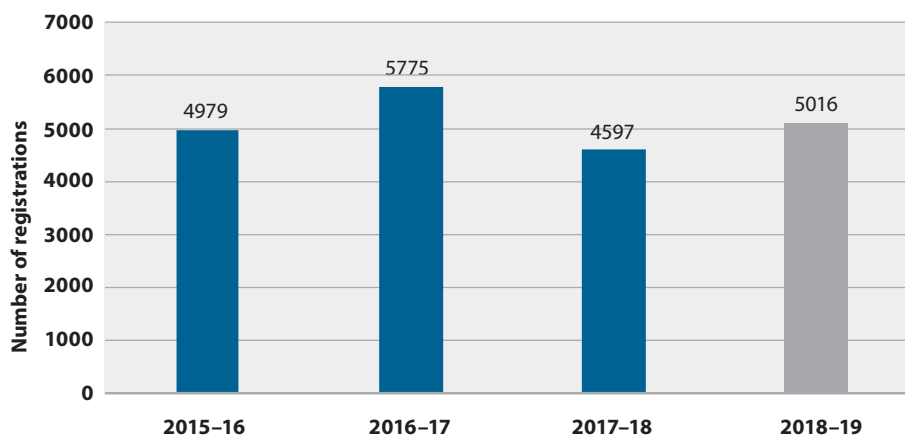
Source: CBD downloadable dataset cbd.gov.au/registers/cbd-downloadable-data-set

Figure 2.13: Weighted average processing times for GEMS product registrations, 2015–16 to 2018–19



Source: GEMS registration database.

Figure 2.14: GEMS product registrations, 2015–16 to 2018–19



Source: GEMS registration database.

Activity: Energy security

Relates to PBS Outcome 4 Program 4.1

Intended result:

Support the security of domestic and international supply chains for electricity, gas and liquid fuel.

Analysis against activity

In 2018–19, the Department achieved three measures used to assess performance under this activity and partly achieved one measure. The partly achieved measure reflects that the liquid fuel security review was not delivered in full in 2018–19 to accommodate public consultation.

Performance results

| Performance criterion: Timely, comprehensive and accurate analysis is provided that informs government decisions on energy security | |
|---|--|
| Target: National Energy Security Assessments provide information on the reliability, affordability and adequacy of Australia’s energy supply | |
| Yearly measure | Result |
| Deliver a review of national liquid fuel security | <p>Partly achieved</p> <p>On 4 April 2019, the Australian Government released the Liquid Fuel Security Review interim report for public consultation.</p> <p>The report considers how liquid fuel is used and supplied in Australia, fuel pricing, threats to fuel security, Australia’s resilience to withstand disruptions, and the future outlook for liquid fuel use.</p> <p>The final review will be delivered in 2019–20 and will contribute to a broader National Energy Security Assessment.</p> <p>Data source:</p> <p>Liquid Fuel Security Review interim report www.energy.gov.au/government-priorities/energy-security/energy-security-assessments/liquid-fuel-security-review</p> <p>National Energy Security Assessments www.energy.gov.au/government-priorities/energy-security/energy-security-assessments</p> |

| Performance criterion: Australia moves towards compliance with its International Energy Agency (IEA) stockholding obligation | |
|---|--|
| Target: Australia can effectively contribute to an IEA collective action | |
| Yearly measures | Results |
| Procurement framework for oil stock tickets is in place | <p>Achieved</p> <p>In May 2018, the Department finalised the procurement framework to allow Australia's entry into the international oil stock ticket market.</p> <p>To implement the procurement framework the Department negotiated bilateral arrangements with other IEA member countries to allow oil stock tickets to be counted towards Australia's emergency oil stockholdings.</p> <p>In 2018–19 the Department entered additional bilateral arrangements with the governments of Hungary, the Netherlands and Spain.</p> <p>Data source: Information on the procurement framework, including on the countries Australia has an arrangement with, is reported on the Department's website www.energy.gov.au/government-priorities/international-activity/oil-stock-ticketing</p> |
| Australia holds up to 400 metric kilotonnes (kt) of oil stock tickets | <p>Achieved</p> <p>The Department has consistently held oil stock tickets of not more than 400 kt from 1 October 2018.</p> <p>Data source: Volume of oil tickets held by the Department, reported through Australian Petroleum Statistics www.energy.gov.au/government-priorities/energy-data/australian-petroleum-statistics</p> |



Oil refinery © Department of the Environment and Energy

Oil ticketing procurement—pilot phase

As a signatory to the IEA international energy program treaty, Australia must hold 90 days' worth of oil stocks and contribute to collective action in the event of a global oil supply disruption. Australia has been non-compliant with this obligation since March 2012, as rising demand for oil has steadily exceeded domestic production.

The Department is implementing the Government's two-phase plan to return to compliance. Phase one involves purchasing up to 400 kt worth of oil stock tickets—contracts to reserve oil—in 2018–19 and again in 2019–20.

Holding oil stock tickets will enable Australia to meet its treaty commitment to help ease market disruption in a global oil emergency. If requested to contribute to a collective action in the event of an IEA-declared global oil emergency, Australia would be able to help ease the oil market disruption by either purchasing the reserved oil for use in Australia or releasing it to the market.

The Department ran two procurement rounds in 2018–19 and has held oil stock tickets since 1 October 2018.

Following the completion of phase one, the role of oil stock tickets in Australia's return to full compliance by 2026 will be assessed.

Relevant facts and figures:

- › In May 2019, Australia's IEA stockholdings were equal to 60 days of net import coverage.
- › In the past 10 years, three of Australia's refineries have closed and production of liquid fuels has declined by a third. Australia's reliance on imported fuel has therefore increased.
- › 400 kt equates to around 3 million barrels of crude oil equivalent.

Performance criterion: Commonwealth ownership of Snowy Hydro Limited promotes energy market competition and supports the transition of Australia's energy system

Target: Governance arrangements to manage Commonwealth shareholding in Snowy Hydro Limited meet all statutory requirements

| Yearly measure | Result |
|--------------------------------|--|
| All statutory requirements met | <p>Achieved</p> <p>The Government took full ownership of Snowy Hydro Limited on 1 July 2018 and in February 2019 issued a statement of expectations. Snowy Hydro responded to the statement of expectations with a statement of corporate intent for 2018–19.</p> <p>Snowy Hydro, as a government business enterprise, has provided the Government with a series of annual corporate planning and reporting documents.</p> <p>These documents are required to keep shareholder ministers informed of Snowy Hydro's business planning, activities and achievements.</p> <p>Data sources:</p> <p>Snowy Hydro statement of expectations www.snowyhydro.com.au/our-business/who-we-are/statement-of-expectations/</p> <p>Snowy Hydro corporate plan (unpublished)</p> <p>Snowy Hydro statement of corporate intent www.snowyhydro.com.au/our-business/who-we-are/statement-of-corporate-intent/</p> <p><i>Public Governance, Performance and Accountability Act 2013</i></p> <p>Government business enterprise guidelines https://www.finance.gov.au/resource-management/governance/gbe/</p> <p>Reporting instruments required by the PGPA Act and government business enterprise guidelines</p> |

Science, information and research activity

Relates to PBS Outcome 1 Program 1.2 and supports all other outcomes and programs

Overview of performance against activity

Over the past 12 months, the Department has made significant progress towards making our information more discoverable and accessible so that we can increase its use. The Department is publishing large amounts of scientific information and data products targeted at those who make decisions about the management of Australia's environment, including on the impacts of unconventional gas. The National Environmental Science Program and Geological and Bioregional Assessments Program are examples of programs that support environmental decision-making and evidence-based policy.

The ongoing improvement in knowledge and understanding of Australia's unique biota through the Australian Biological Resources Study (ABRS) and Bush Blitz species discovery programs informs the Australian Government and its collaborative partners in their development and implementation of effective species management policies and programs.

The Department continues to work towards better understanding the condition of our environment and its relationship with our economy to inform decision-making through environmental-economic accounting.

During 2018–19, with the support of the Department, the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) increased its engagement with regulators, industry and the community to explain its role in the responsible development of the coal resource industry. This engagement included targeted workshops with Commonwealth and state agencies as part of a dedicated program to improve the quality of IESC advice and assist proponents in better understanding the expectations of the IESC in reviewing and analysing scientific information provided in environmental assessments. As a result of this engagement, the IESC published three explanatory notes to supplement the IESC information guidelines, providing tailored guidance and up-to-date robust scientific methodologies and tools for specific components of environmental impact assessments on coal seam gas and large coal mining developments.

The Department is soon to finalise its Information Strategy, setting the Department's direction on access to, use and sharing of its data and information. We have also put significant resources into our internal data governance to ensure internal processes enable us to meet our objectives across all outcomes.

Intended results:

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.

Improve the knowledge of, and inform decision-making on, the environmental impacts of unconventional gas and coal mining development.

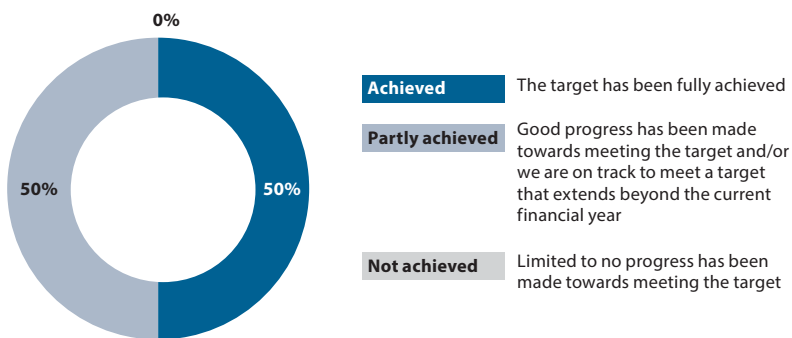
Analysis against activity

Science and research is vital to informing environmental decision-making and preparing evidence-based policy. The Department administers a range of programs that involve collaborative research (all of which draw on the expertise of leading science experts).

Program outputs are regularly published to help government agencies, industry and the community to better understand Australia's unique environment.

Across these activities, our success is aided by Australian Government investment, partnerships, technical input and funding assistance provided to leading scientific groups, other government agencies and industry. In 2018–19, the Department achieved five measures used to assess performance under this activity and partly achieved five. Several factors account for partial achievement, including dependencies on other organisations, additional complexity that was not anticipated, and insufficient collection of data to determine success. Work to complete these objectives is ongoing.

Figure 2.15: Performance snapshot for science, information and research activity



Performance results

| Performance criterion: Data and information generated by the Department and used by stakeholders and/or support evidence-based decision-making | |
|---|---|
| Target: The Department provides taxonomic information to the public and builds Australia’s taxonomic capacity | |
| Yearly measures | Results |
| Number of taxa revised or newly described under the ABRS (Target: 650) | <p>Achieved</p> <p>The ABRS and Bush Blitz species discovery programs enable researchers to discover and describe Australian flora and fauna.</p> <p>In 2018–19, 1797 taxa were either revised or newly described through projects funded by the ABRS National Taxonomy Research Grant Program and the Bush Blitz species discovery program.</p> <p>Data sources: ABRS Grants Master Database Bush Blitz Grants Master Database</p> |
| Number of researchers supported under the ABRS (Target: 100) | <p>Achieved</p> <p>ABRS supports researchers to collect biological specimens on remote field expeditions, examine new and existing collections within museums and herbaria and undertake the taxonomy and systematics research reported in the above target for revising and describing taxa.</p> <p>In 2018–19, 104 researchers were supported through new National Taxonomy Research Grant Program (NTRGP) grants or through the two Bush Blitz expeditions held during this period.</p> <p>The ABRS and Bush Blitz programs also facilitated the employment and training of 19 early career researchers by encouraging (through co-investment) universities and other research institutions to engage PhD students, post-doctoral fellows and recently qualified scientists in projects.</p> <p>Our grant funding leverages co-investment from the research, government and industry sectors. In 2018–19, the \$1.85 million provided by ABRS, through new NTRGP grants, was matched by a further \$3.1 million in co-funding from universities, museums, herbaria and other research institutions.</p> <p>See the ‘What’s in a species name?’ case study for further information, page 85.</p> <p>Data sources: ABRS Grants Master Database Bush Blitz Grants Master Database Note: No new Bush Blitz grants were released in 2018–19 Published Bush Blitz expedition reports http://bushblitz.org.au/expeditions/</p> |



Central netted dragon © Cameron Slatyer and the Department of the Environment and Energy

What's in a species name?

Taxonomy is a dynamic science in which the names, concepts and classifications of species, genera and higher taxa are constantly being redefined, leading to continually improving knowledge and understanding of environments and their biodiversity. Consequently it can be difficult for policy makers, scientists and conservation managers to keep their terminology and understanding current. The National Species List (NSL) is making this much easier by collating and curating scientific data, making it accessible online and updating it as new names and taxonomies are published.

The NSL is the authoritative source of scientific names of Australian flora. Fungi and fauna will be progressively added in coming years. At 2 July 2019, the NSL included names for 156,001 vascular plants, 8380 lichens, 21,904 algae and 5793 mosses. In total, 2512 new names were added to the NSL in 2018–19. The NSL is available online at biodiversity.org.au/nsi

Since 2014 the Department, through the ABRS, has partnered with the Atlas of Living Australia to build a system that enables distributed, expert curation of scientific data while providing a single point of access to more than 400,000 published and 170,000 accepted names for organisms that are native or naturalised to Australia. The NSL brings this complex information together in an innovative linked open data system that follows best international practice for exposing, sharing and connecting data. Users can search scientific names, query lists of names and their provenance, and retrieve data in a variety of formats to use in their own research or applications.

Performance criterion (*continued*): Data and information generated by the Department and used by stakeholders and/or support evidence-based decision-making

Target: The Department has lifted the maturity of its information and data management to enhance discovery of, access to and use of data.

| Yearly measures | Results |
|--|--|
| All divisions actively contribute to a central dataset register | <p>Achieved</p> <p>The dataset register includes at least one dataset for each division. The Department's data librarian is continuing to work with data stewards to increase the comprehensiveness and coverage of the dataset register.</p> <p>Data source: Departmental dataset register</p> |
| All divisions are engaged in reformed information and data governance arrangements | <p>Partly achieved</p> <p>All divisions are represented in the data and digital communication channels established by the Chief Data Officer. Representatives from each division were present for at least one event, with varying engagement across divisions.</p> <p>Data source: Data governance engagement tracker</p> |
| The Department has identified all critical and high-value datasets | <p>Partly achieved</p> <p>84 critical datasets and 46 high-value datasets have been identified. Work is underway to ensure that all critical and high-value datasets are identified.</p> <p>Data source: Departmental dataset register and data valuation framework</p> |

Target: National Environmental Science Program (NESP) projects deliver collaborative, practical and applied research to inform decision-making and/or on-ground action

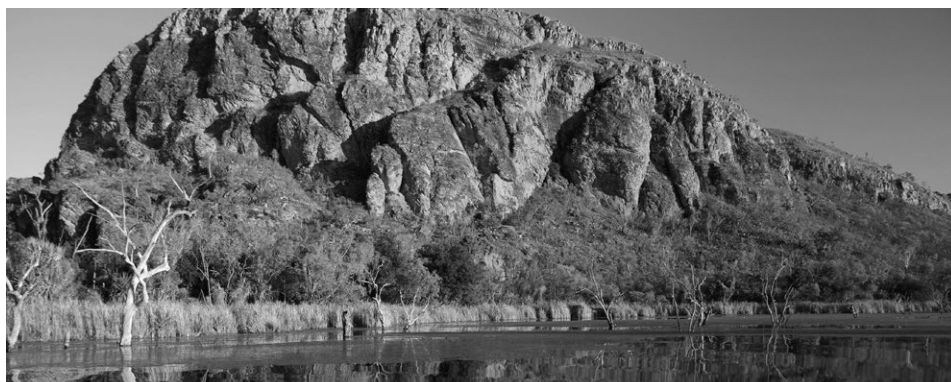
| Yearly measures | Results |
|---|---|
| <p>100 per cent of completed NESP projects* inform policy or management action with a target of at least one user in all cases</p> <p>*Projects include those from all six hubs and emerging priorities funding</p> | <p>Achieved</p> <p>All NESP projects completed by the six NESP hubs and by organisations funded through NESP Emerging Priorities have at least one research user.</p> <p>Many of the projects have multiple research users and the outputs are already being considered in decisions about environmental policy and on-ground action.</p> <p>Specialist knowledge brokers with the Department and NESP hubs develop partnerships between scientists and research users to help ensure that outputs meet user needs and facilitate their uptake.</p> <p>Data sources: Annual review of research utilisation through annual survey of research users NESP hubs' 2018 annual progress reports Emerging Priorities Project reports Qualitative information from research users: May–June 2019 consultation survey on NESP and targeted meetings with research users</p> |

Target (continued): National Environmental Science Program (NESP) projects deliver collaborative, practical and applied research to inform decision-making and/or on-ground action

| Yearly measures | Results |
|--|---|
| NESP project outputs are discoverable, accessible and reusable as per the requirements of the Data Management and Accessibility Guidelines | <p>Partly achieved</p> <p>More than 90 per cent of project outputs from completed NESP projects are freely available online.</p> <p>Those not yet available are expected to be published within the next 12 months, pending resolution of delays associated with peer review, scientific journal embargoes and other publication processes.</p> <p>Data sources: NESP hubs' annual progress reports</p> |

Target: National environmental-economic accounts are developed, publicly released and used by decision-makers

| Yearly measure | Result |
|---|---|
| Foundational activities 1, 2 and 4 in the Environmental-Economic Accounting Strategy and Action Plan have been completed. Foundational activities 3 and 5 have commenced | <p>Partly achieved</p> <p>Initial user needs assessments and stocktakes of relevant activities (foundational activities 1 and 2) have been completed for the first phase accounts. These will be expanded on and repeated for subsequent account development.</p> <p>Development of the communications plan (foundational activity 4) is underway and will be completed in August 2019.</p> <p>Foundational activity 3 has commenced, with governance arrangements established and work underway to develop standards and principles for account development.</p> <p>Research and experimental work (foundational activity 5) for protected areas ecosystem accounts and NESP project Environmental-economic accounting for the Mitchell River has commenced.</p> <p>See 'Implementing the national environmental-economic accounting strategy' case study for further information, page 88.</p> <p>Data sources: Project plans and reporting for first phase accounts Contract in place for delivery of communications plan Internal governance and planning documents</p> |



Ord River near Kununurra in Western Australia © Department of the Environment and Energy

Implementing the national environmental-economic accounting strategy

In April 2018, all Australian environment ministers agreed to a strategy for delivering a common national approach to environmental-economic accounting. Environmental-economic accounting integrates information on changes in environmental assets, such as land, soils and minerals, with socio-economic data. This integration provides a more complete picture, enabling decision-makers to optimise social, economic and environmental outcomes and to minimise the risk of environmental degradation where appropriate.

Substantial progress was made in 2018–19 towards the following commitments of the strategy.

A core set of national environmental-economic accounts through progressing national-scale land and waste accounts to address immediate policy priorities

- › The national land accounts are scheduled for release in mid-2020. They will include scalable information on land cover, use and tenure. This information will support a range of applications through tracking changes in these attributes over time and allowing the impacts of changing land use to be better measured.
- › The national waste accounts are being developed to support the national waste agenda. These accounts will support national decision-making on waste management, including helping Australia transition to a more circular economy. The first iteration of these accounts was released in September 2019.
- › The core set of national environmental-economic accounts will increase in utility with each iteration as they are reviewed and refined and further analysis is made possible by the release of additional accounts.

Pilot accounts which build capacity and demand

- › Pilot accounts, starting with a series of protected area ecosystem accounts scheduled for release in mid-2020, will inform future national-scale accounts and generate demand for accounts by demonstrating their immediate utility in decision-making.

Continued next page

Continued

Agreed standards

- › The National Environmental-Economic Accounting Scientific Advisory Panel is providing expert advice across jurisdictions on standards, definitions and frameworks for environmental-economic accounting.

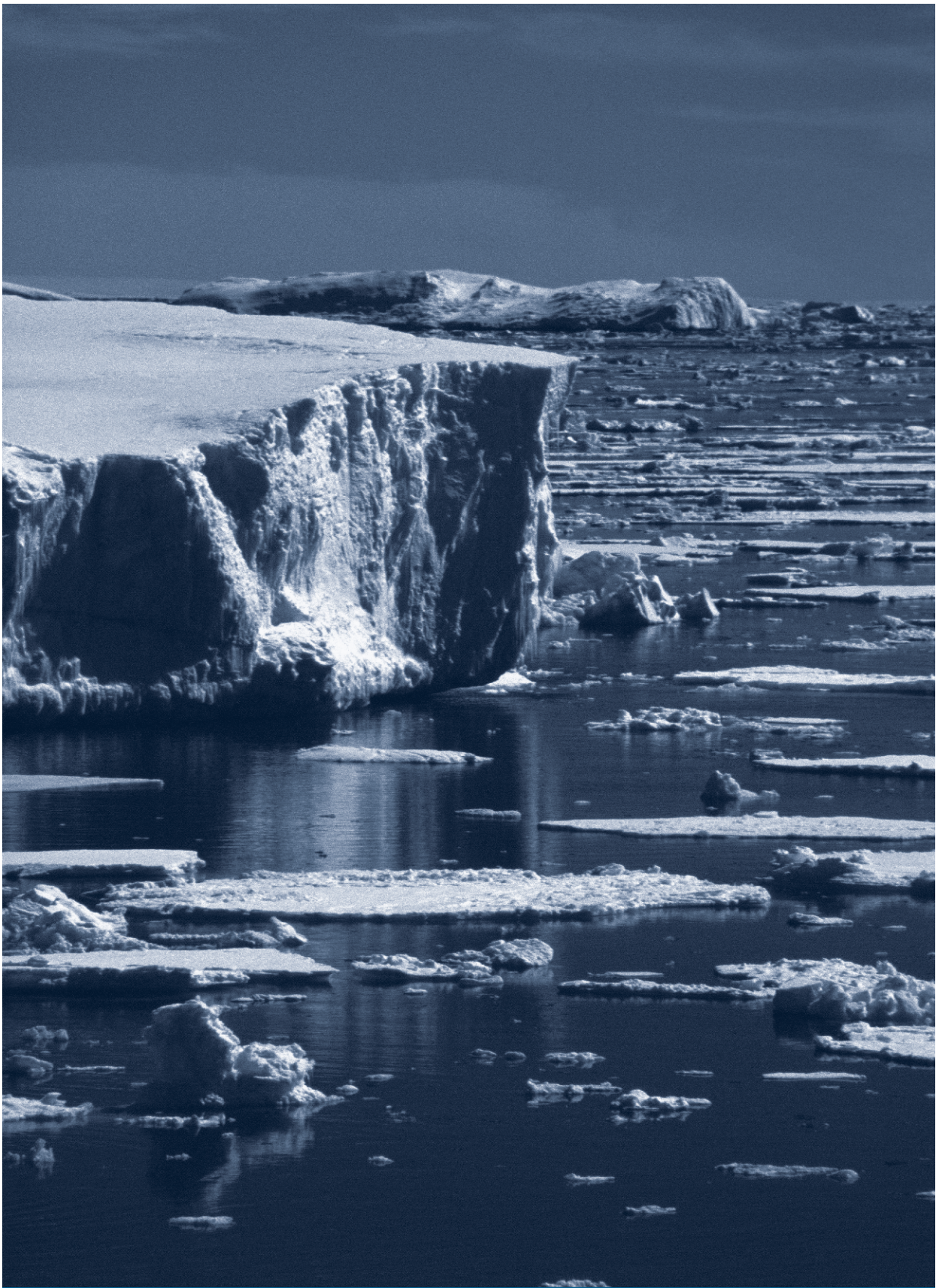
Performance criterion (continued): Data and information generated by the Department and used by stakeholders and/or support evidence-based decision-making

Target: Geological and bioregional assessments are completed for the Cooper, Isa and Beetaloo regions by June 2021 to inform decision-makers and the community

| Yearly measure | Result |
|--|--|
| Baseline assessment reports for the Cooper and Isa regions published at www.bioregionalassessments.gov.au/ | <p>Partly achieved</p> <p>Data has been collected and draft assessment reports prepared. However, publication of the Cooper and Isa baseline assessment reports has been delayed due to the requirement for additional revision of Cooper Basin assessment report documents prepared by program partners CSIRO and Geoscience Australia. Publication of the Cooper and Isa baseline reports is scheduled for the first and second quarters of 2019–20 respectively.</p> <p>Data source: Program partners data repository</p> |

Target: Provide advice to regulators on the potential impacts of coal seam gas and large coal mining development proposals on water resources

| Yearly measure | Result |
|--|---|
| All advice provided to regulators by the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) is delivered within statutory time frames and made publicly available | <p>Achieved</p> <p>The IESC provides scientific advice to Australian governments on water-related impacts of coal seam gas and large coal mining developments. In 2018–19 the IESC provided advice on one coal seam gas and nine large coal mine referrals. All IESC advice was delivered to the requesting regulator within the statutory time frames and made publicly available.</p> <p>The IESC published all scientific advice within 10 business days of it being provided to the regulator.</p> <p>Publication of IESC advice ensures that the community has confidence that regulators have access to the latest scientific information when making decisions on development proposals. The IESC is not responsible for making approval decisions on developments.</p> <p>Data source: IESC advice www.iesc.environment.gov.au</p> |



Icebergs and sea ice off Antarctica © Department of the Environment and Energy (taken by staff)

Management and Accountability

3

3 Management and Accountability

Management of human resources

Workforce profile

The Department has a diverse workforce of 2761 people carrying out activities in all states and territories, external territories and Antarctica. Of these, 1908 employees (69 per cent) are located in Canberra and 853 (31 per cent) are outside of Canberra. The majority of our people are employed at the Australian Public Service (APS) Level 6 (27 per cent) and Executive Level (EL) 1 (25 per cent) classifications.

Of our full-time staff, 998 (50 per cent) are female and 984 (50 per cent) are male. Of our part-time staff, 535 (69 per cent) are female and 244 (31 per cent) are male. There are 261 employees (9.5 per cent) who identify as Aboriginal or Torres Strait Islander.

Our workforce statistics are presented in tables 3.1–3.14. All statistics are as at 30 June 2019.

Table 3.1: Ongoing employees, 2018–19

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|------------|-----------|------------|------------|------------|--------------|---------------|-----------|---------------------|-------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| NSW | 17 | 1 | 18 | 8 | 4 | 12 | – | – | – | 30 |
| QLD | 2 | – | 2 | 4 | – | 4 | – | – | – | 6 |
| SA | 2 | – | 2 | 1 | – | 1 | – | – | – | 3 |
| TAS | 150 | 8 | 158 | 81 | 37 | 118 | – | – | – | 276 |
| VIC | 4 | 1 | 5 | – | – | – | – | – | – | 5 |
| WA | 1 | – | 1 | – | – | – | – | – | – | 1 |
| ACT | 586 | 78 | 665 | 762 | 315 | 1079 | – | – | – | 1741 |
| NT | 59 | 2 | 61 | 34 | 10 | 44 | – | – | – | 105 |
| External territories | 16 | 1 | 17 | 7 | 2 | 9 | – | – | – | 26 |
| Overseas | 1 | – | – | 2 | – | – | – | – | – | 3 |
| Total | 838 | 91 | 929 | 899 | 368 | 1267 | – | – | – | 2196 |

Table 3.2: Non-ongoing employees, 2018–19

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|------------|------------|------------|-----------|------------|--------------|---------------|-----------|---------------------|------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| NSW | 3 | 16 | 19 | 4 | 11 | 15 | – | – | – | 34 |
| QLD | – | 1 | 1 | – | – | – | – | – | – | 1 |
| SA | – | – | – | – | – | – | – | – | – | – |
| TAS | 34 | 11 | 45 | 21 | 9 | 30 | – | – | – | 75 |
| VIC | 2 | – | 2 | 1 | – | 1 | – | – | – | 3 |
| WA | – | – | – | – | – | – | – | – | – | – |
| ACT | 32 | 30 | 62 | 51 | 51 | 102 | – | – | – | 164 |
| NT | 18 | 87 | 105 | 9 | 95 | 104 | – | – | – | 209 |
| External territories | 57 | 8 | 65 | 13 | 1 | 14 | – | – | – | 79 |
| Overseas | – | – | – | – | – | – | – | – | – | – |
| Total | 146 | 153 | 299 | 99 | 167 | 266 | – | – | – | 565 |

Table 3.3: Ongoing employees, 2017–18

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|------------|-----------|------------|------------|------------|--------------|---------------|-----------|---------------------|-------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| NSW | 19 | 1 | 20 | 10 | 3 | 13 | – | – | – | 33 |
| QLD | 2 | – | 2 | 3 | – | 3 | – | – | – | 5 |
| SA | 2 | – | 2 | 1 | – | 1 | – | – | – | 3 |
| TAS | 138 | 8 | 146 | 76 | 41 | 117 | – | – | – | 263 |
| VIC | 4 | 1 | 5 | 2 | 1 | 3 | – | – | – | 8 |
| WA | 1 | – | 1 | – | – | – | – | – | – | 1 |
| ACT | 588 | 73 | 662 | 700 | 319 | 1020 | – | – | – | 1680 |
| NT | 63 | 2 | 65 | 39 | 9 | 48 | – | – | – | 113 |
| External territories | 16 | – | 16 | 5 | 2 | 7 | – | – | – | 23 |
| Overseas | 1 | – | – | 1 | – | – | – | – | – | 2 |
| Total | 834 | 85 | 919 | 837 | 375 | 1212 | – | – | – | 2131 |

Table 3.4: Non-ongoing employees, 2017–18

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|------------|------------|------------|-----------|------------|--------------|---------------|-----------|---------------------|------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| NSW | 4 | 14 | 18 | 2 | 8 | 10 | – | – | – | 28 |
| QLD | – | – | – | – | – | – | – | – | – | – |
| SA | – | – | – | – | – | – | – | – | – | – |
| TAS | 30 | 8 | 38 | 17 | 5 | 22 | – | – | – | 60 |
| VIC | 1 | – | 1 | – | 1 | 1 | – | – | – | 2 |
| WA | – | – | – | – | – | – | – | – | – | – |
| ACT | 20 | 18 | 38 | 38 | 40 | 78 | – | – | – | 116 |
| NT | 17 | 71 | 88 | 18 | 85 | 103 | – | – | – | 191 |
| External territories | 55 | 4 | 59 | 11 | 1 | 12 | – | – | – | 71 |
| Overseas | – | – | – | – | – | – | – | – | – | – |
| Total | 127 | 115 | 242 | 86 | 140 | 226 | – | – | – | 468 |

Table 3.5: Ongoing employees under the *Public Service Act 1999*, 2018–19

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|------------|-----------|------------|------------|------------|--------------|---------------|-----------|---------------------|-------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| SEC | 1 | – | 1 | – | – | – | – | – | – | 1 |
| SES 3 | 3 | – | 3 | 1 | – | 1 | – | – | – | 4 |
| SES 2 | 7 | – | 7 | 9 | – | 9 | – | – | – | 16 |
| SES 1 | 34 | – | 34 | 26 | 1 | 27 | – | – | – | 61 |
| EL 2 | 144 | 11 | 155 | 105 | 29 | 134 | – | – | – | 289 |
| EL 1 | 247 | 34 | 281 | 247 | 132 | 379 | – | – | – | 660 |
| APS 6 | 227 | 33 | 260 | 282 | 115 | 397 | – | – | – | 657 |
| APS 5 | 80 | 6 | 86 | 138 | 49 | 187 | – | – | – | 273 |
| APS 4 | 38 | 3 | 41 | 50 | 30 | 80 | – | – | – | 121 |
| APS 3 | 44 | 4 | 48 | 38 | 9 | 47 | – | – | – | 95 |
| APS 2 | 12 | – | 12 | 2 | 3 | 5 | – | – | – | 17 |
| APS 1 | 1 | – | 1 | 1 | – | 1 | – | – | – | 2 |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 838 | 91 | 929 | 899 | 368 | 1267 | – | – | – | 2196 |

Table 3.6: Non-ongoing employees under the *Public Service Act 1999*, 2018–19

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|------------|------------|------------|-----------|------------|--------------|---------------|-----------|---------------------|------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| SEC | – | – | – | – | – | – | – | – | – | – |
| SES 3 | – | – | – | – | – | – | – | – | – | – |
| SES 2 | 1 | 1 | 2 | – | – | – | – | – | – | 2 |
| SES 1 | – | 1 | 1 | 1 | – | 1 | – | – | – | 2 |
| EL 2 | 4 | 3 | 7 | 7 | 1 | 8 | – | – | – | 15 |
| EL 1 | 14 | 3 | 17 | 12 | 4 | 16 | – | – | – | 33 |
| APS 6 | 43 | 10 | 53 | 19 | 11 | 30 | – | – | – | 83 |
| APS 5 | 17 | 4 | 21 | 11 | 8 | 19 | – | – | – | 40 |
| APS 4 | 16 | 17 | 33 | 36 | 33 | 69 | – | – | – | 102 |
| APS 3 | 48 | 29 | 77 | 13 | 44 | 57 | – | – | – | 134 |
| APS 2 | 1 | 4 | 5 | – | 2 | 2 | – | – | – | 7 |
| APS 1 | 2 | 81 | 83 | – | 64 | 64 | – | – | – | 147 |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 146 | 153 | 299 | 99 | 167 | 266 | – | – | – | 565 |

Table 3.7: Ongoing employees under the *Public Service Act 1999*, 2017–18

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|------------|-----------|------------|------------|------------|--------------|---------------|-----------|---------------------|-------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| SEC | 1 | – | 1 | – | – | – | – | – | – | 1 |
| SES 3 | 3 | – | 3 | 1 | – | 1 | – | – | – | 4 |
| SES 2 | 7 | – | 7 | 7 | – | 7 | – | – | – | 14 |
| SES 1 | 34 | – | 34 | 27 | 1 | 28 | – | – | – | 62 |
| EL 2 | 139 | 10 | 149 | 108 | 26 | 134 | – | – | – | 283 |
| EL 1 | 233 | 33 | 266 | 208 | 126 | 334 | – | – | – | 600 |
| APS 6 | 236 | 28 | 264 | 251 | 133 | 384 | – | – | – | 648 |
| APS 5 | 82 | 8 | 90 | 130 | 46 | 176 | – | – | – | 266 |
| APS 4 | 50 | 3 | 53 | 74 | 31 | 105 | – | – | – | 158 |
| APS 3 | 36 | 2 | 38 | 28 | 9 | 37 | – | – | – | 75 |
| APS 2 | 11 | – | 11 | 2 | 3 | 5 | – | – | – | 16 |
| APS 1 | 2 | 1 | 3 | 1 | – | 1 | – | – | – | 4 |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 834 | 85 | 919 | 837 | 375 | 1212 | – | – | – | 2131 |

Table 3.8: Non-ongoing employees under the *Public Service Act 1999*, 2017–18

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|------------|------------|------------|-----------|------------|--------------|---------------|-----------|---------------------|------------|
| | Full time | Part time | Total male | Full time | Part time | Total female | Full time | Part time | Total indeterminate | |
| SEC | – | – | – | – | – | – | – | – | – | – |
| SES 3 | – | – | – | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – | – | – | – |
| SES 1 | 1 | – | 1 | 1 | – | 1 | – | – | – | 2 |
| EL 2 | 7 | 3 | 10 | 7 | – | 7 | – | – | – | 17 |
| EL 1 | 10 | 1 | 11 | 11 | 4 | 15 | – | – | – | 26 |
| APS 6 | 30 | 4 | 34 | 16 | 7 | 23 | – | – | – | 57 |
| APS 5 | 18 | 4 | 22 | 15 | 6 | 21 | – | – | – | 43 |
| APS 4 | 15 | 13 | 28 | 26 | 27 | 53 | – | – | – | 81 |
| APS 3 | 42 | 16 | 58 | 9 | 33 | 42 | – | – | – | 100 |
| APS 2 | 1 | 4 | 5 | – | – | – | – | – | – | 5 |
| APS 1 | 3 | 70 | 73 | 1 | 63 | 64 | – | – | – | 137 |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 127 | 115 | 242 | 86 | 140 | 226 | – | – | – | 468 |

Table 3.9: Full-time and part-time employees under the *Public Service Act 1999*, 2018–19

| | Ongoing | | | Non-ongoing | | | Total |
|--------------|-------------|------------|---------------|-------------|------------|-------------------|-------------|
| | Full time | Part time | Total ongoing | Full time | Part time | Total non-ongoing | |
| SEC | 1 | – | 1 | – | – | – | 1 |
| SES 3 | 4 | – | 4 | – | – | – | 4 |
| SES 2 | 16 | – | 16 | 1 | 1 | 2 | 18 |
| SES 1 | 60 | 1 | 61 | 1 | 1 | 2 | 63 |
| EL 2 | 249 | 40 | 289 | 11 | 4 | 15 | 304 |
| EL 1 | 494 | 166 | 660 | 26 | 7 | 33 | 693 |
| APS 6 | 509 | 148 | 657 | 62 | 21 | 83 | 740 |
| APS 5 | 218 | 55 | 273 | 28 | 12 | 40 | 313 |
| APS 4 | 88 | 33 | 121 | 52 | 50 | 102 | 223 |
| APS 3 | 82 | 13 | 95 | 61 | 73 | 134 | 229 |
| APS 2 | 14 | 3 | 17 | 1 | 6 | 7 | 24 |
| APS 1 | 2 | – | 2 | 2 | 145 | 147 | 149 |
| Other | – | – | – | – | – | – | – |
| Total | 1737 | 459 | 2196 | 245 | 320 | 565 | 2761 |

Table 3.10: Full-time and part-time employees under the *Public Service Act 1999*, 2017–18

| | Ongoing | | | Non-ongoing | | | Total |
|--------------|-------------|------------|---------------|-------------|------------|-------------------|-------------|
| | Full time | Part time | Total ongoing | Full time | Part time | Total non-ongoing | |
| SEC | 1 | – | 1 | – | – | – | 1 |
| SES 3 | 4 | – | 4 | – | – | – | 4 |
| SES 2 | 14 | – | 14 | – | – | – | 14 |
| SES 1 | 61 | 1 | 62 | 2 | – | 2 | 64 |
| EL 2 | 247 | 36 | 283 | 14 | 3 | 17 | 300 |
| EL 1 | 441 | 159 | 600 | 21 | 5 | 26 | 626 |
| APS 6 | 487 | 161 | 648 | 46 | 11 | 57 | 705 |
| APS 5 | 212 | 54 | 266 | 33 | 10 | 43 | 309 |
| APS 4 | 124 | 34 | 158 | 41 | 40 | 81 | 239 |
| APS 3 | 64 | 11 | 75 | 51 | 49 | 100 | 175 |
| APS 2 | 13 | 3 | 16 | 1 | 4 | 5 | 21 |
| APS 1 | 3 | 1 | 4 | 4 | 133 | 137 | 141 |
| Other | – | – | – | – | – | – | – |
| Total | 1671 | 460 | 2131 | 213 | 255 | 468 | 2599 |

Table 3.11: Employment type by location under the *Public Service Act 1999*, 2018–19

| | Ongoing | Non-Ongoing | Total |
|----------------------|-------------|-------------|-------------|
| NSW | 30 | 34 | 64 |
| QLD | 6 | 1 | 7 |
| SA | 3 | – | 3 |
| TAS | 276 | 75 | 351 |
| VIC | 5 | 3 | 8 |
| WA | 1 | – | 1 |
| ACT | 1741 | 164 | 1905 |
| NT | 105 | 209 | 314 |
| External territories | 26 | 79 | 105 |
| Overseas | 3 | – | 3 |
| Total | 2196 | 565 | 2761 |

Table 3.12: Employment type by location under the *Public Service Act 1999*, 2017–18

| | Ongoing | Non-Ongoing | Total |
|----------------------|-------------|-------------|-------------|
| NSW | 33 | 28 | 61 |
| QLD | 5 | – | 5 |
| SA | 3 | – | 3 |
| TAS | 263 | 60 | 323 |
| VIC | 8 | 2 | 10 |
| WA | 1 | – | 1 |
| ACT | 1682 | 116 | 1798 |
| NT | 113 | 191 | 304 |
| External territories | 23 | 71 | 94 |
| Overseas | – | – | – |
| Total | 2131 | 468 | 2599 |

Table 3.13: Indigenous employment under the *Public Service Act 1999*, 2018–19

| | Total |
|--------------|------------|
| Ongoing | 87 |
| Non-ongoing | 174 |
| Total | 261 |

Table 3.14: Indigenous employment under the *Public Service Act 1999*, 2017–18

| | Total |
|--------------|------------|
| Ongoing | 78 |
| Non-ongoing | 157 |
| Total | 235 |

Workforce planning, staff retention and turnover

In 2018–19 we continued to improve our workforce planning capability through the Divisional Workforce Planning process. This process was successful in supporting planning within the Department on current and future workforce requirements. Divisional workforce planning and manager education will continue, with the results feeding into the Department's strategic workforce plan, which we expect to release in 2019–20.

The Department's retention rate for ongoing employees was 86 per cent—a slight decrease from 87 per cent in 2017–18. Our overall separation rate for the financial year was 22 per cent. This figure includes non-ongoing employees primarily engaged to meet seasonal operational requirements of the Australian Antarctic Division and the Parks Australia Division; and separations initiated by the Department (dismissals and voluntary redundancies). Excluding these, the separation rate for ongoing employees was 11 per cent, consistent with 2017–18.

Developing people and creating a performance culture

The People Strategy 2018–2022 is the Department’s vision for managing and developing our workforce. The strategy is focused on nurturing and growing our skills, cultivating leadership, embracing the benefits of diversity and facilitating safe and healthy workplaces. Significant progress was made on initiatives under these four pillars in 2018–19.

In June 2019, we finalised our Leadership Strategy 2019–2023 and commenced work on our Learning and Development Strategy and Strategic Workforce Plan. These three key initiatives will guide and support a more integrated approach to identifying and responding to current and emerging capability needs and ensuring the delivery of cost-effective and fit-for-purpose learning, development and employment programs. These strategies will inform design of learning opportunities across the Department in 2019–20.

The Department’s Talent Management Strategy has guided senior executive service (SES) and executive level (EL) leadership development, talent management and other people management practices. Since implementation in 2016, two cohorts of high-potential EL 2 employees have benefited from a two-year development program that includes executive coaching to support individual development needs and succession planning.

The Department’s Learning Management System supports a range of online and face-to-face training programs to build our people’s capability. This includes a set of mandatory e-learning courses staff are required to complete to ensure that their knowledge of core APS skills, cultural awareness, work health and safety, security, risk and fraud awareness is current.

Face-to-face courses focused on core skills for writing, policy, critical thinking, cultural awareness, communication and management were provided. Overall, 1036 participants attended a total of 76 courses in 2018–19.

Employees are sponsored to participate in secondments and other learning opportunities aligned to key departmental outcomes, such as Jawun, Sir Roland Wilson PhD Scholarship, Pat Turner Scholarship and the Atlantic Fellows for Social Equity Program.

Tertiary study is also supported for individuals seeking to gain qualifications that are relevant to the Department’s outcomes. In 2018–19, 96 employees were supported through our study support scheme.

The Department has continued its investment in entry-level employment programs with an annual graduate intake and twice-yearly intern program. The first cohort of 25 graduates completed our extended 16-month program on 28 June 2019, with the renewed program now including a Diploma of Government qualification.

The Performance Framework supports managers and employees to have regular, quality conversations. These conversations are opportunities for regular feedback, so both parties have a shared understanding of expectations and development opportunities. Performance agreements are linked to corporate planning to help build organisational behaviours and capabilities required to deliver our corporate outcomes. In 2018–19 we implemented a proactive approach to support managers with early intervention strategies to improve performance outcomes, including coaching for both managers and employees undergoing performance activities.

The Department’s Reward and Recognition Policy recognises high performance and outstanding achievements—an essential part of creating a high-performance culture.

High performance is recognised and rewarded through regular positive feedback, secondments, and study and development opportunities. Recognition of good performance is critical to maintaining a culture of the highest standards of professionalism, service and integrity. Divisions, branches and sections are encouraged to develop local practices to recognise employees, both formally and informally, for their achievements.

The Department grants a number of awards as formal recognition of an individual's or team's outstanding achievement that contributes to the Department's objectives. The annual Secretary's Awards are the Department's flagship award program for formally rewarding and recognising employees for high performance and outstanding achievements. The Department's People Strategy 2018–2022 outlines the desired characteristics of our workforce, and these underpin the five award categories: innovation, collaboration, leadership, outstanding achievement, and diversity and inclusion. In February 2019, a total of 10 teams and seven individuals were recognised for outstanding achievement.

Employment arrangements

Enterprise agreement

The Department's enterprise agreement came into effect on 30 November 2016. As at 30 June 2019, it covered 2688 employees (see Table 3.15).

Individual flexibility arrangements

The Department uses individual flexibility arrangements to attract and retain employees who have highly sought after skills. These arrangements may vary the employee's work hours, overtime rates, penalty rates, allowances, remuneration and/or leave.

As at 30 June 2019 there were 59 individual flexibility arrangements in place in the Department.

Australian workplace agreements

As at 30 June 2019 the Department did not have any Australian workplace agreements.

Common law agreements

As at 30 June 2019 the Department did not have any common law agreements.

Table 3.15: Employment arrangements under the *Public Service Act 1999*, 2018–19

| | SES | Non-SES | Total |
|---|-----------|-------------|-------------|
| Enterprise agreement | 0 | 2688 | |
| Individual section 24(1) determinations | 72 | 0 | |
| Individual flexibility arrangements | 0 | 59 | |
| Total | 72 | 2747 | 2819 |

Executive remuneration policy

Secretary arrangements

The Remuneration Tribunal sets the remuneration, allowances and provisions for the Secretary of the Department in a determination made under the *Remuneration Tribunal Act 1973*.

Senior executive service employment instruments and remuneration

The Secretary determines the remuneration and conditions for SES and equivalent employees in line with Government policy and the Australian Public Service Commission Executive Remuneration Management policy.

The Secretary sets SES remuneration and conditions through individual determinations under section 24(1) of the *Public Service Act 1999*. As at 30 June 2019 there were 72 individual SES section 24(1) determinations (see Table 3.15).

The Secretary reviews the salaries for individual senior executives annually following completion of the performance cycle, taking into account the work values and complexities of each role and the capabilities, contributions and performance of individuals.

Executive remuneration financial information

Financial information is provided on remuneration paid to key management personnel, senior executives and other highly paid staff.

In 2018–19 the Department had five key management personnel: the Secretary and four Deputy Secretaries. These personnel have authority and responsibility for planning, directing and controlling the activities of the entity. The Department has 80 senior executives who were not key management personnel during the year. Other highly paid staff are neither key management personnel nor senior executives. They are reported where total remuneration exceeds the threshold.

Remuneration details for key management personnel, senior executives and other highly paid staff in 2018–19 are outlined in tables 3.16–3.18.

Table 3.16: Information about remuneration for key management personnel

| Name | Position title | Short-term benefits | | | Post-employment benefits | Other long-term benefits | | Termination benefits | Total remuneration |
|-------------------------|------------------|----------------------------------|-----------------|---------------------------------------|---|---|----------------------------------|----------------------|--------------------|
| | | Base salary ² (\$) | Bonuses (\$) | Other benefits and allowances (\$) | Superannuation contributions ³ (\$) | Long service leave ⁴ (\$) | Other long-term benefits (\$) | | (\$) |
| Finn Pratt ¹ | Secretary | 713,405 | – | – | 96,781 | 27,999 | – | – | 838,185 |
| Matthew Cahill | Deputy Secretary | 324,336 | – | 4,754 | 58,767 | 20,062 | – | – | 407,919 |
| Joanne Evans | Deputy Secretary | 377,100 | – | 4,463 | 67,148 | 15,832 | – | – | 464,543 |
| Robert Heferen | Deputy Secretary | 379,656 | – | 4,463 | 70,386 | 17,228 | – | – | 471,733 |
| Dean Knudson | Deputy Secretary | 331,459 | – | 4,463 | 52,526 | 20,446 | – | – | 408,894 |
| Total | | 2,125,956 | – | 18,143 | 345,608 | 101,567 | – | – | 2,591,274 |

Notes:

1. The total remuneration amount above is different to the total remuneration payable under the Remuneration Tribunal Determination as it also includes accrual information. The Remuneration Tribunal Determination sets out the total cash remuneration to the Secretary of \$760,690. The Secretary's total remuneration above also includes additional superannuation amounts and accrued leave entitlements.
2. Base salary includes annual leave paid and the net movement in the annual leave provision balance. The classification of key management personnel remuneration has been adjusted for consistency to report annual leave as a short-term benefit as advised by the Department of Finance.
3. Superannuation contributions vary depending on the applicable superannuation scheme.
4. Long service leave represents the change in value of long service leave balances. This value is based on a combination of net increase/decrease in 'long service leave days owed' and applying current pay rate to total balance owed.

Table 3.17: Information about remuneration for senior executives

| Total remuneration bands | Short-term benefits | | | | Post-employment benefits | Other long-term benefits | | Termination benefits | Total remuneration |
|--------------------------|-----------------------------|---------------------------------------|-----------------------------------|--|--|--|---------------------------------------|-----------------------------------|---------------------------------|
| | Number of senior executives | Average base salary ¹ (\$) | Average bonuses ² (\$) | Average other benefits and allowances (\$) | Average superannuation contributions ³ (\$) | Average long service leave ⁴ (\$) | Average other long-term benefits (\$) | Average termination benefits (\$) | Average total remuneration (\$) |
| \$0–\$220,000 | 31 | 85,542 | 0 | 737 | 14,836 | 3,900 | | | 105,015 |
| \$220,001–\$245,000 | 5 | 195,614 | 0 | 2,142 | 32,926 | 7,914 | | | 238,596 |
| \$245,001–\$270,000 | 22 | 211,753 | 455 | 2,503 | 38,500 | 6,650 | | | 259,861 |
| \$270,001–\$295,000 | 12 | 226,217 | 0 | 2,544 | 41,424 | 8,677 | | | 278,862 |
| \$295,001–\$320,000 | 7 | 241,189 | 0 | 7,997 | 43,465 | 9,428 | | | 302,079 |
| \$320,001–\$345,000 | 1 | 261,794 | 0 | 3,595 | 49,202 | 9,323 | | | 323,914 |
| \$345,001–\$370,000 | 2 | 277,868 | 0 | 9,038 | 52,624 | 7,372 | | | 346,902 |

Notes:

1. Base salary includes annual leave paid and the net movement in the annual leave provision balance. The classification of key management personnel remuneration has been adjusted for consistency to report annual leave as a short-term benefit as advised by the Department of Finance.
2. A bonus payment was made under an individual remuneration determination.
3. Superannuation contributions vary depending on the applicable superannuation scheme.
4. Long service leave represents the change in value of long service leave balances. This value is based on a combination of net increase/decrease in 'long service leave days owed' and applying current pay rate to total balance owed.
5. One senior executive on secondment to another agency for the whole financial year was excluded from above table.

Table 3.18: Information about remuneration for other highly paid staff

| Total remuneration bands | Number of other highly paid staff | Short-term benefits | | | Post-employment benefits | Other long-term benefits | | Termination benefits | Total remuneration |
|----------------------------------|-----------------------------------|---------------------------------------|----------------------|--|--|--|---------------------------------------|-----------------------------------|---------------------------------|
| | | Average base salary ¹ (\$) | Average bonuses (\$) | Average other benefits and allowances (\$) | Average superannuation contributions ² (\$) | Average long service leave ³ (\$) | Average other long-term benefits (\$) | Average termination benefits (\$) | Average total remuneration (\$) |
| \$220,001–\$245,000 | 10 | 163,302 | – | 17,778 | 30,652 | 5,012 | – | 10,955 | 227,699 |
| \$245,001–\$270,000 ⁴ | 5 | 165,016 | – | 32,629 | 29,785 | 5,883 | – | 23,126 | 256,439 |
| \$295,001–\$320,000 ⁴ | 2 | 193,394 | – | 67,864 | 35,437 | 5,317 | – | – | 302,012 |

Note:

1. Base salary includes annual leave paid and the net movement in the annual leave provision balance. The classification of key management personnel remuneration has been adjusted for consistency to report annual leave as a short-term benefit as advised by the Department of Finance.
2. Superannuation contributions vary depending on the applicable superannuation scheme.
3. Long service leave represents the change in value of long service leave balances. This value is based on a combination of net increase/decrease in 'long service leave days owed' and applying current pay rate to total balance owed.
4. Includes employees working overseas who received overseas allowances.

Salary and non-salary benefits

The salary ranges for EL 2 to APS 1 increased by 1 per cent during the 2018–19 financial year as provided under the Enterprise Agreement 2016–19. The salary ranges for the SES and Chief of Division classifications did not increase over the 2018–19 financial year. Salary ranges in Table 3.19 are as at 30 June 2019.

Table 3.19: Australian Public Service Act employment salary ranges by classification level (minimum/maximum), 2018–19

| | Minimum salary | Maximum salary |
|--------|----------------|----------------|
| SES 3 | \$291,647 | \$374,616 |
| SES 2 | \$236,532 | \$280,209 |
| SES 1 | \$192,258 | \$233,094 |
| EL 2 | \$124,531 | \$228,578 |
| EL 1 | \$105,817 | \$150,527 |
| APS 6 | \$80,882 | \$95,826 |
| APS 5 | \$71,862 | \$82,565 |
| APS 4 | \$65,873 | \$74,763 |
| APS 3 | \$58,430 | \$68,900 |
| APS 2 | \$54,443 | \$61,363 |
| APS 1 | \$44,784 | \$51,424 |
| Other* | \$211,586 | \$257,557 |

*Chief of Division 1 (Classification of the Chief Scientist in Australian Antarctic Division)

Note: Salary ranges published in 2017–18 annual report were incorrect. See Appendix 15, Corrections, page 297.

Employees can access the following non-salary benefits (subject to applicable conditions):

- › a gymnasium
- › an employee assistance program
- › annual influenza immunisations
- › loan of information technology equipment for work purposes
- › loan of a mobile phone for work purposes
- › study assistance
- › work-related professional membership fees.

Employees can access salary sacrifice arrangements to lease a vehicle, to make additional superannuation contributions, to purchase a laptop, to access airline lounge memberships or for other purposes set out in the Department's salary sacrificing policy.

Performance pay

The Department made no performance payments in 2018–19.

Code of conduct and ethical standards

The Department is committed to the APS Values, Code of Conduct and Employment Principles and to promoting a positive workplace culture. We demonstrate this by encouraging our workforce to articulate and model appropriate behaviour and by decisively addressing incidents of workplace misconduct. The Department's workplace behaviour and conduct framework includes code of conduct guidelines, procedures for suspected breaches of the APS Code of Conduct, workplace respect policy and the public interest disclosure process. Training and support are the preferred preventive mechanisms for behaviour management.

Diversity

The Department remains focused on developing a diverse workforce and an inclusive culture where everyone feels welcome, supported and valued for the contributions they make.

We continue to support reconciliation, strengthen Indigenous cultural capability across the Department, and improve our ability to engage and work with Indigenous communities to develop culturally appropriate policies and programs.

As we have every year since 2010, we provided two Kevin McLeod awards—the Kevin McLeod Development Award and the Kevin McLeod Reconciliation Award—to advance reconciliation and support the professional development of Aboriginal and Torres Strait Islander employees. The awards are to the value of \$10,000 each. In 2018–19 the Development Award funded six staff to participate in the GARMA Festival of Traditional Cultures; and the Reconciliation Award funded a research project on the benefits of Indigenous groups partnering with Government and non-Government organisations.

We continue to support people with disability by delivering individual workplace adjustments for staff. Managers were trained to improve their disability confidence and awareness.

The Department continued its memberships with external organisations that support diversity and inclusion, including the Australian Network on Disability, Supply Nation and Jawun.

At 30 June 2019, the Department's workforce (including Parks Australia) comprised:

- › 55.5 per cent women (1533 employees)
- › 9.5 per cent who identified as Aboriginal or Torres Strait Islander (261 employees)
- › 2.4 per cent who identified as having a disability (66 employees)
- › 8.1 per cent from a non-English-speaking background (223 employees).

Equal employment opportunity

In all employment matters, the Department is committed to eliminating discrimination against and promoting equal opportunity for women, Aboriginal and Torres Strait Islander people, people living with disabilities, and people from non-English-speaking backgrounds, in accordance with the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*.

Our recruitment practices encourage people with disability to apply for positions in the Department. This year we had devoted streams in our graduate program for candidates with disability. We received 108 applications for our disability stream—up from eight last year.

www.environment.gov.au/about-us/employment/graduate-program/gradability

In 2018–19 we offered paid internship positions to nine university students with disability

through the Australian Network on Disability's Stepping Into program. Disability reporting details under the National Disability Strategy are available on the Department of Social Services website.

www.dss.gov.au

Indigenous employment remained a priority for the Department in 2018–19. Two Indigenous graduates joined us in the 2019 graduate intake. During this reporting period, we welcomed five Indigenous interns, who worked in Parks Australia during their summer university break.

We ensure there is gender balance on SES recruitment panels. All SES panels include one person external to the Department.

Days of significance

The Department marked NAIDOC Week 2018 with an official launch and presentation of NAIDOC Week Awards and Kevin McLeod Awards. To celebrate the history, culture, achievements, contributions and survival of Aboriginal and Torres Strait Islander peoples, events were held throughout the week and included traditional art classes, a story-sharing panel presentation, a bush tucker workshop and participation in the annual APS NAIDOC Week touch football competition.

Staff were encouraged to take part in the 2019 National Reconciliation Week events to celebrate and build on the respectful relationships shared by Aboriginal and Torres Strait Islander people and other Australians. There were staff-led tours of the departmental Indigenous art collection and of Reconciliation Place in Canberra; Ngunnawal language workshops; focus workshops for the review of our Reconciliation Action Plan; screening of the Indigenous film *Occupation: Native*; a smoking ceremony in Hobart; and an Indigenous procurement presentation.

Changes to disability reporting

In 1994, Australian Government departments and agencies began reporting on their performance as policy advisers, purchasers, employers, regulators and providers under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. Since 2010–11, departments and agencies have no longer been required to report on these functions.

The State of the Service Reports and APS Statistical Bulletins are available on the Australian Public Service Commission website.

www.apsc.gov.au

The Commonwealth Disability Strategy has been superseded by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two-yearly report tracks developments and evaluates progress against each of the strategy's six outcome areas and presents a picture of how people with disability are faring. The first of these progress reports is available on the Department of Social Services website.

www.dss.gov.au/disability-and-carers/programmes-services/government-international/progress-report-to-the-council-of-australian-governments-2014

Work health and safety

Health and safety initiatives and outcomes

This section reports on initiatives, outcomes and statistics for the Department. The Director of National Parks annual report covers the health and safety initiatives and outcomes specific to Parks Australia. During 2018–19, the Department:

- › endorsed the Work Health and Safety (WHS) Strategic Blueprint 2020 and supporting WHS Risk Roadmap 2018–2019. The Blueprint and Roadmap set the Department’s focus on moving towards an integrated and holistic approach to health and safety
- › endorsed the implementation of a whole-of-Department WHS Information and Technology System. Initial implementation will include incident management, risk management and case management. It is expected to be implemented in early 2020
- › provided senior executives and officers of the Department with face-to-face Due Diligence Master Class training to provide practical guidance on how to proactively meet their duties under the *Work Health and Safety Act 2011* and foster a positive safety culture
- › endorsed the implementation of a mobile application to assist with tracking workers undertaking fieldwork, travelling in remote areas or working alone
- › completed WHS risk management workshops with all divisions across the Department as part of a key initiative under the WHS Risk Roadmap
- › continued to provide access to employee and manager assistance programs, resilience coaching, annual influenza vaccinations, and training for health and safety representatives, first aid officers, workplace contact officers and domestic and family violence contact officers.

Statistics of notifiable incidents under the *Work Health and Safety Act 2011*

Under Schedule 2, Part 3 of the Act, the Department must report details of notifiable incidents, investigations, improvement notices, prosecutions and other matters as prescribed (see Table 3.20).

Table 3.20: Incidents notified under the *Work Health and Safety Act 2011*, 2018–19

| Type of incident | Number of incidents |
|---|---------------------|
| Deaths that required notice under section 38 | 0 |
| Serious injury or illness that required notice under section 38 | 5 |
| Dangerous incidents that required notification under section 38 | 9 |
| Notices given to the Department under section 191 (improvement notices) | 0 |
| Notices given to the Department under section 195 (prohibition notices) | 1 |
| Notices given to the Department under section 198 (non-disturbance) | 0 |

Investigations

There were no matters that met the reporting thresholds contained in the guidelines approved by the Joint Committee of Public Accounts and Audit (JCPAA) for the Australian Parliament.

The formal investigation within the Australian Antarctic Division instigated by Comcare in 2015–16 has not yet been finalised.

Corporate governance

The Department's governance framework promotes the principles of good governance, encouraging employees to be accountable for their actions, focus on high standards of performance, strive for excellence and ensure the efficient, effective and ethical management of resources.

Senior management committees and their roles

In 2018–19 the Secretary was supported by the Executive Board, the Portfolio Audit Committee and three departmental governance committees: the Information and Technology Committee, the Governance and Performance Committee and the People Committee. The Portfolio Audit Committee reports directly to the Secretary (for further information see 'Internal audit' on pages 111–112). The Departmental Health and Safety Committee continues to operate as per the requirements of the WHS Act.

Each committee has a clear set of responsibilities across designated areas of focus, articulated in Table 3.21.

Table 3.21: Departmental committees

| Statutory committee | Purpose |
|--|---|
| Portfolio Audit Committee | Provides independent assurance and assistance to the Secretary of the Department on the integrity of our financial and non-financial data and processes, risk, control, assurance and compliance frameworks |
| Departmental Health and Safety Committee | Provides a forum for consultation and cooperation between management and workers to strategically address the health, safety and welfare of all workers and others who may be affected by work undertaken by or on behalf of the Department |
| Governance committee | Purpose |
| Executive Board | Sets strategic direction for the Department on policy and departmental matters and monitors the Department's performance in delivering its outcomes |
| People Committee | Provides advice on priority issues relating to the capacity, capability and culture of staff |
| Governance and Performance Committee | Provides guidance and oversight of systems that support and empower staff and manage risk |
| Information and Technology Committee | Provides advice on the development and implementation of IT and information management strategies, and prioritises investments to maximise benefit |

Actions to streamline the governance committees were undertaken at the end of 2017–18. This included the closure of the Regulatory Maturity Committee to reflect the Department's shift into the next phase of regulatory maturity.

In late 2018, the Department commissioned the Australian Institute of Company Directors (AICD) to undertake an assessment of how the Executive Board and its committees support best-practice governance. As a result of the AICD's findings and recommendations, the Department will implement a revised governance structure in 2019–20. This will involve a move to a streamlined, adaptive governance model to more effectively manage the Department's evolving needs and priorities.

Corporate planning and evaluation

In September 2018, we published the Department of the Environment and Energy Corporate Plan 2018–19 in accordance with the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). The plan identifies strategic priorities for 2018–19 and the activities we planned to undertake to achieve our purposes. It sets out our role, operational context, capability and risk oversight and management. It also identifies our intended results and what we measure to demonstrate progress towards those results. The corporate plan can be found on our website.

www.environment.gov.au/about-us/publications/corporate-plan-2018-19

Throughout 2018–19, the Department continued its efforts to strengthen performance measurement and reporting. We have developed clearer outcomes and more meaningful performance measures. These improvements are ongoing and will be reflected in subsequent corporate plans.

In 2018–19, the Department maintained an evaluation community of practice and held a workshop to develop awareness of evaluative processes within the Department.

Risk management

Our best-practice approach to managing risk helps us achieve our objectives. We manage risk by identifying opportunities for success, identifying threats that will hinder success and reviewing and adapting our approach. All staff in the Department play an important role in developing a risk-aware culture.

The risk management framework articulates our strategies for managing risk. It informs staff of responsibilities and expectations and helps them to identify, analyse and manage risk. The framework is supported by a central team that facilitates risk workshops and delivers advice and guidance. In 2018–19, we continued to implement reporting and management for strategic risks.

In 2019, the Department performed well in the annual Comcover Risk Management Benchmarking Survey, which assesses the risk management capability of entities using a risk maturity model. As in the previous three years, we received an overall maturity level of 'Advanced'. This indicates a consistently high performance in foundational risk elements. The Department received a Comcover Award for Excellence in Risk Management 2018 in the Enterprise-wide Category.

Managing climate risk

Climate risk comprises both the physical risks of rising global temperatures and resulting weather extremes, as already observed. It also includes transition risks (and opportunities) reflecting adjustments needed in moving toward a low carbon economy.

The Taskforce on Climate Related Financial Disclosures of the G20's Financial Stability Board (responsible for promoting global financial stability) has concluded that climate change related risks are a threat to financial stability. In particular they might:

- › increase costs, change markets or otherwise undermine business models/strategies, in a worst case leading to stranded assets
- › undermine asset/investment value through direct damage, disruption and cost impacts on business operations, and increased insurance risks/premiums.

In 2018–19 as part of our work with the Australian Government Disaster and Climate Resilience Reference Group, the Department assessed all of our major policies and programs to determine climate risks and their management; and opportunities to build resilience. This work highlighted the challenges involved in modelling future climate related risks to inform policy and program administration such as deciding which climate scenarios to consider, and how to deal with large uncertainties in the projections for some climate variables. The assessment also informed the development of *Climate compass: A climate risk management framework for Commonwealth agencies*.

www.environment.gov.au/climate-change/adaptation/publications/climate-compass-climate-risk-management-framework

Internal audit

The internal audit program improves operation of the Department by evaluating and improving the effectiveness of risk management, controls and governance processes within and across each division. The Department continued with the thematic approach to the selection of audit topics for the 2018–19 Internal Audit Plan to ensure it maintains a strategic focus. Management-initiated reviews were also undertaken during the year. These are conducted in response to a newly identified risk or another matter for which management requires additional assurance.

Consistent with section 45(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the Department established the Portfolio Audit Committee in 2015. The committee provides independent assurance and advice to the Department, the Director of National Parks and the Sydney Harbour Federation Trust. In 2018–19 the Department tabled 11 internal audit reports to the committee. The committee met five times in total.

There was one new appointment to the committee. In November 2018, Ms Kristin Tilley replaced Dr Rachel Bacon as a departmental member (see Table 3.22).

Table 3.22: Portfolio Audit Committee membership and meeting attendance, 2018–19

| Member | Role | No of committee meetings eligible to attend | No of committee meetings attended |
|----------------|-----------------------|---|-----------------------------------|
| Geoff Knuckey | Independent Chair | 5 | 5 |
| Dean Knudson | Member (Deputy Chair) | 4 | 4 |
| Jenny Morrison | Independent Member | 5 | 5 |
| Michael Roche | Independent Member | 5 | 5 |
| Rachel Bacon | Member | 2 | 2 |
| Kristin Tilley | Member | 3 | 3 |

Fraud control and anti-corruption measures

The Department has a policy of zero tolerance towards fraudulent and corrupt activity or behaviour by our employees or external parties that receive Australian Government funds.

The Department's Fraud Control and Anti-corruption Plan sets out the arrangements, roles and responsibilities, and obligations for the management of fraud and corruption risks in accordance with legislative requirements under the Commonwealth Fraud Control Framework 2017.

Appendix 1 provides the Secretary's certification that:

- › the Department has prepared fraud risk assessments and a fraud control plan
- › appropriate mechanisms which meet the Department's specific needs are in place for preventing, deterring, detecting, dealing with, investigating, recording, and reporting incidents of fraud
- › we have taken all reasonable measures to deal appropriately with fraud relating to the Department.

Fraud risk assessment

The assessment process involves senior executives, program managers and subject-matter experts. We evaluate existing and emerging fraud risks annually to ensure appropriate controls are in place to manage those risks.

Fraud awareness

As part of our fraud awareness strategy we conduct online and face-to-face fraud awareness training. Online training tools which meet the diverse training needs of the Department are available to employees all year round. In 2018–19, 464 staff completed the online fraud awareness training.

Fraud investigation

Our Behaviour and Conduct Unit and Environmental Crime Section investigate allegations of fraud and criminal behaviour involving our employees and recipients of our funding. They report risks identified through investigations to the relevant departmental governance

committees. If appropriate, briefs of evidence recommending prosecution are submitted to the Commonwealth Director of Public Prosecutions for consideration.

The Office of Compliance also engages with relevant stakeholders to reduce risk and minimise external fraud through policy and contractual improvement. In 2018–19 the Office of Compliance received four allegations involving fraud external to the Department.

The Department conducts its investigations in line with the Australian Government Investigation Standards. All departmental investigators have at least the minimum qualifications defined in the standards.

Public Governance, Performance and Accountability Act compliance

Among other things, section 19(1) of the PGPA Act requires accountable authorities of Commonwealth entities to notify their responsible Minister, as soon as practicable, of any significant issue that has affected the entity. Such issues include significant non-compliance with finance law. Finance law includes the PGPA Act, the PGPA Rule and instruments made under the PGPA Act (including Accountable Authority Instructions) and appropriation Acts. During 2018–19 the Department did not identify significant breaches of the PGPA Act to report.

We achieve compliance with the Government’s resource management framework through a combination of procedural and system-based controls that direct spending and resource-related decisions. Face-to-face and online training is available to all staff to support their knowledge of the requirements concerning appropriate use of public resources. Continuous internal quality assurance and monitoring activities are in place.

Assets management

Departmental activities

The Department’s assets are located throughout Australia and its territories. Most are located in the Australian Antarctic Territory. During 2018–19 the Department managed and maintained Australia’s Antarctic stations—Casey, Davis and Mawson—and a research station on sub-Antarctic Macquarie Island. The Department started work on development of a new strategic asset management framework to guide its capital renewal program for each of its stations.

Administered activities

Environmental water holdings

The Commonwealth’s environmental water holdings are managed by the Department and recorded on state government water registers. The water entitlements are classified as indefinite life intangible assets and are subject to annual impairment testing in accordance with Australian Accounting Standard AASB 138 Intangible Assets.

Heritage and cultural assets—Antarctic collection

Australia has a history of involvement with Antarctica spanning more than 100 years. Over that time the Department has accumulated a large collection of Antarctic heritage artefacts,

artworks, images and objects. We have classified these items as heritage and cultural assets because of their heritage value, and adopted appropriate curatorial and preservation policies for these assets. More information about cultural heritage management in Antarctica is on our website.

www.antarctica.gov.au/environment/cultural-heritage/managing

Procurement

Purchasing

In 2018–19 the Department undertook procurement and purchasing in accordance with the principles set out in the *Commonwealth Procurement Rules*¹. We apply these rules along with the Department's Accountable Authority Instructions (Secretary's Instructions), reinforced by other guidance materials, to ensure that we:

- › undertake competitive, non-discriminatory procurement processes
- › use resources efficiently, effectively, economically and ethically make decisions in an accountable and transparent manner.

Reporting

In 2018–19 the Department published on the AusTender website:

- › tender opportunities with a value of \$80,000 or more
- › details of all contracts awarded with a value of \$10,000 or more
- › a procurement plan providing details of expected procurements for 2018–19.

In accordance with the Department of Finance's Resource Management Guide 403: Meeting the Senate Order on Entity Contracts, we publish the details of all contracts entered into or active during the preceding 12 months with a value of \$100,000 or more.

Information on the value of contracts awarded is available on the AusTender website.

www.tenders.gov.au

Consultancy services

The Department engages consultants where it lacks specialist expertise or requires independent research, review or assessment. We typically engage consultants to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or creative solutions to assist in the Department's decision-making.

Before engaging consultants we take into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of engaging external expertise. We make decisions to engage consultants in accordance with the PGPA Act and related rules, including the *Commonwealth Procurement Rules*.

During 2018–19 the Department entered into 199 new consultancy contracts involving total actual expenditure of \$15.246 million (GST inclusive). In addition, 77 ongoing consultancy

¹ An amended version of the *Commonwealth Procurement Rules* came into effect on 1 January 2018.

contracts were active, involving total actual expenditure of \$4.148 million (GST inclusive) (see Table 3.23).

Information on the value of contracts and consultancies awarded is available on the AusTender website.

www.tenders.gov.au

Table 3.23: Expenditure on consultants, 2018–19

| | Total |
|---|-----------------|
| No. of new contracts entered into during the period | 199 |
| Total actual expenditure during the period on new contracts (inc. GST) | \$15,245,901.28 |
| No. of ongoing contracts engaging consultants that were entered into during a previous period | 77 |
| Total actual expenditure during the period on ongoing contracts (inc. GST) | \$4,148,415.11 |

Exempt contracts

There were no standing offers or contracts in excess of \$10,000 (GST inclusive) exempted from being published on AusTender under the *Freedom of Information Act 1982*.

Promoting engagement with Indigenous-owned businesses

The Department is committed to broader engagement with Indigenous-owned businesses to source goods and services across the spectrum of purchasing activities. This commitment goes beyond any specific obligation to meet procurement contract targets set out in the Commonwealth Indigenous Procurement Policy. In 2018–19 we well exceeded our Indigenous procurement target, which was 68 contracts. Internal measures raise awareness of the importance of procuring from Indigenous businesses by cementing best practice into our standard procurement processes and systems.

The Department's 2018–19 financial year results against the Australian Government's Indigenous procurement target are published on the National Indigenous Australians Agency website.

www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp

Grant programs

GrantConnect is the new whole-of-government grants information system. GrantConnect is a central platform for publishing, applying for and reporting on Commonwealth grants. It provides a single point of discovery, efficiencies in obtaining centralised grants information, and increased transparency about and accountability for the use of public resources.

In accordance with reporting requirements set out in the *Commonwealth Grants Rules and Guidelines* (2017), information on grants the Department awarded during the period 1 July 2018 to 30 June 2019 is available on GrantConnect and on our website.

www.grants.gov.au

www.environment.gov.au/about-us/accountability-reporting/grants-listing

Information relating to planned or forecast grant opportunities is available through GrantConnect.

In support of the Australian Government's Streamlining Government Grants Administration Program, the Department is transitioning the administration of grant programs to the relevant Commonwealth grant hubs. These hubs are operated by the Department of Industry, Innovation and Science (the Business Grants Hub) and the Department of Social Services (the Community Grants Hub). The Department will retain policy ownership and overall responsibility for relevant grant programs.

Australian National Audit Office access clauses

The Department is required to report the details of any contracts that have a contract value of \$100,000 or more (inclusive of GST) where the contractual terms and conditions do not provide for the Auditor-General (through the Australian National Audit Office (ANAO)) to have access to the contractor's premises.

The Department generally enters into contracts using a Commonwealth form of contract (the Department of Finance's Commonwealth Contracting Suite), which contains the necessary standard access clause(s). In all other cases, the Department seeks the inclusion of access clauses. Standard access clauses provide the ANAO with access to various types of information held by contractors and third-party subcontractors for the purpose of audits, including access to records, information and assets directly relevant to the contract performance. The clauses do not enable access to information that is outside the scope of the specific contract.

The Department is not aware of any contract it entered into during 2018–19 that might limit the ANAO's access for the purposes of performing an audit.

Procurement initiatives to support small business

The Australian Government is committed to its entities sourcing at least 10 per cent of their procurement, by value, from small and medium-sized enterprises. The Department supports this commitment and the strong participation of small business in the Australian Government procurement market.

Our internal procurement practices reflect the requirements outlined in the *Commonwealth Procurement Rules*, including that practices not unfairly discriminate against small and medium-sized enterprises and that they provide appropriate opportunities for these enterprises to compete. In addition to raising awareness of the importance of supporting small and medium-sized enterprises wherever possible and practicable in the procurement of goods and services for the Department, our practices include:

- › using the Commonwealth Contracting Suite for procurements valued under \$200,000
- › applying the Small Business Engagement Principles (outlined in the Government's Industry Innovation and Competitiveness Agenda), which include communicating in clear, simple language and presenting information in an accessible format
- › using electronic systems or other processes to facilitate on-time payment performance, including the use of payment cards.

Our small and medium-sized enterprise participation statistics are available on the Department of Finance website.

www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts

The Department recognises the importance of ensuring that small businesses are paid on time. The results of the *Government Pay On-Time Survey performance report 2017–18* are available on the Department of Employment, Skills, Small and Family Business website.

www.employment.gov.au/pay-time-survey-results

Advertising and marketing expenditure

The Department undertook an advertising campaign around energy policy reform in 2018–19.

Further information on the energy policy reform campaign is available on our website and in reports on Australian Government advertising on the Department of Finance website.

www.environment.gov.au/about-us/publications/powering-forward-next-generation

www.finance.gov.au/advertising/Communications-casr.html

Expenditure on the energy policy reform campaign and all payments made during 2018–19 for advertising and market research that exceeded the reporting threshold of \$13,800 (GST inclusive) are presented in Table 3.24.

Table 3.24: Advertising and market research expenditure in excess of \$13,800 (GST inclusive), 2018–19

| Agency | Purpose | Expenditure (GST incl.) |
|---|---|-------------------------|
| Advertising agencies | | |
| TBWA Melbourne Pty Ltd | Creative content for Powering Forward campaign | \$1,752,829 |
| Market research organisations | | |
| Whereto Research Based Consulting Pty Ltd | Great Barrier Reef market research | \$108,001 |
| Whereto Research Based Consulting Pty Ltd | Internal research for Reconciliation Action Plan | \$88,000 |
| 89 Degrees East Pty Ltd | Energy—Market offer and reference price communication strategy | \$61,380 |
| JWS Research | Powering Forward developmental research | \$501,050 |
| Hall & Partners Pty Ltd | Powering Forward campaign evaluation research | \$362,875 |
| Callosum Consulting | Behavioural analysis focus groups for a demand response database | \$53,171 |
| Instinct and Reason | Investigation of the use of the energy rating label by consumers buying TVs | \$59,400 |
| Colmar Brunton | Pool pump label research | \$73,590 |

| Agency | Purpose | Expenditure (GST incl.) |
|--|--|-------------------------|
| The Contenders | Strategy and creative development for the Carbon Neutral Initiative rebrand. This marketing aims to create brand awareness for the initiative and support Carbon Neutral certified businesses. | \$325,031 |
| OPC IT Pty. Ltd | Digital development of consumer facing websites to support the Carbon Neutral Initiative rebrand. | \$18,280 |
| Polling organisations | | |
| nil | | |
| Direct mail organisations | | |
| nil | | |
| Media advertising organisations | | |
| Mediabrand Australia Pty Ltd | Powering Forward campaign media buy | \$18,517,030 |

External scrutiny

This section details significant developments in external scrutiny that the Department was subject to in 2018–19.

Courts and tribunals

Australian Conservation Foundation v Minister for the Environment (NSD2268/2018)

On 4 December 2018, the Australian Conservation Foundation filed an application in the Federal Court challenging the validity of a decision under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) that a proposed action was not subject to sections 24D and 24E of the EPBC Act.

On 12 June 2018, the Federal Court, with the consent of the parties, made orders setting the decision aside and remitting it to the Minister for reconsideration.

Clark and Ors v Minister for the Environment (VID 168/2019)

On 5 March 2019, four applicants from the Djab Wurrung traditional owners sought judicial review against the Minister regarding her decision of 19 December 2019 to not make a declaration under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (ATSIHP Act).

On 12 April 2019, the Federal Court made orders with the consent of the parties setting aside the Minister's decision and remitting the application under the ATSIHP Act for a fresh decision.

Environment Council of Central Queensland Inc. v Minister for the Environment (Commonwealth) and Harris (NSD1788/2018)

On 14 September 2018, the Environment Council of Central Queensland (ECCQ) applied to the Federal Court for judicial review of the decision, under section 87(1)(aa) of the EPBC Act, that clearing for agricultural activities on Kingvale Station on Cape York Peninsula be assessed on referral information.

On 26 November 2018, the Court made orders, by consent of the parties, setting aside the assessment approach decision to be remade by the Minister; and for the Department to pay ECCQ's costs.

Fidler v Minister for the Environment and Energy (AAT2018/5618)

On 2 October 2018, Dr Fidler lodged an application to the Administrative Appeals Tribunal for review of a refusal for a permit under section 303GA of the EPBC Act to export a native *Convention on International Trade in Endangered Species of Wild Fauna and Flora* bird specimen. Dr Fidler withdrew the application on 23 January 2019.

Harris v the Secretary of the Department administering the EPBC Act 1999 (535/2018)

On 3 August 2018, Mr Harris applied to the Federal Court for an order requiring the Secretary to finalise a recommendation report and provide a copy to the Minister under section 93 of the EPBC Act.

On 31 August 2018, Mr Harris withdrew his application.

Huon Aquaculture Group Ltd and Ors v Tassal Operations Pty Ltd and Ors (TAD19/2017)

On 6 June 2017, Huon Aquaculture Group Ltd filed an application to the Federal Court for declaratory relief against Tassal Operations Pty Ltd, Aquatas Pty Ltd and the Director of the Tasmanian Environment Protection Authority (TAD19/2017). The Minister intervened in these proceedings.

On 31 January 2019, the Court dismissed the matter by consent.

Polaris Coomera Pty Ltd v Minister for the Environment (QUD627/2018)

On 3 September 2018, Polaris Coomera Pty Ltd filed an application in the Federal Court challenging the validity of a decision that a proposed residential development was a controlled action under section 75 of the EPBC Act.

On 7 February 2019, the Federal Court, with the consent of the parties, made orders setting the decision aside and remitting it to the Minister for reconsideration.

Roo-Roofing Pty Ltd and Matsuh Pty Ltd v Commonwealth of Australia (SCI03382/2015)

This is a class action claim in the Victorian Supreme Court resulting from early termination of the Home Insulation Program. The claims include negligence, breach of contract, negligent misrepresentation and unconscionable conduct.

The matter was heard between 23 April 2018 and 28 June 2018. The Court handed down judgment on 31 May 2019. It dismissed each of the causes of action and entered judgment in favour of the Commonwealth.

Triabunna Investments Pty Ltd and Ors v Minister for the Environment and Energy and Anor (TAD12/2018)

On 7 September 2017, Triabunna Investments Pty Ltd, Spring Bay Mill Pty Ltd and Bob Brown Foundation Inc. filed an application in the Federal Court challenging the validity of a decision under the EPBC Act that an action was not a controlled action if undertaken in a particular manner. This application was dismissed by the Court on 12 April 2018.

On 2 May 2018, the applicants filed an appeal in the Full Federal Court and the matter was heard on 30 and 31 October 2018. On 15 April 2019, the Full Federal Court held that the appellants were successful in one of their seven grounds of appeal. In line with their reasons, the Court ordered that a new decision notice be issued, and this was done on 26 June 2019.

Coronial process into the death of Mr David Wood (CD 9/16)

On 12 January 2016, the death of Helicopter Resources Pty Ltd pilot Mr David Wood in Antarctica was referred to the Australian Capital Territory Coroner. An inquest is underway.

The matter was listed for hearing over 12 days in September, October and December 2017 and is part-heard.

Comcare v Commonwealth of Australia (CC44419–44151)

On 20 December 2017, the Department was charged in the Magistrates Court of the Australian Capital Territory with three work health and safety offences related to the death of Mr David Wood. Helicopter Resources Pty Ltd is also facing charges.

Following a contested hearing in June and July 2019, the matter is adjourned until 3 October 2019 for supplementary closing submissions.

Helicopter Resources Pty Ltd v Commonwealth of Australia and Ors (NSD629/2018)

On 24 April 2018, Helicopter Resources Pty Ltd applied to the Federal Court seeking relief to prevent their chief pilot from giving evidence at the inquest in circumstances where Helicopter Resources is facing related criminal charges. On 30 April 2018, the Court granted interim relief restraining the giving of evidence at the inquest by anyone from Helicopter Resources until the substantive application was determined.

On 29 June 2018, the Federal Court dismissed the application. The decision of the Court was overturned by the Full Federal Court in favour of Helicopter Resources.

On 21 June 2019, the High Court granted the Commonwealth special leave to appeal the decision of the Full Federal Court. The appeal before the High Court has not yet been set down for hearing.

The inquest was adjourned pending the decision of the High Court.

Decisions by the Australian Information Commissioner

There were no relevant decisions made by the Australian Information Commissioner in 2018–19.

Commonwealth Ombudsman

The Ombudsman's Office finalised its investigation of a complaint that the Department received in 2017–18. It determined that no further investigation was warranted and subsequently closed the matter.

The Department otherwise did not receive any notices of complaint from the Commonwealth Ombudsman in 2018–19 and was not subject to any such investigations or notices on 30 June 2019.

Auditor-General reports

The ANAO tabled one performance audit specific to the Department in 2018–19:

- › ANAO Report No. 22 of 2018–19: Award of a \$443.3 Million Grant to the Great Barrier Reef Foundation.

In 2018–19, the ANAO tabled its cross-entity financial statement audit, which included the Department:

- › Auditor-General Report No. 46 of 2018–19: Interim Report on Key Financial Controls of Major Entities.

Parliamentary committee reports

The Department is responsible for coordinating the Government's responses to the following parliamentary committee reports tabled in 2018–19. The Department reports twice yearly to the leaders of the Government in the Senate and the House of Representatives (through the Department of the Prime Minister and Cabinet) on all outstanding Government responses to parliamentary committee reports. Information on each of the committees and their inquiries, the President's Report to the Senate and the Speakers' Schedule of Outstanding Government Responses are published on the Australian Parliament House website.

www.aph.gov.au

Senate Standing Committees on Environment and Communications

- › Adequacy of the regulatory framework governing water use by the extractive industry
- › Current and future impacts of climate change on housing, buildings and infrastructure
- › Great Barrier Reef 2050 Partnership Program
- › Rehabilitation of mining and resources projects as it relates to Commonwealth

responsibilities

- › Australia's faunal extinction crisis—Interim Report

Joint Standing Committee on Foreign Affairs, Defence and Trade

- › Inquiry into the management of PFAS contamination in and around Defence bases

House of Representatives Standing Committee on the Environment and Energy

- › Report on the inquiry into the management and use of Commonwealth environmental water
- › Cane toads on the march

Joint Committee on Law Enforcement

- › Trade in elephant ivory and rhino horn

Freedom of information

Under Part II of the *Freedom of Information Act 1982* the Department is required to publish certain information as part of the Information Publication Scheme. Our Information Publication Scheme statement can be found on our website.

www.environment.gov.au/topics/about-us/freedom-information/information-publication-scheme

The Freedom of Information Contact Officer can be contacted at:

Freedom of Information Contact Officer
General Counsel Branch
Department of the Environment and Energy
GPO Box 787
Canberra ACT 2600
Phone: 02 6274 2098
Fax: 02 6274 2837
Email: foi@environment.gov.au

Central policy support

International engagement activities

In 2018–19 the Department engaged in international activities which advanced our international priorities on the environment and strengthened important bilateral and regional relationships.

We pursued outcomes in international forums that support domestic priorities related to:

- › Antarctica and the Southern Ocean (pages 66–71)
- › climate change (pages 57–65)
- › energy security and investment (pages 78–81)
- › hazardous waste and chemicals (pages 50–56)
- › protection of the ozone layer (pages 50–56)
- › wetlands of international importance ('Ramsar') (pages 33 and 39)
- › wildlife trade (pages 40, 43–44)

The Department's International Engagement Framework 2018–2021 was endorsed in September 2018 and underpins the Department's international work.

2030 Agenda for Sustainable Development and the Sustainable Development Goals

The 2030 Agenda for Sustainable Development includes 17 Sustainable Development Goals that are designed to address current and future global challenges.

The Department is the whole-of-government lead on five of the goals:

- › Goal 7—Affordable and Clean Energy
- › Goal 12—Responsible Production and Consumption
- › Goal 13—Climate Action
- › Goal 14—Life below Water
- › Goal 15—Life on Land.

The Department also contributes to other goals, including Goal 6—Clean Water and Sanitation; Goal 11—Sustainable Cities and Communities; and Goal 17—Partnerships for the Goals.

The Department is actively integrating the goals into our policies, strategies and programs as well as our corporate documents. Further information on the Department's engagement on the agenda, including Australia's first Voluntary National Review and the National Reporting Platform, can be found on our website.

www.environment.gov.au/about-us/international/2030-agenda

Bilateral engagement

The Department continued to build on our already important bilateral relationships over 2018–19 to forge stronger global ties and to share information, policies and programs of mutual interest in our region and more broadly. These included transboundary issues such as marine conservation, sustainable management of marine resources, marine waste management and climate change.

The Department worked bilaterally with major trading partners on energy-related issues, including market reform, investment, energy security and clean energy. The Department is also supporting the Department of Foreign Affairs in the bilateral negotiations on the Australia–European Union Free Trade Agreement.

As a member of the China Council for International Cooperation on Environment and Development, the Secretary attended the annual general meeting in Hangzhou, China. The China Council is a high-level group of Chinese officials and international officials and experts that advises the Chinese government on policy issues related to environment and sustainable development.

G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth

The G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth was held in Karuizawa, Japan, on 15–16 June 2019. At the meeting, the G20 members exchanged insights and adopted a communiqué committing to address global energy and environment challenges, including energy security, transitioning to low-carbon energy systems, and marine plastic litter.

Minister for Energy and Emissions Reductions, the Hon. Angus Taylor MP, led the Australian delegation to the ministerial meeting. Departmental officials led Australia's engagement in three senior officials' meetings in advance of the ministerial meeting, including negotiation of the communiqué on behalf of the Australian Government.

Organisation for Economic Co-operation and Development

The Department supported the Organisation for Economic Co-operation and Development (OECD) to prepare its third Environmental Performance Review of Australia was released on 30 January 2019.

During 2018–19, the Department participated in strategic meetings of the Environment Policy Committee of the OECD. The committee plays a role in identifying effective and economically efficient responses to environmental challenges such as air quality, municipal waste, water scarcity, ozone depletion, biodiversity loss and climate change.

UN Environment Programme

The UN Environment Programme (UNEP) has a central role in setting the global environment agenda. In 2018–19, the Department led and participated in several UNEP engagements culminating in the fourth session of the UN Environment Assembly in March 2019. The Department supported the adoption of a ministerial declaration as well as 26 resolutions and decisions. These resolutions shape global initiatives on marine plastics, waste management and human exposure to environmental contaminants.

Whales and whaling

Australia maintained its strong commitment to upholding the global moratorium on commercial whaling, bringing about a permanent end to all forms of commercial and so-called 'scientific' whaling, and reforming the International Whaling Commission into a contemporary, multilateral conservation organisation.

In September 2018, the Department attended the 67th meeting of the International Whaling Commission and worked closely with other commission members to oppose a proposal put forward by the Government of Japan that would have undermined the global moratorium on commercial whaling.

At its meeting, the commission concluded that Japan had not justified the need to kill whales for science in the Southern and North Pacific Oceans and recommended that Japan not continue whaling as part of its so-called 'scientific' programs unless it could be justified. This was the outcome of a two-year process, initiated and led by Australia that sought to improve the commission's ability to review Japan's so-called 'scientific' whaling programs.

On 26 December 2018, Japan announced their withdrawal from the *International Convention for the Regulation of Whaling* and the commission. The withdrawal took effect on 30 June 2019 and Japan commenced commercial whaling in their waters on 1 July 2019. The Government publicly expressed its disappointment with Japan's decision and urged Japan to return to the Convention and the commission as a matter of priority.

The commission also considered the findings of the first independent review of its governance arrangements. All commission members agreed to progress governance reforms. Australia co-sponsored and co-funded the resolution that established the independent review in 2016.

Marine environment

During 2018–19 the Department continued policy and programmatic support for improved management of the marine environment in the Indo-Pacific and beyond. The Department, with funding from Australia's aid program, began design of a \$16 million project to support the Secretariat of the Pacific Regional Environment Programme (SPREP) to implement key elements of the Pacific Regional Action Plan: Marine Litter. This six-year project will support efforts by Pacific island countries to reduce single use plastic, such as shopping bags, and food containers that make their way into coastal waters.

The Department also completed the Australian Government's 10-year program of support to the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI). Under this program, the Department recently connected researchers working on the Great Barrier Reef with CTI countries (including Indonesia, the Philippines, Malaysia, Timor-Leste, Papua New Guinea and the Solomon Islands) to consider targeting management to the most climate-resilient and connected reefs in the Coral Triangle. The Department paired support for on-ground activities with a major review of the CTI's Regional Plan of Action (2009–19).

High Level Panel for a Sustainable Ocean Economy

During 2018–19 the Department led Australia’s engagement in the High Level Panel for a Sustainable Ocean Economy—a Norwegian initiative consisting of serving heads of government from 14 coastal nations. Prime Minister Morrison is Australia’s member on the panel. The panel’s objective is to increase international understanding of how sustainable use of the oceans—and the ocean economy—can play a key role in meeting the world’s most vital future needs. Its major deliverable will be an independent scientific synthesis report and high-level recommendations from the 14 world leaders, focused on the relationship between clean and healthy oceans, sustainable use of ocean resources, and economic growth and development and which will be presented at the next United Nations Ocean Conference in mid-2020.

World Heritage

Australia was elected to the World Heritage Committee for a four-year term in November 2017. Australia’s focus during its term on the Committee is strengthening the credibility of the World Heritage Convention, conservation, capacity building and communication of world heritage, including effective engagement of communities and Indigenous peoples.

At the 42nd session of the committee meeting in 2018, we initiated a review of the process for nominating properties to the World Heritage List. Australia has also been involved in inter-sessional work with other States Parties on reforms to improve the quality of nominations. A series of reforms were considered by the committee at its 43rd session in July 2019 and received in-principle support. In November 2018, the Department supported a visit by a high-level delegation from Belize to Australia’s Great Barrier Reef. The delegation wished to exchange best practices on leveraging Belize Barrier Reef’s iconic World Heritage status in order to protect their fragile ecosystems from climate impacts and secure sustainable livelihoods, jobs and income for local communities.

Regulatory maturity

The Department recognises that regulatory best practice is critical to protecting the environment and providing secure, affordable and sustainable energy.

In 2018–19 the Department implemented its Regulator Evaluation Framework, which provides additional and complementary key performance indicators to those set out in the Australian Government Regulatory Performance Framework. The evaluation framework formed the basis of an independent study of our regulatory performance. This study has provided the Department with a baseline measure of performance and helped to identify areas for ongoing focus.

The Department’s Regulator Performance Self-assessment Report 2017–18, available on the Department’s website, presents the study findings and priority work for 2019–20.

www.environment.gov.au/about-us/publications/regulator-performance-framework-annual-assessment-report-2017-18

Ecologically sustainable development and environmental performance

Section 516A of the EPBC Act requires the Department to report on:

- › how our activities accord with the principles of ecologically sustainable development. Activities include developing and implementing policies, plans, programs and legislation and the operations of the organisation
- › how our outcomes and Corporate Plan purposes, specified in relevant appropriation acts, contribute to ecologically sustainable development
- › the environmental impacts of our operations during the year and measures taken to minimise these impacts.

The Department has produced guidelines to assist Australian Government agencies in reporting on their contributions to ecologically sustainable development. The guidelines are available from our website.

www.environment.gov.au/resource/guidelines-section-516a-reporting-environment-protection-and-biodiversity-conservation-act

Application of ecologically sustainable development principles

The Department administers the EPBC Act, which promotes ecologically sustainable development through the conservation and ecologically sustainable use of natural resources. Examples of how we apply the principles are in Table 3.25.

Table 3.25: Examples of how the Department applies the principles of ecologically sustainable development

| Principles | Activities |
|---|--|
| Integration principle: decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations. | <ul style="list-style-type: none"> › The Threatened Species Strategy sets out the main principles for examining threatened species recovery initiatives. The strategy applies the integration principle in decision-making processes for allocating investment to achieve the greatest impact, benefiting a greater number of plants and animals. It frames a set of principles under three categories: 'science', considering conservation status; 'action', considering success and immediate and future benefits; and 'partnership', ensuring the community is engaged with results and likely to sustain them through long-term commitment of effort. › When engaging with international energy forums, the Department applies the integration principle by taking positions that support access to energy in areas suffering energy poverty. This facilitates the transition to a low-emissions energy sector by, for example, increasing use of cleaner energy technologies and energy efficiency measures that alleviate energy poverty. › By ensuring the protection of people and the environment in the Alligator Rivers Region from impacts of uranium mining, the Supervising Scientist helps to balance the economic benefit of uranium mining with the associated societal and environmental risks. › The Department's commitment to delivering a common national approach to environmental-economic accounting is a practical demonstration of the integration principle. By implementing the United Nations System for Environmental-Economic Accounting framework, the Department is seeking to support decision makers by providing integrated environmental, economic and social information. › Climate change is a cross-cutting risk that will affect policies and program across the Department. The Department is integrating consideration of climate risk into risk management and policy and program development across all divisions. This approach is guided by <i>Climate compass: a climate risk management framework for Commonwealth agencies</i>, which was developed by the Department and CSIRO to provide step-by-step instructions and guidance for considering and managing climate change risks. |
| Precautionary principle: if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. | <ul style="list-style-type: none"> › The precautionary principle applies to our decisions on Commonwealth environmental water use. We base these decisions on the best available information (including local knowledge). Given the highly variable operating environment, we often need to make decisions without full scientific certainty of the ecological outcomes. Importantly, adaptive management (including a long-term monitoring and evaluation program) ensures that knowledge improves over time. › The Supervising Scientist implements the precautionary principle when providing advice to regulatory authorities on uranium mining. Where there are insufficient data or other information to support regulatory decisions, the Supervising Scientist recommends that conservative measures are taken. This ensures the highest level of protection for the people and environment in the Alligator Rivers Region, including Kakadu National Park. › The precautionary principle is taken into account when deciding whether to amend the list of exempt native specimens or the list of specimens taken to be suitable for live import; or to declare a fishery or other wildlife operation to be an approved wildlife trade export program under Part 13A of the EPBC Act. Various pieces of state, territory and Commonwealth legislation also refer to the precautionary principle, ensuring this objective is integrated throughout Australia's management of fisheries and other wildlife industries. |

| Principles | Activities |
|--|---|
| Intergenerational principle: the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced, for the benefit of future generations. | <ul style="list-style-type: none"> › Intergenerational equity is ingrained in the EPBC Act through the implementation of Australia's international responsibilities under the <i>Convention Concerning the Protection of the World Cultural and Natural Heritage</i> (the World Heritage Convention). The listing of Australia's World Heritage properties for their Outstanding Universal Value and National Heritage places for their outstanding heritage value to the nation provides benefits, now and into the future, for human wellbeing. › In helping to implement the Murray–Darling Basin Plan, the Department is investing in the long-term future of the Murray–Darling Basin on a scale unprecedented in Australia's history. By recovering and efficiently using the water needed for enduring river and wetland health, it is preserving the environment of the Basin for future generations. › The Supervising Scientist helps to ensure that the significant cultural and environmental values of the Alligator Rivers Region are protected and maintained for the benefit of future generations. In particular, the intergenerational principle is applied through the Supervising Scientist's assessment of Ranger mine's closure plan, which aims to ensure that, for 10,000 years, the region's people and environment remain protected from the impacts of mining uranium at Ranger mine. › The Australian Antarctic Strategy and 20 Year Action Plan, released in April 2016, sets out Australia's national Antarctic interests and the Government's vision for Australia's future engagement in Antarctica. Central to the strategy is Australia's commitment to the Antarctic Treaty system, which aligns with the intergenerational principle by preserving Antarctica as a place of peace and science; and establishing principles for continuing effective governance of the region. The 1991 Environmental Protocol to the Antarctic Treaty creates a comprehensive environmental protection and management regime for Antarctica which includes a ban on mining and a rigorous environmental impact assessment process. › The intergenerational principle is reflected in the National Climate Resilience and Adaptation Strategy (2015), which presents a vision for climate resilience in Australia: 'We act together to support prosperity and wellbeing in Australia and beyond by building the resilience of communities, the economy and the environment to a variable and changing climate.' |
| Biodiversity principle: the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making. | <ul style="list-style-type: none"> › The Department has lead responsibility for biodiversity conservation within the Australian Government. Biodiversity is protected under national environmental law through listing of threatened and migratory species, threatened ecological communities, Ramsar wetlands of international importance, and World and National Heritage places with natural values. › The Department applies the biodiversity principle to Australia's National Biodiversity Strategy and Action Plan. This strategy is jointly owned and managed (with state and territory governments and the Australian Local Government Association). It sets an umbrella national framework for biodiversity conservation effort, as well as national priorities that are aligned with Australia's international obligations, including under the <i>Convention on Biological Diversity</i> (CBD). Our contribution to the CBD's Aichi Targets directs national efforts to achieve healthy and resilient biodiversity and provides a basis for living sustainably. › The Department encourages state governments, in discharging their responsibilities for water resource management, to take into account the watering requirements for designated sites and the protection afforded to these sites under the EPBC Act. State water policy is required to promote actions that take account of and conserve the biodiversity values of designated sites. |

| Principles | Activities |
|---|---|
| Valuation principle: improved valuation, pricing and incentive mechanisms should be promoted. | <ul style="list-style-type: none">› The development of environmental-economic accounts will support the application of the valuation principle, leading to improved consideration of environmental assets and services in the assessment of policy alternatives. Where useful for decision-making, environmental-economic accounting accommodates the valuation of environmental assets by considering their contribution to individuals (private goods) and society (public goods).› The Department upholds the valuation principle by implementing the Commonwealth Environmental Water Trading Framework when trading water allocations. The framework includes a set of operating rules that ensure any water trades are competitive, transparent and informed by market assessment. It supports better outcomes by maximising the environmental benefit achieved by selling water allocations and reinvesting in the delivery of environmental water when required. |

Contribution of outcomes to ecologically sustainable development

The Department’s role is to advise on and implement environment and energy policy to support the Government in achieving a healthy environment, strong economy and thriving community.

Departmental outcomes and corporate plan purposes contribute to ecologically sustainable development as detailed throughout this annual report and in the annual performance statements in particular (see pages 13–89).

Operational environmental impacts and performance

The Department is committed to ensuring that its corporate operations reflect best environmental practice in a public service agency. We are dedicated to reducing the environmental implications of our operations as far as practicable in urban office environments and the remote and regional areas we are responsible for managing.

To best manage our operational environmental impact, we focus on developing and implementing systems that improve the environmental performance of the agency as a whole. We value educating staff about how they can contribute to reducing the Department’s environmental impacts.

Some practices we use to manage our operational environmental impact are:

- › fostering a culture of environmental responsibility in the workplace, including online guidance for staff
- › providing training for field staff, scientists and support staff in regional and remote areas regarding sound environmental practices in Antarctica, World Heritage areas, national parks and reserves
- › promoting the efficient use of energy, water, paper and other natural resources
- › preventing or minimising pollution and greenhouse gas emissions where possible
- › offering alternative waste streams to reduce the amount of waste to landfill we produce
- › developing management plans that identify and address environmental risks and opportunities for environmental improvement at all offices, field sites, laboratories and other departmental sites

- › monitoring and reporting on our environmental performance, both internally and externally.

We manage our day-to-day operational environmental performance at a local level because of the diverse nature of our operations across Australia, external territories and the Southern Ocean. The Australian Antarctic Division, the Supervising Scientist Branch and office-based operations in Canberra have environmental performance committees, environmental policies and environmental performance action plans that support the management of our operational environmental impact in local areas.

The Department has an active environmental contact officer network—ECONet—in which volunteer staff members are involved in developing and implementing initiatives and practices to help improve the environmental performance of Canberra-based operations.



Yellow Waters Wetland Lagoon in the World Heritage listed Kakadu National Park, NT © Department of the Environment and Energy (taken by staff)

Financial Statements

4

Department of the Environment and Energy

Financial Statements
for the period ended 30 June 2019



INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment and the Minister for Energy and Emissions Reduction

Opinion

In my opinion, the financial statements of the Department of the Environment and Energy ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* ('the PGPA FRR'); and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Secretary and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Key audit matter

How the audit addressed the matter

Valuation of Other Provisions

Refer to Note 3.4A 'Other Provisions'

The Other Provisions balance includes an estimate of the future cost of the decommissioning, dismantling and expatriation to Australia of all buildings, infrastructure and associated materials from, and the cost of site rehabilitation of, Australia's Antarctic and sub-Antarctic regions. The estimate is a focus of my audit because significant management judgement is used to determine the value of the provision.

The provision is calculated using a complex model requiring specific knowledge about the unique operations in Antarctica. The calculations are underpinned by key assumptions including, dismantling costs, timing of activity, discount rates, inflation rates, asset useful lives, shipping, transport and handling costs, and the timing of cash outflows. Key assumptions are subject to significant judgement and sensitivity and are disclosed in Note 3.4A.

The balance at 30 June 2019 was \$571.6 million.

I applied the following audit procedures to address the matter:

- assessed the accuracy and completeness of the fixed asset data used in the model by the Entity;
- considered the competence and objectivity of management's valuation expert and evaluated the appropriateness, rationale and consistent application of the estimation methods;
- assessed the reasonableness of key assumptions by comparing them to industry benchmarks with appropriate adjustment for the unique environment of the Antarctic regions and considering the model's sensitivity to key inputs;
- considered the reasonableness of useful lives of assets and the appropriateness of the application of inflation rates and discount rates; and
- tested the calculation logic and arithmetic accuracy of the model.

Key audit matter

How the audit addressed the matter

Valuation of Snowy Hydro Limited Administered Investment

Refer to Note 4.1D 'Other Investments'

I focused on this area due to the size of the balance and the judgement involved in determining the fair value of this administered investment asset.

The fair value of this asset has been determined on an income basis, specifically the Discounted Cash Flow approach. This involves the estimation of future revenue and earnings, significant capital expenditure, and the application of an appropriate discount rate and terminal value, consistent with those disclosed in Note 4.1D of the financial statements. Determining these assumptions involves a high level of judgement and estimation.

The balance at 30 June 2019 was \$6,914.0 million.

I applied the following audit procedures to address the matter:

- assessed the appropriateness of the valuation methodology and the underlying assumptions and inputs used in the valuation, including the cash flow forecasts and discount rate. This included testing of the consistency of amounts recognised in the valuation model against estimates and publications produced by Snowy Hydro Limited;
 - compared key inputs including cost of capital, capitalisation multiples and terminal growth rates used in the valuation model against comparable external data where it was available; and
 - considered the sensitivity of the valuation methodology through adjusting key assumptions for reasonably foreseeable alternate scenarios
-

Key audit matter**How the audit addressed the matter****Valuation of water assets**

Refer to Note 4.2A 'Administered Non-Financial Assets'

As the Commonwealth Environment Water Holder, the Entity administers the Commonwealth's investment in water assets. The Entity reports water assets as administered intangible assets, with indefinite useful lives, and measures these assets using the cost model. The PGPA FRR requires intangible assets to be measured at fair value where an active market exists for that asset. As a consequence, the Entity undertakes an annual active market assessment to determine whether measurement at cost remains appropriate. Australian Accounting Standards require intangible assets with indefinite useful lives to be tested for impairment annually.

The Entity exercises judgement in its annual assessment of an active market in considering whether the frequency, volume and availability of reliable water trade price data for all water entitlement assets meets the Australian Accounting Standards requirements for an active market.

The annual impairment testing compares the recoverable amount of water assets to the carrying amount of water assets. Due to the limited availability of water trade data for some assets and uncertainties in relation to the reliability of available water trade data, the Entity exercises significant judgement in developing the impairment methodology and in determining appropriate transactions from water trade data and broker pricing data used to estimate the recoverable amount of water assets.

The water assets balance at 30 June 2019 was \$3,770.1 million.

I applied the following audit procedures to address the matter:

- assessed the reasonableness of the Entity's conclusion that an active market does not exist for water assets against the requirements of the Australian Accounting Standards;
- assessed the reasonableness of the methodology and transactions selected by the Entity in its impairment assessment supporting the valuation of the water assets; and
- assessed the appropriateness of the Entity's impairment testing by considering available external data including broker pricing data, expert analysis and recent Commonwealth purchases of water assets.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Scott Sharp

Executive Director

Delegate of the Auditor-General

Canberra

30 September 2019


Contents

| | |
|--|------------|
| Statement by the Secretary and Chief Finance Officer | 140 |
| Primary financial statements | |
| Statement of Comprehensive Income | 141 |
| Statement of Financial Position | 142 |
| Statement of Changes in Equity | 143 |
| Cash Flow Statement | 145 |
| Administered Schedule of Comprehensive Income | 146 |
| Administered Schedule of Assets and Liabilities | 147 |
| Administered Reconciliation Schedule | 148 |
| Administered Cash Flow Statement | 149 |
| Overview | 150 |
| Notes to the financial statements | 153 |
| 1. Departmental Financial Performance..... | 153 |
| 1.1. Expenses | 153 |
| 1.2. Own-Source Revenue and Gains | 156 |
| 2. Income and Expenses Administered on Behalf of Government..... | 158 |
| 2.1. Administered – Expenses | 158 |
| 2.2. Administered – Income | 160 |
| 3. Departmental Financial Position..... | 162 |
| 3.1. Financial Assets | 162 |
| 3.2. Non-Financial Assets | 163 |
| 3.3. Payables..... | 167 |
| 3.4. Other Provisions..... | 168 |
| 4. Assets and Liabilities Administered on Behalf of Government..... | 171 |
| 4.1. Administered – Financial Assets | 171 |
| 4.2. Administered – Non-Financial Assets | 174 |
| 4.3. Administered – Payables..... | 178 |
| 5. Funding | 179 |
| 5.1. Appropriations | 179 |
| 5.2. Special Accounts..... | 182 |
| 5.3. Regulatory Charging Summary | 189 |
| 6. People and Relationships..... | 190 |
| 6.1. Employee Provisions..... | 190 |
| 6.2. Key Management Personnel Remuneration | 191 |
| 6.3. Related Party Disclosures..... | 191 |
| 7. Managing Uncertainties | 192 |
| 7.1. Contingent Assets and Liabilities | 192 |
| 7.2. Financial Instruments | 195 |
| 7.3. Administered – Financial Instruments | 198 |
| 7.4. Fair Value Measurement..... | 204 |
| 7.5. Administered – Fair Value Measurement | 205 |
| 8. Other Information..... | 207 |
| 8.1. Aggregated Assets and Liabilities..... | 207 |
| 8.2. Assets Held in Trust..... | 208 |

Statement by the Secretary and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of the Environment and Energy will be able to pay its debts as and when they fall due.


Signed.....
Finn Pratt
Secretary
30 September 2019


Signed.....
Robert Hanlon
Chief Finance Officer
30 September 2019

Statement of Comprehensive Income for the period ended 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 | Original Budget 2018-19 \$'000 |
|---|-------|------------------|------------------|---|
| NET COST OF SERVICES | | | | |
| Expenses | | | | |
| Employee benefits | 1.1A | 230,125 | 222,071 | 230,888 |
| Suppliers | 1.1B | 229,234 | 236,059 | 195,647 |
| Grants | 1.1C | 5,104 | 6,845 | 1,100 |
| Payments to the Director of National Parks | 1.1D | - | 46,548 | - |
| Depreciation and amortisation | 3.2A | 51,229 | 50,700 | 50,440 |
| Finance costs | 1.1E | 14,085 | 14,097 | 17,100 |
| Impairment loss allowance on financial instruments | 1.1F | 134 | 13 | - |
| Write-down and impairment of other assets | 1.1G | 903 | 332 | - |
| Foreign exchange losses | | 75 | - | - |
| Other expenses | 1.1H | 67,668 | 50,149 | 400 |
| Total expenses | | 598,557 | 626,814 | 495,575 |
| Own-Source Income | | | | |
| Own-source revenue | | | | |
| Sale of goods and rendering of services | 1.2A | 45,673 | 45,326 | 34,566 |
| Other revenue | 1.2B | 9,745 | 10,037 | 687 |
| Total own-source revenue | | 55,418 | 55,363 | 35,253 |
| Gains | | | | |
| Other gains | 1.2C | 256 | 748 | - |
| Total gains | | 256 | 748 | - |
| Total own-source income | | 55,674 | 56,111 | 35,253 |
| Net cost of services | | (542,883) | (570,703) | (460,322) |
| Revenue from Government - departmental appropriations | 1.2D | 403,939 | 454,398 | 388,662 |
| (Deficit) | | (138,944) | (116,305) | (71,660) |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items not subject to subsequent reclassification to net cost of services | | | | |
| Changes in asset revaluation reserve | | (54,339) | 134,788 | - |
| Total other comprehensive income | | (54,339) | 134,788 | - |
| Total comprehensive gain/(loss) | | (193,283) | 18,483 | (71,660) |

The original budget comprises the Departmental budget as disclosed in the Portfolio Budget Statements (PBS) 2018-19. The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 | Original Budget 2018-19 \$'000 |
|-----------------------------------|-------|----------------|----------------|---|
| ASSETS | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | 3.1A | 15,499 | 14,740 | 9,343 |
| Trade and other receivables | 3.1B | 98,752 | 189,914 | 58,665 |
| Total financial assets | | 114,251 | 204,654 | 68,008 |
| Non-financial assets | | | | |
| Buildings | 3.2A | 213,022 | 226,157 | 232,969 |
| Leasehold improvements | 3.2A | 21,210 | 25,769 | - |
| Heritage and cultural assets | 3.2A | 72,319 | - | - |
| Plant and equipment | 3.2A | 503,604 | 419,737 | 514,407 |
| Computer software | 3.2A | 23,531 | 22,186 | 22,772 |
| Inventories | 3.2B | 8,096 | 7,793 | 8,899 |
| Prepayments | | 10,838 | 6,562 | 5,906 |
| Total non-financial assets | | 852,620 | 708,204 | 784,953 |
| Total assets | | 966,871 | 912,858 | 852,961 |
| LIABILITIES | | | | |
| Payables | | | | |
| Suppliers | 3.3A | 19,499 | 19,877 | 11,371 |
| Grants | 3.3B | 4 | 21 | 20 |
| Other payables | 3.3C | 6,898 | 9,416 | 7,810 |
| Total payables | | 26,401 | 29,314 | 19,201 |
| Provisions | | | | |
| Employee provisions | 6.1A | 78,198 | 68,980 | 70,215 |
| Other provisions | 3.4A | 695,162 | 561,030 | 568,568 |
| Total provisions | | 773,360 | 630,010 | 638,783 |
| Total liabilities | | 799,761 | 659,324 | 657,984 |
| Net assets | | 167,110 | 253,534 | 194,977 |
| EQUITY | | | | |
| Contributed equity | | 731,320 | 624,461 | 736,081 |
| Reserves | | 395,897 | 450,236 | 315,448 |
| Accumulated deficit | | (960,107) | (821,163) | (856,552) |
| Total equity | | 167,110 | 253,534 | 194,977 |

The original budget comprises the Departmental budget as disclosed in the Portfolio Budget Statements (PBS) 2018-19. The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the period ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 | Original Budget 2018-19 \$'000 |
|--|----------------|----------------|---|
| CONTRIBUTED EQUITY | | | |
| Opening balance | | | |
| Balance carried forward from previous period | 624,461 | 454,106 | 625,354 |
| Transactions with owners | | | |
| Distributions to owners | | | |
| Returns of capital | | | |
| Return of prior year appropriation | - | (893) | - |
| Contributions by owners | | | |
| Equity injection - Appropriations | 82,381 | 146,656 | 86,249 |
| Departmental capital budget | 24,478 | 24,592 | 24,478 |
| Total transactions with owners | 106,859 | 170,355 | 110,727 |
| Closing balance as at 30 June | 731,320 | 624,461 | 736,081 |

RETAINED EARNINGS

| | | | |
|--|------------------|------------------|------------------|
| Opening balance | | | |
| Balance carried forward from previous period | (821,163) | (704,858) | (784,892) |
| Comprehensive income | | | |
| Deficit for the period | (138,944) | (116,305) | (71,660) |
| Total comprehensive income | (138,944) | (116,305) | (71,660) |
| Total comprehensive income attributable to | | | |
| Australian Government | (138,944) | (116,305) | (71,660) |
| Closing balance as at 30 June | (960,107) | (821,163) | (856,552) |

ASSET REVALUATION RESERVE

| | | | |
|--|-----------------|----------------|----------------|
| Opening balance | | | |
| Balance carried forward from previous period | 450,236 | 315,448 | 315,448 |
| Comprehensive income | | | |
| Other comprehensive income | (54,339) | 134,788 | - |
| Total comprehensive income | (54,339) | 134,788 | - |
| Total comprehensive income attributable to | | | |
| Australian Government | (54,339) | 134,788 | - |
| Closing balance as at 30 June | 395,897 | 450,236 | 315,448 |

The original budget comprises the Departmental budget as disclosed in the Portfolio Budget Statements (PBS) 2018-19. The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the period ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 | Original Budget 2018-19 \$'000 |
|---|------------------|----------------|---|
| TOTAL EQUITY | | | |
| Opening balance | | | |
| Balance carried forward from previous period | 253,534 | 64,696 | 155,910 |
| Comprehensive income | | | |
| Deficit for the period | (138,944) | (116,305) | (71,660) |
| Other comprehensive income | (54,339) | 134,788 | - |
| Total comprehensive income | (193,283) | 18,483 | (71,660) |
| Total comprehensive income attributable to Australian Government | (193,283) | 18,483 | (71,660) |
| Transactions with owners | | | |
| Distributions to owners | | | |
| Returns of capital | | | |
| Return of prior year appropriation | - | (893) | - |
| Contributions by owners | | | |
| Equity injection - Appropriations | 82,381 | 146,656 | 86,249 |
| Departmental capital budget | 24,478 | 24,592 | 24,478 |
| Total transactions with owners | 106,859 | 170,355 | 110,727 |
| Closing balance as at 30 June | 167,110 | 253,534 | 194,977 |

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Other Distributions to Owners

The *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend. In 2019 there were no other distributions to owners (2018: \$893,000 was returned to Department of Finance in relation to repealed 2012-13 Appropriation and s51 Withholdings).

The original budget comprises the Departmental budget as disclosed in the Portfolio Budget Statements (PBS) 2018-19. The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the period ended 30 June 2019

| | 2019 | 2018 | Original Budget 2018-19 |
|---|------------------|------------------|-------------------------------|
| | \$'000 | \$'000 | \$'000 |
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | 482,944 | 540,363 | 392,782 |
| Sales of goods and rendering of services | 44,657 | 41,140 | 34,566 |
| Grants | 51 | 62 | - |
| GST received | 33,787 | 34,110 | - |
| Other | 6,285 | 7,020 | - |
| Total cash received | 567,724 | 622,695 | 427,348 |
| Cash used | | | |
| Employees | 236,385 | 232,933 | 230,888 |
| Suppliers | 271,268 | 262,246 | 194,960 |
| Grants | 5,121 | 6,844 | 1,100 |
| Payments to the Director of National Parks | - | 46,548 | - |
| Section 74 receipts transferred to OPA | 50,871 | 70,525 | - |
| Other | 1,959 | 2,593 | 400 |
| Total cash used | 565,604 | 621,689 | 427,348 |
| Net cash from operating activities | 2,120 | 1,006 | - |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sales of property, plant and equipment | 84 | 312 | - |
| Total cash received | 84 | 312 | - |
| Cash used | | | |
| Purchase of property, plant and equipment | 183,520 | 116,324 | 218,527 |
| Purchase of intangibles | 7,717 | 9,880 | - |
| Total cash used | 191,237 | 126,204 | 218,527 |
| Net cash used by investing activities | (191,153) | (125,892) | (218,527) |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| Contributed equity | 161,630 | 102,640 | 194,049 |
| Departmental capital budget | 28,162 | 21,900 | 24,478 |
| Total cash received | 189,792 | 124,540 | 218,527 |
| Net cash from financing activities | 189,792 | 124,540 | 218,527 |
| Net increase/(decrease) in cash held | 759 | (346) | - |
| Cash and cash equivalents at the beginning of the reporting period | 14,740 | 15,086 | 9,343 |
| Cash and cash equivalents at the end of the reporting period | 15,499 | 14,740 | 9,343 |

The original budget comprises the Departmental budget as disclosed in the Portfolio Budget Statements (PBS) 2018-19. The above statement should be read in conjunction with the accompanying notes.

Administered Schedule of Comprehensive Income for the period ended 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 | Original Budget 2018-19 \$'000 |
|---|-------|------------------|------------------|---|
| NET COST OF SERVICES | | | | |
| Expenses | | | | |
| Suppliers | 2.1A | 198,692 | 128,120 | 157,046 |
| Grants | 2.1B | 153,549 | 717,828 | 261,618 |
| Depreciation and amortisation | 4.2A | 12 | 13 | 12 |
| Impairment loss allowance on financial instruments | 2.1C | 10 | 8 | - |
| Impairment on water assets | 4.2A | 33,321 | 54,921 | - |
| Payments to corporate Commonwealth entities | 2.1D | 221,401 | 209,073 | 360,840 |
| Other expenses | | - | - | 1,284 |
| Total expenses | | 606,985 | 1,109,963 | 780,800 |
| Income | | | | |
| Revenue | | | | |
| Taxation revenue | | | | |
| Indirect tax | 2.2A | 4,114 | 1,555 | - |
| Other taxes | 2.2B | 109 | 164 | 171 |
| Total taxation revenue | | 4,223 | 1,719 | 171 |
| Non-taxation revenue | | | | |
| Sale of goods and rendering of services | 2.2C | 7,414 | 6,105 | - |
| Fees and fines | 2.2D | 20,081 | 21,618 | 23,411 |
| Interest - State and Territory government loans | | 2 | 14 | 2 |
| Dividends | 2.2E | 139,950 | 34,450 | 176,450 |
| Other revenue | 2.2F | 939 | 601 | 3,870 |
| Total non-taxation revenue | | 168,386 | 62,788 | 203,733 |
| Total revenue | | 172,609 | 64,507 | 203,904 |
| Gains | | | | |
| Reversal of impairment losses | 4.2A | 58,909 | 32,346 | - |
| Other gains | 2.2G | 407,243 | 210,341 | 735,152 |
| Total gains | | 466,152 | 242,687 | 735,152 |
| Total income | | 638,761 | 307,194 | 939,056 |
| Net (cost of)/contribution by services | | 31,776 | (802,769) | 158,256 |
| Surplus/(Deficit) | | 31,776 | (802,769) | 158,256 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items not subject to subsequent reclassification to net cost of services | | | | |
| Changes in asset revaluation surplus | | - | (14) | - |
| Items subject to subsequent reclassification to net cost of services | | | | |
| Gains on financial assets at fair value through other comprehensive income ¹ | | 3,775,197 | 225,480 | - |
| Total other comprehensive income | | 3,775,197 | 225,466 | - |
| Total comprehensive income/(loss) | | 3,806,973 | (577,303) | 158,256 |

1. This balance represents the change in the fair value of the Administered Investments (refer to Note 4.1D).

The original budget comprises the Administered budget as disclosed in the Portfolio Budget Statements (PBS) 2018-19. The above schedule should be read in conjunction with the accompanying notes.

Administered Schedule of Assets and Liabilities as at 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 | Original Budget 2018-19 \$'000 |
|---|-------|-------------------|-------------------|---|
| ASSETS | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | 4.1A | 6,263,040 | 6,780,464 | 5,884,847 |
| Taxation receivables | 4.1B | 2,903 | 167 | - |
| Trade and other receivables | 4.1C | 9,516 | 147,354 | 4,723 |
| Other investments | 4.1D | 16,052,167 | 11,676,789 | 12,380,491 |
| Total financial assets | | 22,327,626 | 18,604,774 | 18,270,061 |
| Non-financial assets | | | | |
| Heritage and cultural | 4.2A | 987 | 998 | 1,000 |
| Water assets | 4.2A | 3,770,081 | 3,337,250 | 4,322,651 |
| Computer software | 4.2A | - | 1 | 2 |
| Inventories | 4.2B | 11,145 | 11,233 | 11,820 |
| Prepayments | | 141 | 215 | - |
| Total non-financial assets | | 3,782,354 | 3,349,697 | 4,335,473 |
| Total assets administered on behalf of Government | | 26,109,980 | 21,954,471 | 22,605,534 |
| LIABILITIES | | | | |
| Payables | | | | |
| Suppliers | 4.3A | 48,122 | 8,715 | 5,791 |
| Grants | 4.3B | 6,977 | 7,150 | 1,597 |
| Other Payables | 4.3C | - | 481 | 218 |
| Total payables | | 55,099 | 16,346 | 7,606 |
| Total liabilities administered on behalf of Government | | 55,099 | 16,346 | 7,606 |
| Net assets | | 26,054,881 | 21,938,125 | 22,597,928 |

The original budget comprises the Administered budget as disclosed in the Portfolio Budget Statements (PBS) 2018-19. The above schedule should be read in conjunction with the accompanying notes.

Administered Reconciliation Schedule for the period ended 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 |
|---|-------|-------------------|----------------|
| Opening assets less liabilities as at 1 July | | 21,938,125 | 13,354,076 |
| Adjustment for errors | | - | - |
| Adjusted opening assets less liabilities | | 21,938,125 | 13,354,076 |
| Net (cost of)/contribution by services | | | |
| Income | | 638,761 | 307,194 |
| Expenses | | | |
| Payments to entities other than corporate Commonwealth entities | | (385,584) | (900,890) |
| Payments to corporate Commonwealth entities | | (221,401) | (209,073) |
| Other comprehensive income | | | |
| Revaluations transferred to reserves | | 3,775,197 | 225,466 |
| Transfers (to)/from the Australian Government | | | |
| Appropriation transfers from Official Public Account | | | |
| Administered assets and liabilities appropriations | | - | 6,113,550 |
| Annual appropriations | | | |
| Payments to entities other than corporate Commonwealth entities | | 388,901 | 892,580 |
| Payments to corporate Commonwealth entities | | 50,082 | 2,449 |
| Special Account | | | |
| Appropriation credits to special account | | 6,291 | 5,964 |
| Special appropriations (limited) | | | |
| Payments to corporate Commonwealth entities | | 171,500 | 2,207,000 |
| Special appropriations (unlimited) | | | |
| Payments to entities other than corporate Commonwealth entities | | 40 | 59 |
| Appropriation transfers to OPA | | | |
| Transfers to OPA | | (307,031) | (60,250) |
| Closing assets less liabilities as at 30 June | | 26,054,881 | 21,938,125 |

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Department for use by the Government rather than the Department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

The above schedule should be read in conjunction with the accompanying notes.

Administered Cash Flow Statement for the period ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|---|------------------|--------------------|
| OPERATING ACTIVITIES | | |
| Cash received | | |
| Sales of goods and rendering of services | 6,255 | 6,157 |
| Interest | 2 | 15 |
| Dividends | 139,950 | 34,450 |
| Taxes | 1,660 | 1,580 |
| Fees and fines | 20,268 | 21,263 |
| GST received | 61,037 | 19,326 |
| Other | 791 | 756 |
| Total cash received | 229,963 | 83,547 |
| Cash used | | |
| Suppliers | 170,896 | 131,080 |
| Grants | 163,262 | 768,983 |
| Payments to corporate Commonwealth entities | 221,401 | 209,073 |
| Other | 40 | - |
| Total cash used | 555,599 | 1,109,136 |
| Net cash used by operating activities | (325,636) | (1,025,589) |
| INVESTING ACTIVITIES | | |
| Cash received | | |
| Repayments of advances and loans | 60 | 168 |
| Investments | 98,550 | - |
| Total cash received | 98,610 | 168 |
| Cash used | | |
| Corporate Commonwealth entity investments | 600,181 | 7,813,926 |
| Total cash used | 600,181 | 7,813,926 |
| Net cash used by investing activities | (501,571) | (7,813,758) |
| Net decrease in cash held | (827,207) | (8,839,347) |
| Cash and cash equivalents at the beginning of the reporting period | 6,780,464 | 6,458,459 |
| Cash from Official Public Account | | |
| Appropriations | 610,523 | 9,215,638 |
| Special Account - Appropriation credits to special account | 6,291 | 5,964 |
| Total cash from official public account | 616,814 | 9,221,602 |
| Cash to Official Public Account | | |
| Appropriations | (307,031) | (60,250) |
| Total cash to official public account | (307,031) | (60,250) |
| Cash and cash equivalents at the end of the reporting period | 6,263,040 | 6,780,464 |

4.1A

The above schedule should be read in conjunction with the accompanying notes.

Overview

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

Under Reduced Disclosure Requirements issued by the AASB the Department has applied Tier 2 reduced reporting. However, due to the materiality of the administered assets the Administered notes for AASB 7 *Financial Instruments: Disclosure* and AASB 13 *Fair Value Measurement* have been prepared consistent with Tier 1 reporting requirements.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Australian Accounting Standards

All new standards, revised standards, interpretations or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Department's financial statements.

Future Australian Accounting Standards

The Australian Accounting Standards Board (AASB) has issued a number of new standards, amendments to standards and interpretations that are effective for future reporting periods. These new standards are not expected to have an impact on the Department's financial statements except for:

- AASB 16 *Leases* (effective 1 July 2019) will require lessees to recognise a right-of-use asset and a lease liability on the balance sheet for all leases with a term of more than 12 months, unless the underlying asset is of low value. The new standard will have a material impact on recognition of assets and liabilities.
- AASB 15 *Revenue from Contracts with Customers* (effective 1 July 2019) requires revenue to be recognised in accordance with the satisfaction of performance obligations under a contract. Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the company's performance, or at a point in time, when control of the goods or services is transferred to the customer. Certain costs to fulfil a contract or incremental costs of obtaining a contract may qualify for capitalisation under the new standard. A five-step model is applied to determine when to recognise revenue, and at what amount. There will be minimal impact for the department when applying the new standard.
- AASB 1058 *Income of Not-for-Profit Entities* (effective 1 July 2019) replaces the income recognition requirements relating to private sector not-for-profit (NFP) entities, as well as the majority of income recognition requirements relating to public sector NFP entities previously reflected in AASB 1004 *Contributions*. There will be minimal impact for the department when applying the new standard.

Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Events After the Reporting Period

There are no events occurring after the reporting period that would materially affect the financial statements.

Administered

There are no events occurring after the reporting period that would materially affect the Administered financial statements.

Budget Variance Commentary

The below tables provide commentary for major differences between the Department's original budgeted estimates, as published in the 2018-19 Portfolio Budget Statements, and the actual expenditure and net asset position for the year. The information presented should be read in the context of the following:

- The original budget was prepared before the 2018 final outcome could be known. As a consequence, the opening balance of the statement of financial position was estimated and in some cases variances between the 2018 final outcome and budget estimates can in part be attributed to unanticipated movement in prior year figures;
- The Department considers that major variances are those greater than 10% of the estimate and 2% of the budget base. Variances below this threshold are not included unless considered significant by nature;
- Variances relating to cash flows are a result of the factors detailed under expenses, own source revenue, assets or liabilities. Unless otherwise individually significant or unusual, no additional commentary has been included; and
- The Budget has not been audited.

| Departmental Explanations of major variances | Affected line items (and schedule) |
|---|---|
| The Department received additional appropriations during Portfolio Additional Estimates for Antarctic aviation access and energy measures which was unbudgeted. Own source revenue from Antarctic, memorandums of understanding and service delivery agreements was higher than budgeted. This additional revenue is offset by increased expenditure. | Statement of Comprehensive Income – Suppliers expenses, Sale of goods and rendering of services and Revenue from government |
| The Department has received revenues from insurance claims and resources received free of charge from other government entities that were not budgeted. | Statement of Comprehensive Income - Other Revenue and Suppliers Expenses |
| The restoration provision for Antarctic solid waste disposal was reviewed and updated for changes in key economic and engineering assumptions in 2018-19 and changes were not budgeted. | Statement of Comprehensive Income - Other expenses Statement of Financial Position - Other Provisions |
| The restoration provision for Antarctic make good was reviewed and updated for changes in key economic and engineering assumptions in 2018-19 and changes were not budgeted. | Statement of Financial Position - Other provisions Statement of Changes in Equity - Asset Revaluation Reserve |
| Trade and other receivables were higher than budgeted due to lower than expected drawdowns from OPA and higher than budgeted accrued revenue. | Statement of Financial Position - Trade and other Receivables |

| | |
|---|---|
| Leasehold improvements were included with Buildings in the 2018-19 budget. | Statement of Financial Position – Buildings, Leasehold improvements |
| Heritage and cultural assets were reclassified from Plant and Equipment during 2018-19. | Statement of Financial Position - Heritage and Cultural assets, Plant and Equipment |
| Supplier payables were higher than budgeted at year end due to timing of services provided and invoices received. | Statement of Financial Position – Suppliers Payables |
| The combination of updated actuarial factors along with changes to discount rates resulted in a higher than budgeted increase in employee provisions. | Statement of Financial Position – Employee provisions |

| Administered Explanations of major variances | Affected line items (and schedule) |
|--|---|
| In 2018-19, the Regional Land Partnership program was reformed from grant programs to service provider arrangements. This resulted in lower than budgeted grants expenditure. Delays in grant expenditure on Australian Marine Parks program also contributed to the underspend variance. | Administered Schedule of Comprehensive Income - Grants expenses |
| Suppliers expense is higher than budget as a result of above change in payment arrangements during the year. This is offset by lower than budgeted expenditure through Reef Trust and Commonwealth Environmental Water special accounts. | Administered Schedule of Comprehensive Income - Suppliers expenses |
| Payments to corporate Commonwealth entities (Australian Renewable Energy Agency) were lower than budgeted due to delays in grant allocation and expenditures. | Administered Schedule of Comprehensive Income - Payments to corporate Commonwealth entities |
| Dividends from Snowy Hydro Limited (SHL) are based on the financial results of SHL which were unknown at the time of budget development. | Administered Schedule of Comprehensive Income - Dividends |
| Administered investments in the Australian Renewable Energy Agency, the Clean Energy Finance Corporation, the Director of National Parks, Snowy Hydro Limited and the Sydney Harbour Federation Trust were classified and measured at their fair value through other comprehensive income at 30 June 2019. The fair value of the administered investments could not be reliably predicted when the original budget was prepared. | Administered Schedule of Comprehensive Income – Gains on financial assets at fair value through other comprehensive income Administered Schedule of Assets and Liabilities – Other Investments |
| Water entitlements are purchased by the Department of Agriculture and transferred free of charge to the Department. The Department is unable to reliably budget for the value of water holdings to be received due to the acquisition complexities and fluctuating prices. | Administered Schedule of Comprehensive Income - Other gains Administered Schedule of Assets and Liabilities - Water assets |
| The greater than anticipated suppliers payables relates to timing of end of year supplier payments. | Administered Schedule of Assets and Liabilities – Suppliers payables |
| The greater than anticipated grant payables relates to timing of end of year grant payments. | Administered Schedule of Assets and Liabilities – Grants payables |

Notes to the Financial Statements

1. Departmental Financial Performance

This section analyses the financial performance of the Department of the Environment and Energy for the year ended 30 June 2019.

1.1. Expenses

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Note 1.1A: Employee Benefits | | |
| Wages and salaries | 171,181 | 169,246 |
| Superannuation | | |
| Defined contribution plans | 19,015 | 18,341 |
| Defined benefit plans | 16,045 | 16,525 |
| Leave and other entitlements | 37,970 | 30,916 |
| Separation and redundancies | 699 | 1,182 |
| Total employee benefits (gross) | 244,910 | 236,210 |
| Natural Heritage Trust implementation activities | (14,785) | (14,139) |
| Total employee benefits (net) | 230,125 | 222,071 |

Accounting Policy

Employee Benefits

Accounting policies for employee related expenses are contained in Note 6. People and Relationships.

Reporting of the Natural Heritage Trust of Australia Account

The Natural Heritage Trust of Australia Account (NHT) is a special account for the purposes of the *Public Governance, Performance and Accountability Act 2013*. NHT was established by the *Natural Heritage Trust of Australia Act 1997* (NHT Act) to conserve, repair and replenish Australia's natural capital infrastructure.

Subsection 43(1) of the NHT Act requires financial statements to be prepared for NHT. Reporting by the NHT reflects the NHT as a separate reporting entity, with all transactions between the NHT and parties outside the NHT being reported. The activities of the NHT are also included in the Department's administered financial statements.

The Department draws down departmental appropriations and makes payments to suppliers and employees on behalf of NHT during the year and NHT reimburses the Department at year end.

In 2018-19, the Department paid \$17,775,000 (2017-18: \$17,133,500) on behalf of NHT and was reimbursed accordingly. NHT's reimbursement was treated as offsets against the relevant departmental expense categories under the *Public Governance, Performance and Accountability Act 2013*.

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Note 1.1B: Suppliers | | |
| Goods and services | | |
| Consultants | 17,293 | 6,462 |
| Contractors | 56,077 | 78,474 |
| Travel | 8,751 | 8,504 |
| IT services | 39,793 | 33,348 |
| Inventory consumed | 10,546 | 11,018 |
| Property operating expense | 9,265 | 8,737 |
| Legal services | 2,656 | 5,214 |
| Learning and development | 2,609 | 2,308 |
| General goods and services | 28,454 | 29,161 |
| Total goods and services | 175,444 | 183,226 |
| Goods and services are made up of: | | |
| Goods provided | 17,108 | 18,112 |
| Services rendered | 158,336 | 165,114 |
| Total goods and services | 175,444 | 183,226 |
| Other suppliers | | |
| Operating lease rentals | | |
| Minimum lease payments | 53,322 | 52,340 |
| Workers compensation expenses | 3,458 | 3,487 |
| Total other suppliers | 56,780 | 55,827 |
| Total suppliers (gross) | 232,224 | 239,053 |
| Natural Heritage Trust implementation activities ¹ | (2,990) | (2,994) |
| Total suppliers (net) | 229,234 | 236,059 |

1. Refer to the Accounting Policy in Note 1.1A on Reporting of the Natural Heritage Trust of Australia Account for details.

Leasing commitments

The Department in its capacity as a lessee has the following types of operating leases:

| Nature of lease | General description of leasing arrangements |
|---|---|
| Leases for office accommodation | <ul style="list-style-type: none"> Lease payments are subject to increases in accordance with terms as negotiated under the lease. The Department's leases for office accommodation generally have options for renewal. Future options not yet exercised are not included as commitments. |
| Leases for transportation to and within the Antarctic Territory | <ul style="list-style-type: none"> Lease payments are subject to increases in accordance with terms as negotiated under the lease. The transportation leases generally have options for renewal. Future options not yet exercised are not included as commitments. |
| Leases for support facilities for Antarctic operations | <ul style="list-style-type: none"> Lease payments are subject to increases in accordance with terms as negotiated under the lease. The facility leases each have options for renewal. Future options not yet exercised are not included as commitments. |

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | |
| Within 1 year | 54,886 | 53,735 |
| Between 1 to 5 years | 125,606 | 127,572 |
| More than 5 years | 220,701 | 260,133 |
| Total operating lease commitments | 401,193 | 441,440 |

* Commitments are GST inclusive where relevant.

* Operating leases included were effectively non-cancellable.

Accounting Policy

Leases

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets. Where the lease has a market value review in a particular year, this is treated as contingent rent for straight-line and commitment purposes.

Note 1.1C: Grants

| | | |
|--|--------------|--------------|
| Public sector | | |
| Australian Government entities (related parties) | 43 | 1,332 |
| State and Territory Governments | 678 | 462 |
| Private sector | | |
| Not-for-profit organisations | 10 | 853 |
| For-profit organisations | 1,461 | 1,037 |
| Universities | 841 | 1,480 |
| Individuals | 46 | - |
| Overseas | 1,974 | 1,681 |
| Communities grants hub charges | 51 | - |
| Total grants | 5,104 | 6,845 |

Note 1.1D: Payments to the Director of National Parks

| | | |
|---|----------|---------------|
| Annual funding allocation ¹ | - | 46,548 |
| Total payments to the Director of National Parks | - | 46,548 |

1. Under section 514S of the *Environment Protection and Biodiversity Conservation Act 1999*, funding was allocated to the Director of National Parks by the Secretary of the Department on an annual basis for the management of Commonwealth reserves or conservation zones. The funding changed to an administered item from 2018-19.

Note 1.1E: Finance Costs

| | | |
|--|---------------|---------------|
| Unwinding of discount rates on makegood provision ¹ | 14,083 | 14,095 |
| Other interest payments | 2 | 2 |
| Total finance costs | 14,085 | 14,097 |

1. Refer to Note 3.4A for accounting policy on makegood provisions.

Note 1.1F: Impairment Loss Allowance on Financial Instruments

| | | |
|---|------------|-----------|
| Impairment on trade and other receivables ¹ | 134 | 13 |
| Total impairment loss allowance on financial instruments | 134 | 13 |

1. Refer to Note 7.2A for accounting policy on financial instruments.

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Note 1.1G: Write-Down and Impairment of Assets | | |
| Impairment of plant and equipment ¹ | 13 | 87 |
| Loss on sale of assets | - | 245 |
| Impairment on intangible assets ¹ | 214 | - |
| Other | 676 | - |
| Total write-down and impairment of assets | 903 | 332 |

1. Refer to Note 3.2A for accounting policy on property, plant and equipment, and intangibles.

Note 1.1H: Other Expenses

| | | |
|---|---------------|---------------|
| Increase in base restitution provision ¹ | 65,711 | 47,480 |
| Official development assistance | 1,579 | 931 |
| Other | 378 | 1,738 |
| Total other expenses | 67,668 | 50,149 |

1. Refer to 3.4A for accounting policy on base restitution provision.

1.2. Own-Source Revenue and Gains

| | 2019 \$'000 | 2018 \$'000 |
|---------------------------|----------------|----------------|
| Own-Source Revenue | | |

Note 1.2A: Sale of Goods and Rendering of Services

| | | |
|--|---------------|---------------|
| Rendering of services | 45,673 | 45,326 |
| Total sale of goods and rendering of services | 45,673 | 45,326 |

Accounting Policy

Revenue

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer; and
- b) the entity retains no managerial involvement or effective control over the goods.

The stage of completion of contracts at the reporting date is determined by reference to:

- a) surveys of work performed;
- b) services performed to date as a percentage of total services to be performed; or
- c) the proportion that costs incurred to date bear to the estimated total costs of the transactions.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Note 1.2B: Other Revenue | | |
| Resources received free of charge | 3,368 | 3,612 |
| Grants received | 51 | 62 |
| Insurance and other recoveries | 5,429 | 4,399 |
| Rent contribution received | 632 | 749 |
| Workers compensation received | - | 22 |
| Repayment of prior years grant expenditure | 141 | 56 |
| Other | 124 | 1,137 |
| Total other revenue | 9,745 | 10,037 |

Accounting PolicyResources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Gains**Note 1.2C: Other Gains**

| | | |
|---------------------------------------|------------|------------|
| Assets now recognised | 51 | - |
| Write-down of provisions and payables | 28 | - |
| Sale of assets | 84 | - |
| Other | 93 | 748 |
| Total other gains | 256 | 748 |

Accounting PolicyGains

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

Note 1.2D: Revenue from Government

| | | |
|--------------------------------------|----------------|----------------|
| Appropriations | | |
| Departmental appropriations | 403,939 | 454,398 |
| Total revenue from Government | 403,939 | 454,398 |

Accounting PolicyRevenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts. Departmental capital budgets are accounted for as contributions by owners.

2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that the Department of the Environment and Energy does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

| 2.1. Administered – Expenses | | |
|---|----------------|----------------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| <u>Note 2.1A: Suppliers</u> | | |
| Goods and services supplied or rendered | | |
| Consultants | 3,740 | 2,180 |
| Contractors | 38,915 | 51,042 |
| Regional Land payments | 82,064 | - |
| Travel | 24 | 24 |
| Legal services | 275 | 721 |
| Statutory fees and charges | 17,482 | 18,274 |
| NHT implementation costs | 20,865 | 28,741 |
| General goods and services | 35,327 | 27,138 |
| Total goods and services supplied or rendered | 198,692 | 128,120 |
| | | |
| Goods supplied | 188 | 634 |
| Services rendered | 198,504 | 127,486 |
| Total goods and services supplied or rendered | 198,692 | 128,120 |
| | | |
| Total suppliers | 198,692 | 128,120 |
| Accounting Policy | | |
| <u>Regional Land payments</u> | | |
| Regional Land payments were made under National Landcare Program to protect, conserve and provide for the productive use of Australia's water, soil, plants and animals and the ecosystems in which they live and interact, in partnership with governments, industry and communities. These payments were previously shown in Note 2.1B: Grants expenditure in the prior year. | | |
| <u>Statutory fees and charges</u> | | |
| Statutory fees and charges associated with annual fees and water delivery charges for the management of the Commonwealth Environmental Water Holdings. | | |
| <u>NHT implementation costs</u> | | |
| The implementation costs represent funding provided to the Department of the Environment and Energy, the Department of Industry, Innovation and Science, the Department of Natural Resources Mines and Energy and Torres Strait Regional Authority to cover costs associated with implementing the Natural Heritage Trust of Australia's (NHT) activities. | | |

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Note 2.1B: Grants | | |
| Public sector | | |
| Australian Government entities (related parties) | 17,113 | 36,200 |
| State and Territory Governments | 8,471 | 84,049 |
| Local Governments | 3,770 | 6,072 |
| Private sector | | |
| Not-for-profit organisations | 65,571 | 557,272 |
| For-profit organisations | 21,377 | 8,649 |
| Individuals | 7,324 | 5,339 |
| Universities | 22,447 | 17,141 |
| Other | 6,092 | 3,106 |
| Overseas | 1,384 | - |
| Total grants | 153,549 | 717,828 |

Accounting Policy

The Department administers a number of grant programs on behalf of the Government. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

Note 2.1C: Impairment Loss Allowance on Financial Instruments

| | | |
|--|-----------|----------|
| Impairment on trade and other receivables | 10 | 8 |
| Total impairment on financial instruments | 10 | 8 |

Note 2.1D: Payments to corporate Commonwealth entities

| | | |
|--|----------------|----------------|
| Director of National Parks | 47,438 | - |
| Australian Renewable Energy Agency | 173,963 | 209,073 |
| Total payments to corporate Commonwealth entities | 221,401 | 209,073 |

Accounting Policy

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to the Department is disclosed under Note 5 Funding – Appropriations.

2.2. Administered – Income

| | 2019 | 2018 |
|---------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Revenue | | |
| Taxation Revenue | | |
| <u>Note 2.2A: Indirect Tax</u> | | |
| Indirect tax | 4,114 | 1,555 |
| Total indirect tax | 4,114 | 1,555 |

Accounting PolicyIndirect tax

Indirect tax represents import levies collected under the *Ozone Protection and Synthetic Greenhouse Gas (OPSGG) Management Act 1989* and new levies from 2018-19 collected on the import of non-road spark ignition engines and equipment (NRSIEE) under the *Product Emissions Standards Act 2017*.

Note 2.2B: Other Taxes

| | | |
|------------------------------|------------|------------|
| Snowy Hydro Limited land tax | 92 | 161 |
| Other | 17 | 3 |
| Total other taxes | 109 | 164 |

Non-Taxation Revenue**Note 2.2C: Sale of Goods and Rendering of Services**

| | | |
|--|--------------|--------------|
| Sales of goods | 6,125 | 3,595 |
| Rendering of services | 1,289 | 2,510 |
| Total sale of goods and rendering of services | 7,414 | 6,105 |

Accounting PolicyRevenue

All administered revenues are revenues relating to ordinary activities performed by the Department on behalf of the Australian Government. As such, administered appropriations are not revenues of the Department that oversees distribution or expenditure of the funds as directed.

Sales of goods

Sale of goods includes sale of water allocations. The Commonwealth Environmental Water Holder (CEWH) has legislated responsibility under the *Water Act 2007* (Water Act) for decisions relating to Commonwealth environmental water, including the management of the portfolio so that it maximises environmental outcomes across the Murray-Darling Basin over time. Under the Water Act, the CEWH must use the proceeds from the trade to improve the capacity of the portfolio to meet the environmental objectives of the environmental watering plan.

Interest

Interest represents scheduled interest charges for loan provided to South Australian Government. Interest rate was fixed at 8.53% (2018: 8.53%). The loan was fully repaid in December 2018.

| | 2019 | 2018 |
|-------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Note 2.2D: Fees and Fines | | |
| Licence fees | 581 | 2,328 |
| OPSGG Fees | 11,337 | 11,836 |
| EPBC Fees | 3,795 | 3,530 |
| EPBC Contributions | 1,321 | 1,290 |
| GEMS Fees | 2,315 | 2,274 |
| Other fees from regulatory services | 692 | 335 |
| Fines | 40 | 25 |
| Total fees and fines | 20,081 | 21,618 |

Accounting Policy

Fees and Fines

Fees, contributions and fines are collected under the *Ozone Protection and Synthetic Greenhouse Gas (OPSGG) Management Act 1989*, the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* and the *Greenhouse and Energy Minimum (GEMS) Standards Act 2012*.

Administered fee revenue is recognised only when it has been earned.

Note 2.2E: Dividends

| | | |
|-------------------------------|----------------|---------------|
| Snowy Hydro Limited Dividends | 139,950 | 34,450 |
| Total dividends | 139,950 | 34,450 |

Note 2.2F: Other Revenue

| | | |
|--|------------|------------|
| Resources received free of charge | | |
| ANAO financial statements audit service | 60 | 55 |
| Grant repayments | 205 | 365 |
| Contributions from State and Territory Governments | 511 | 81 |
| Other | 163 | 100 |
| Total other revenue | 939 | 601 |

Note 2.2G: Other Gains

| | | |
|-----------------------------------|----------------|----------------|
| Resources received free of charge | | |
| Water assets | 407,243 | 210,333 |
| Other | - | 8 |
| Total other gains | 407,243 | 210,341 |

Accounting Policy

Resources received free of charge

Water entitlement assets are received free of charge from the Department of Agriculture (refer to Note 4.2) and are recognised when title is registered with related state registries.

3. Departmental Financial Position

This section analyses the Department's assets used to generate financial performance and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

| 3.1. Financial Assets | | |
|--|---------------|---------------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| <u>Note 3.1A: Cash and Cash Equivalents</u> | | |
| Cash on hand or on deposit | 5,359 | 1,136 |
| Cash in special accounts | 10,140 | 13,604 |
| Total cash and cash equivalents | 15,499 | 14,740 |
| <u>Note 3.1B: Trade and Other Receivables</u> | | |
| Goods and services receivable | 11,814 | 9,591 |
| Appropriations receivable | | |
| Departmental appropriations | 82,282 | 175,567 |
| Statutory receivables | 4,036 | 3,431 |
| Other | 754 | 1,350 |
| Total trade and other receivables (gross) | 98,886 | 189,939 |
| Less impairment loss allowance | (134) | (25) |
| Total trade and other receivables (net) | 98,752 | 189,914 |

Credit terms for goods and services were within 30 days (2018: 30 days).

Accounting Policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

3.2. Non-Financial Assets

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2019

| | Buildings \$'000 | Leasehold Improvements \$'000 | Heritage and cultural \$'000 | Plant and equipment \$'000 | Computer software \$'000 | Total \$'000 |
|---|---------------------|-------------------------------------|------------------------------------|----------------------------------|--------------------------------|-----------------|
| As at 1 July 2018 | | | | | | |
| Gross book value | 246,605 | 27,450 | - | 428,946 | 87,207 | 790,208 |
| Accumulated depreciation, amortisation and impairment | (20,448) | (1,681) | - | (9,209) | (65,021) | (96,359) |
| Total as at 1 July 2018 | 226,157 | 25,769 | - | 419,737 | 22,186 | 693,849 |
| Additions | | | | | | |
| Purchase or internally developed | 10,006 | 1,432 | - | 172,644 | 7,252 | 191,334 |
| Depreciation/amortisation | (23,113) | (5,767) | - | (18,616) | (3,733) | (51,229) |
| Other movements | | | | | | |
| Reclassifications | (28) | (224) | 72,319 | (69,906) | (2,161) | - |
| Disposals | | | | | | |
| From disposal of entities or operations (including restructuring) | - | - | - | (255) | (13) | (268) |
| Total as at 30 June 2019 | 213,022 | 21,210 | 72,319 | 503,604 | 23,531 | 833,686 |
| Total as at 30 June 2019 represented by | | | | | | |
| Gross book value | 256,583 | 28,599 | 72,500 | 531,194 | 91,888 | 980,764 |
| Accumulated depreciation, amortisation and impairment | (43,561) | (7,389) | (181) | (27,590) | (68,357) | (147,078) |
| Total as at 30 June 2019 | 213,022 | 21,210 | 72,319 | 503,604 | 23,531 | 833,686 |

Disposal of non-financial assets

No buildings or leasehold improvements are expected to be sold or disposed of within the next 12 months.

No heritage or cultural is expected to be disposed of within the next 12 months.

No plant or equipment is expected to be sold or disposed of within the next 12 months.

No software is expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

A revaluation is conducted in accordance with the revaluation policy stated in Accounting Policy below. A full valuation was undertaken by an independent valuer in 2017-18. The Department has a policy of having non-financial assets revalued every three years unless there are significant changes in economic indicators.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

Capital commitments relate to contractual payments for new assets and assets under construction.

Commitments are GST inclusive where relevant.

| 2018-19 Capital Commitments | < 1 year | 1 year to 5 years | > 5 years | Total |
|------------------------------------|--------------------|--------------------------|---------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Buildings | 2,678 | - | - | 2,678 |
| Leasehold Improvements | - | - | - | - |
| Plant and Equipment | 99,188 | - | - | 99,188 |
| Intangibles | 235 | - | - | 235 |
| Total commitments | 102,101 | - | - | 102,101 |

| 2017-18 Capital Commitments | < 1 year | 1 year to 5 years | > 5 years | Total |
|------------------------------------|--------------------|--------------------------|---------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Buildings | 226 | - | - | 226 |
| Leasehold Improvements | 164 | - | - | 164 |
| Plant and Equipment | 167,164 | 92,340 | - | 259,504 |
| Intangibles | 518 | - | - | 518 |
| Total commitments | 168,072 | 92,340 | - | 260,412 |

Accounting PolicyAcquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than the following asset thresholds, which are expensed in the year of acquisition.

| Asset Class | Recognition Threshold |
|-------------------------------|------------------------------|
| Buildings | \$50,000 |
| Leasehold improvements | \$50,000 |
| Intangibles | \$10,000 |
| Property, plant and equipment | \$7,000 |
| Heritage and cultural | \$ Nil |
| Artworks | \$ Nil |

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to its original condition and restitution obligations in the Antarctic where there exists an international obligation to clean-up abandoned work sites, buildings and infrastructure. These costs are included in the value of the Department's leasehold improvements and property, plant and equipment assets with a corresponding provision for the 'make good' recognised.

The Department's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset was restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

| | 2019 | 2018 |
|-------------------------------|----------------|----------------|
| Buildings | 3 to 70 years | 3 to 70 years |
| Leasehold improvements | Lease term | Lease term |
| Property, plant and equipment | 1 to 100 years | 1 to 100 years |

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its current replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Heritage and Cultural

Heritage and cultural assets include the Antarctic Ice Core Collection. The Department maintains preservation policies for the Ice Core Collection.

Intangibles

The Department's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Acquisitions of intangibles are recognised initially at cost in the statement of financial position, except for acquisitions costing less than \$10,000 which are expensed in the year of acquisition.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software are 3 to 17 years (2017-18: 3 to 17 years).

All software assets were assessed for impairment at 30 June 2019.

| | |
|---------------|---------------|
| 2019 | 2018 |
| \$'000 | \$'000 |

Note 3.2B: Inventories

Inventories held for distribution

| | | |
|--|--------------|--------------|
| Finished goods | 8,096 | 7,793 |
| Total inventories held for distribution | 8,096 | 7,793 |

Accounting Policy

Inventories

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis;
- fuel – weighted average cost; and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

Inventory valued at \$10,571,000 (Note 1.1B Suppliers) held for distribution has been recognised as an expense.

No items of inventory were recognised at fair value less cost to sell. All inventories are expected to be distributed in the next 12 months.

3.3. Payables

| | 2019 | 2018 |
|------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Note 3.3A: Suppliers | | |
| Trade creditors and accruals | 18,925 | 18,891 |
| Operating lease rentals | 574 | 986 |
| Total suppliers | 19,499 | 19,877 |

All suppliers payable are expected to be settled in no more than 12 months.

Settlement was usually made within 30 days.

Note 3.3B: Grants

| | | |
|--------------------------------------|----------|-----------|
| Public sector | | |
| State and Territory Governments | - | 21 |
| Private sector | | |
| Universities | 4 | - |
| Total grants | 4 | 21 |
| Grants expected to be settled | | |
| No more than 12 months | 4 | - |
| Total grants | 4 | - |

Note 3.3C: Other Payables

| | | |
|-------------------------------|--------------|--------------|
| Wages and salaries | 1,555 | 1,463 |
| Superannuation | 265 | 250 |
| Separations and redundancies | 116 | - |
| Leave payable upon separation | 1,669 | 3,046 |
| Unearned revenue | 3,240 | 4,476 |
| Other | 53 | 181 |
| Total other payables | 6,898 | 9,416 |

Accounting Policy**Financial Liabilities**

The Department classifies its financial liabilities which include supplier and other payables as 'other financial liabilities'. Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised upon payment.

3.4. Other Provisions

Note 3.4A: Reconciliation Other Provisions

| | Antarctic solid waste disposal sites ¹ \$'000 | Antarctic regions ² \$'000 | Other localities ³ \$'000 | Total \$'000 |
|------------------------------------|---|--|---|-----------------|
| As at 1 July 2018 | 207,875 | 343,382 | 9,773 | 561,030 |
| Additional provisions made | 25,084 | 13,733 | - | 38,817 |
| Amounts written-off | - | (158) | - | (158) |
| Change in parameters | 40,627 | 36,299 | 4,464 | 81,390 |
| Unwinding of discount ⁴ | 5,816 | 8,009 | 258 | 14,083 |
| Total as at 30 June 2019 | 279,402 | 401,265 | 14,495 | 695,162 |

1. Additional provisions made and changes in parameters for restoration of the Antarctic solid waste disposal sites were taken to the statement of comprehensive income and are reported under other expenses in Note 1.1H.
2. Additional provisions made and changes in parameters for restoration of Antarctic regions was taken to the asset revaluation reserve.
3. Changes to the parameters for the provision for makegood - other localities was taken to the asset revaluation reserve.
4. Unwinding of the discount associated with the provisions is recorded as Finance Costs in the Statement of Comprehensive Income.

The valuation of the provisions for restoration of the 'Antarctic regions' and 'Antarctic solid waste disposal sites' is derived from a costing model developed by an expert valuer in 2017-18. In 2018-19, to ensure the provisions reflected a realistic approach to the restoration of Antarctic areas, the Department updated the costing model for changes to key economic and engineering assumptions.

Accounting Policy

Accounting Judgements and Estimates

A provision for restoration obligations (including makegood) is recognised if, as a result of a past event, the Department has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Make good provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date, including the risks and uncertainties specific to the liabilities.

Makegood provisions are discounted to present value when the time value of money is material. Increases in present value are recognised as borrowing costs. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

The values for the Antarctic Solid Waste Disposal Sites, the Antarctic and Sub-Antarctic related restoration obligations and related assets have been arrived at on a best estimate basis. These values have been calculated on an individual asset basis, using a discounted cash flow methodology and therefore the value of the provisions can vary from year to year due to changes in the underlying estimated restoration costs, the assumed methodologies, estimated indexation factors, discount rates at the reporting date, and estimated cash flow timings.

Provision for Restoration Obligations - Antarctic Solid Waste Disposal Sites

Australia is a signatory to the Antarctic Treaty 1961, and Australia's environmental responsibilities under the treaty are contained in Annex III of the Madrid Protocol. The Madrid Protocol requires past and present waste disposal sites in Antarctica be cleaned up by the generators of such wastes. Australia is required to clean up the past and present solid waste disposal sites it has generated in Antarctica. The provision for the restitution of Antarctic Solid Waste Disposal Sites is the estimated future costs of this obligation and is derived from an expert valuation which provides a "best estimate" in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Accounting Policy (cont'd)**Provision for Restoration Obligations - Antarctic Solid Waste Disposal Sites (cont'd)**

Australia stopped disposing of its station solid waste in Antarctica in the mid 1980's, and since then all waste has either been returned to Australia for disposal or incinerated on station. A process of gradual removal is in effect. Restoration is expected to be completed by 2047.

The estimate is dependent upon four key parameters/variables: Discount Rate, Cost Escalation Factor, Nominal Cost Estimates and Shipping Assumptions.

| | 2019 | 2018 | |
|------------------------|---|-------|---|
| Discount rate | 1.47% | 2.80% | Based on the government bond rate which best reflects the expected period over which restoration activities will be completed. For 2019, this rate is the 15 year Australian government bond rate as at 30 June 2019. |
| Cost escalation factor | 2.99% | 3.4% | The 2019 factor is based on the 15 year National BPI Average (Rawlinson's Building Cost Guide) as at 30 June 2019. |
| Nominal cost estimates | Key nominal cost drivers were re-assessed by an external consulting engineer as at 30 June 2019. The Department re-assesses the estimated nominal costs every five years. The next full review is due in 2022–23. | | |
| Shipping assumptions | The shipping assumptions are based on the use of a dedicated icebreaking cargo ship for repatriation of waste contaminants to Australia. Due to the size, operational use and capacity of the selected cargo ship, which costs less per tonnage of cargo compared to other research vessels, the cargo ship costs have been adopted for the shipping in calculating the provision as at 30 June 2019. This assumption will be assessed annually to ensure the most likely scenario is adopted in the model. | | |

Sensitivity calculations for the Discount Rate show that for every 0.1% change in the bond rate the impact on the provision is approximately \$3.83 million (1.4%). For the Cost Escalation Factor for every 0.1% change in the factor the impact is \$3.82 million (1.4%).

Provision for Restoration Obligations – Antarctic and Sub-Antarctic Regions (makegood)

Australia is a signatory to the Antarctic Treaty 1961, and Australia's environmental responsibilities under the treaty are contained in Annex III of the Madrid Protocol. The Madrid Protocol requires past and present abandoned work sites in Antarctica to be cleaned up by the users of such sites. This provision represents the estimated future costs of making good buildings and infrastructure at Australia's Antarctic and sub-Antarctic Stations, within Australian Territories. This provision represents the estimated future costs of decommissioning, dismantling, and expatriation to Australia of all buildings, infrastructure and associated materials and the cost of site rehabilitation. This provision is made in accordance with AASB 116 *Property, Plant and Equipment*, which requires that the cost of an item of property, plant and equipment include an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired (or constructed) or as a consequence of having used the item during a particular period. This requirement in AASB 116 then requires a corresponding offsetting liability in accordance with AASB 137.

The estimate has been calculated using an expert valuer's plan to demolish, ship and dispose of each asset based on their expected end of life, while also allowing for critical life support to be maintained until the last item is removed from a site. Shipping of the demolished assets and waste has also been considered as part of the model, to ensure the fewest number of trips occur, by planning for shipping to only occur when a full cargo load of containers is available for collection from the Antarctic and Sub-Antarctic locations.

Accounting Policy (cont'd)**Provision for Restoration Obligations – Antarctic and Sub-Antarctic Regions (makegood) (cont'd)**

Buildings and infrastructure are decommissioned and replaced on an ongoing basis, infrequently, and the majority of costs will be incurred during any major Antarctic station rebuilding program. The provision is derived from an expert valuation and a costing model which provides a “best estimate” in accordance with AASB 137.

The estimate is dependent upon five key parameters/variables: Shipping Assumptions, Discount Rate, Cost Escalation Factor, Asset Replacement Costs and Asset Remaining Useful Lives.

| | 2019 | 2018 | |
|------------------------------|---|----------|--|
| Shipping assumptions | For 2019, the shipping assumptions are based on the use of the dedicated icebreaking cargo ship for repatriation of demolished assets to Australia. Due to the size, operational use and capacity of the selected cargo ship, which costs less per tonnage of cargo compared to other research vessels, the cargo ship costs have been adopted for the shipping in calculating the provision as at 30 June 2019. The methodology also assumes that the cargo ship would only be commissioned in years where there is a full load of cargo available for collection at the Antarctic and Sub-Antarctic locations, which represents the current most likely scenario should a restoration activity be undertaken. This assumption will be assessed annually to ensure the most likely scenario is adopted in the model. | | |
| Discount rate | Variable | Variable | The discount rate is derived for each individual asset based on the expected timing of dismantling, with the closest available year of the Australian Government bond rate as at 30 June 2019 used in the calculation. |
| Cost escalation factor | 2.99% | 3.4% | The 2019 factor is based on the Rawlinson's Building Cost Guide, which was assessed as a more reliable estimate of escalating future costs for the work required for the restoration work. |
| Asset replacement costs | These are calculated in accordance with the Department's policy in Note 3.2A. An expert valuer has been engaged to provide a valuation of all assets held by the Department, including those assets in the Antarctic and Sub-Antarctic region. The updated fair values and useful lives were incorporated into the model to calculate the restoration provision for 30 June 2019. | | |
| Asset remaining useful lives | | | |
| | The remaining useful lives are a key component of the provision model in determining the timing of the planned demolition and repatriation to Australia of each asset. | | |

The two most sensitive variables in the calculation of the provision value are the discount rate and the cost escalation factor. Sensitivity calculations for the Discount Rate show that for every 0.1% change in the bond rate the impact on the provision is approximately \$1.66 million (0.4%). For the Cost Escalation factor for every 0.1% change in the cost escalation factor the impact is \$1.62 million (0.4%).

Provision for Restoration Obligations – Other Localities (makegood)

This provision represents the estimated costs of making good leasehold premises occupied by the Department at the John Gorton Building, Barton ACT, 51 Allara Street, Canberra ACT, the Temperate Marine Conservation Branch in Kingston Tasmania and the Jabiru Field Station NT. The Department has made a provision to reflect the present value of this obligation.

4. Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred that the Department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1. Administered – Financial Assets

| | 2019 \$'000 | 2018 \$'000 |
|---|------------------|------------------|
| Note 4.1A: Cash and Cash Equivalents | | |
| Cash in special accounts | 6,263,040 | 6,780,464 |
| Total cash and cash equivalents | 6,263,040 | 6,780,464 |
| The closing balance of Cash in special accounts does not include amounts held in trust: [\$0.37 million in 2019 and \$0.37 million in 2018]. See note 5.2 Special Accounts and 8.2 Assets Held in Trust for more information. | | |
| Note 4.1B: Taxation Receivables | | |
| Indirect tax | 2,812 | 168 |
| Other tax | 183 | 113 |
| Total taxation receivables (gross) | 2,995 | 281 |
| Less impairment loss allowance | (92) | (114) |
| Total taxation receivables (net) | 2,903 | 167 |
| Note 4.1C: Trade and Other Receivables | | |
| Goods and services receivables | 551 | 2,138 |
| Total goods and services receivables | 551 | 2,138 |
| Advances and loans | | |
| State and Territory Governments ¹ | - | 60 |
| Total advances and loans | - | 60 |
| Other receivables | | |
| Fees | 980 | - |
| Statutory receivables ² | 7,786 | 46,884 |
| Other ³ | 466 | 98,550 |
| Total other receivables | 9,232 | 145,434 |
| Total trade and other receivables (gross) | 9,783 | 147,632 |
| Less impairment loss allowance | (267) | (278) |
| Total trade and other receivables (net) | 9,516 | 147,354 |

Credit terms for goods and services were within 30 days (2018: 30 days).

1. Loans to State and Territory Governments were made under the *Natural Resources Management (Financial Assistance) Act 1992* for periods up to December 2018. No security was generally required. Principal was repaid in half yearly instalments over the life of the loan. Interest rates were fixed. Effective interest rates averaged 8.53% (2018: 8.53%). Principal and interest payments were due twice annually.
2. Statutory receivables represented the Department's GST receivable from the Australian Taxation Office.
3. The balance in 2018 reflected a receivable from Snowy Hydro Limited as a result of the purchase of the entity from the New South Wales and Victorian State Governments by the Australian Government in 2017-18. The receivable was settled in October 2018.

Accounting Policy**Financial assets**

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payment of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

| | 2019 | 2018 |
|-------------------------------------|-------------------|-------------------|
| | \$'000 | \$'000 |
| Note 4.1D: Other Investments | | |
| Director of National Parks | 247,070 | 260,476 |
| Sydney Harbour Federation Trust | 381,995 | 383,116 |
| Australian Renewable Energy Agency | 103,034 | 88,973 |
| Clean Energy Finance Corporation | 4,820,068 | 4,030,224 |
| Snowy Hydro Limited | 10,500,000 | 6,914,000 |
| Total other investments | 16,052,167 | 11,676,789 |

All other investments are expected to be recovered in more than 12 months.

The principal activities of each of the Department's administered investments were as follows:

Director of National Parks

Assists the Minister and the Department in the 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 aspiration of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.

Sydney Harbour Federation Trust

Is responsible for conserving and planning the future uses of former military bases and other Commonwealth land around Sydney Harbour.

Australian Renewable Energy Agency (ARENA)

ARENA's key objectives are to 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.

Clean Energy Finance Corporation (CEFC)

The CEFC 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.

Snowy Hydro Limited

Snowy Hydro Limited is an energy generation and retailing company which owns and operates 16 power stations with a combined generation capacity of 5,500 megawatts, including Snowy Mountains Hydro Electricity Scheme, and has more than one million retail customers in the National Electricity Market.

Snowy Hydro Limited is a wholly-owned Commonwealth company and Government Business Enterprise operating under the *Corporations Act 2001* and the *Public Governance, Performance and Accountability Act 2013*. The Australian Government obtained 100 per cent ownership on 29 June 2018.

Accounting Policy**Administered Investments**

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments, other than those held-for-sale, are classified and measured as their fair value through other comprehensive income as at 30 June 2019.

Snowy Hydro Limited has been valued using the Discounted Cash Flow (DCF) method, with the valuation provided by an independent valuer at 30 June 2019. The DCF valuation was supported by a cross-check using the Capitalisation of Future Maintainable Earnings method based on an analysis of share trading in energy generation companies.

For all other investments, fair value has been taken to be the Australian Government's interest in the net assets of the entity as at the end of the reporting period.

Gains on financial assets at fair value through other comprehensive income for Administered Investments were \$3,775.20 million (2018: \$225.48 million) in the Administered Schedule of Comprehensive Income. In 2018-19, the balance was predominately affected by the increases in fair value of Snowy Hydro Limited (\$3,586 million).

4.2. Administered – Non-Financial Assets**Note 4.2A: Reconciliation of the Opening and Closing Balances of Land, Property, Plant and Equipment, and Intangibles****Reconciliation of the opening and closing balances of property, plant and equipment for 2019**

| | Heritage and cultural ¹ \$'000 | Water assets \$'000 | Computer software internally developed \$'000 | Total \$'000 |
|--|---|------------------------|---|------------------|
| As at 1 July 2018 | | | | |
| Gross book value | 998 | 3,413,470 | 2,799 | 3,417,267 |
| Accumulated depreciation/amortisation and impairment | - | (76,220) | (2,798) | (79,018) |
| Total as at 1 July 2018 | 998 | 3,337,250 | 1 | 3,338,249 |
| Additions | | | | |
| Assets received free of charge | - | 407,243 | - | 407,243 |
| Impairments recognised in net cost of services | - | (33,321) | - | (33,321) |
| Reversal of impairments recognised in net cost of services | - | 58,909 | - | 58,909 |
| Depreciation and amortisation | (11) | - | (1) | (12) |
| Total as at 30 June 2019 | 987 | 3,770,081 | - | 3,771,068 |
| Total as at 30 June 2019 represented by | | | | |
| Gross book value | 998 | 3,820,713 | 2,799 | 3,824,510 |
| Accumulated depreciation, amortisation and impairment | (11) | (50,632) | (2,799) | (53,442) |
| Total as at 30 June 2019 | 987 | 3,770,081 | - | 3,771,068 |

1. Property, plant and equipment that met the definition of a heritage and cultural item was disclosed in the heritage and cultural asset class.

Impairment of non-financial assets

Water assets were assessed for impairment at 30 June 2019.

Disposal of non-financial assets

No heritage and cultural assets are expected to be sold or disposed of within the next 12 months. No intangibles are expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

A revaluation is conducted in accordance with the revaluation policy stated in Note 3.2A. A full revaluation was undertaken by an independent valuer in 2017-18. The Department has a policy of having non-financial assets revalued every three years unless there are significant changes in economic indicators.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

There are no contractual commitments as at 30 June 2019 (2018: nil commitments) for the acquisition of property, plant, equipment and intangible assets.

Accounting PolicyHeritage and Cultural Assets

Australia has a long history of involvement with Antarctica spanning more than 100 years and over that time the Department has accumulated a large collection of Antarctic heritage artefacts, artworks, images, and objects.

The Department has classified these items as heritage and cultural assets due to their heritage value. The Department has adopted appropriate curatorial and preservation policies for these assets. These items have limited useful lives and are depreciated.

The Department's curatorial and preservation policies are publicly available at:

<http://www.antarctica.gov.au/environment/cultural-heritage/managing>

Water Entitlements

The Department manages water entitlements to achieve the Government's environmental policy objectives. Commonwealth water entitlements are held for non-commercial, long term environmental purposes, beyond the shorter term weather and accounting cycles, the benefits of which are not being captured for accounting purposes. As water entitlement holdings continue to increase, so does the strategic importance of demonstrating a robust valuation assessment.

Water entitlements are acquired by Department of Agriculture and transferred to the Department. The Department recognises the transferred assets as resources received free of charge (refer to Note 2.2G).

Water entitlements are recognised by the Department as intangible assets with indefinite useful lives under AASB 138 *Intangible Assets* as there is no foreseeable limit to the period over which the assets are expected to generate future benefits.

The Department engages an independent expert to complete an annual assessment of whether there is an active market for water entitlements. For 2018-19, there was no active market due to a lack of frequency of trades across catchments and there is a lack of consistency in pricing data. The assessment is on the entire class of assets. In the absence of an active market, water entitlements are carried at cost in accordance with AASB 138.

Consistent with AASB 136 *Impairment of Assets* and FRR, water entitlement assets, being indefinite useful life assets, are subject to annual impairment testing. The impairment test is carried out by comparing the carrying amount to the recoverable amount of the water entitlements. The recoverable amount of the water entitlements is the higher of the fair value less costs to sell and value in use. The annual impairment testing process also includes a review to determine if there is evidence that impairment losses previously recognised no longer exist and therefore should be reversed. When recognising the reversal, the increase in the carrying amount cannot exceed the amount of impairment recognised in that asset.

The Department's valuation methodology calculates the recoverable amount of the water entitlements based on the best information available to reflect the amount that an entity could obtain from the disposal of water entitlements in an arm's length transaction between knowledgeable willing parties.

The determination of impairment and impairment reversals is conducted annually using the average median price of trade data to the end of May 2019 which is sourced from the relevant State Water Registers. An asset is considered impaired where value of water entitlements has fallen significantly or where there has been a prolonged decline in value. The trade data analysis excludes trades with outlying prices.

As noted in a recent audit of trade prices published by Murray Darling Basin Authority the State Water Register data contains uncertainties over its accuracy. The Department has addressed this by excluding non-market or low value trades from its analysis. To ensure the validity of the impairment assessment the Department undertook additional reviews using broker data from an independent consultant, analysis of recent Commonwealth transactions and trend analysis. The broker data was sourced from surveys of water brokers and trading exchanges. The additional reviews and analysis supports the Department's assessment of the recoverable amount of water entitlements for impairment purposes.

A number of recommendations have been made to the States by the Murray Darling Basin Authority to address the weaknesses in the relevant controls to prevent and detect misstatements in the State Water Registers and improve the accuracy water trade prices in these registers. This remediation activity is expected to reduce the extent of uncertainty going forward. The Department will monitor the remediation activities and assess impacts on the Department's 2019-20 impairment assessment methodology.

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Note 4.2B: Inventories | | |
| Inventories held for sale | | |
| Finished goods | 11,145 | 11,233 |
| Total inventories held for sale | 11,145 | 11,233 |
| Total inventories | 11,145 | 11,233 |

During 2019, \$87,895 of inventory held for sale was recognised as an expense (2018: \$587,090).

Accounting Policy

National Halon Bank

In accordance with the Government's National Halon Management Strategy, the Government operates the National Halon Bank. Halons are fire-fighting agents whose ozone depleting potential is ten times greater than that of chlorofluorocarbons. Under State and Territory legislation, the continued use of halon in non-essential equipment has been banned.

The National Halon Bank stores decommissioned halon for destruction or reclamation, and to meet Australia's essential use needs or until an alternative is found for all current uses.

There are two categories of Halon holdings:

- Strategic reserve; and
- Deposited halon.

The halon stored in the National Halon Bank is a resource controlled by the Government and from which economic benefits are expected to flow to the Government. The current holdings of halon are recognised as inventory.

4.3. Administered – Payables

| | 2019 | 2018 |
|--|--------|--------|
| | \$'000 | \$'000 |

Note 4.3A: Suppliers

| | | |
|------------------------------|---------------|--------------|
| Trade creditors and accruals | 48,122 | 8,715 |
| Total suppliers | 48,122 | 8,715 |

All suppliers are expected to be settled in no more than 12 months.

Settlement was usually made within 30 days.

Note 4.3B: Grants

| | | |
|---------------------------------|--------------|--------------|
| Australian Government entities | - | 380 |
| State and Territory Governments | 1,558 | 509 |
| Local Governments | 1,318 | 322 |
| Not-for-profit organisations | 2,368 | 5,707 |
| For-profit organisations | 142 | 212 |
| Universities | 1,074 | 20 |
| Individuals | 345 | - |
| Other | 172 | - |
| Total grants | 6,977 | 7,150 |

All grants are expected to be settled in no more than 12 months.

Settlement was made according to the terms and conditions of each grant. This was usually within 30 days of grant recipients meeting their performance or eligibility criteria.

Note 4.3C: Other Payables

| | | |
|--|----------|------------|
| Prepayments received / unearned income | - | 481 |
| Total other payables | - | 481 |

5. Funding

This section identifies the Department of Environment and Energy's funding structure.

5.1. Appropriations

Note 5.1A: Departmental annual and unspent appropriations ('Recoverable GST exclusive')

| | 2019 \$'000 | 2018 \$'000 |
|---|-----------------|----------------|
| Ordinary annual services | | |
| Annual Appropriation | | |
| Operating | 403,939 | 455,931 |
| Capital Budget | 24,478 | 24,592 |
| Section 74 receipts | 47,219 | 60,932 |
| Section 75 transfers | - | - |
| Total available appropriations | 475,636 | 541,455 |
| Appropriation applied (current and prior years) | (485,450) | (534,743) |
| Variance | (9,814) | 6,712 |
| Opening unspent appropriation balance | 62,744 | 58,867 |
| Prior year section 75 transfers | - | - |
| Section 51 Direction | - | - |
| Repeal of Annual Appropriation Acts 2012-13, 2013-14 and 2014-15 | - | (2,835) |
| Closing unspent appropriation balance | 52,930 | 62,744 |
| Balance comprises appropriations as follows: | | |
| Appropriation Act (No. 1) 2017-18 | - | 61,608 |
| Appropriation Act (No. 1) 2018-19 | 47,572 | - |
| Cash at bank - 30 June | 5,358 | 1,136 |
| Total unspent appropriation - ordinary annual services | 52,930 | 62,744 |
| Other services | | |
| Annual Appropriation | 86,249 | 146,656 |
| Total available appropriation | 86,249 | 146,656 |
| Appropriation applied (current and prior years) | (161,630) | (102,640) |
| Variance | (75,381) | 44,016 |
| Opening unspent appropriation balance | 113,959 | 70,836 |
| Prior year section 75 transfers | - | - |
| Repeal of Annual Appropriation Acts FY2013-14 and FY2014-15 | - | (883) |
| Section 51 determinations | (3,868) | (10) |
| Closing unspent appropriation balance | 34,710 | 113,959 |
| Balance comprises appropriations as follows: | | |
| Appropriation Act (No. 2) 2017-18- Non Operating - Equity Injection | | 113,959 |
| Appropriation Act (No. 2) 2018-19- Non Operating - Equity Injection | 34,710 | - |
| Total unspent appropriation - other services | 34,710 | 113,959 |
| Total unspent appropriation | 87,640 | 176,703 |

1. The current year unspent appropriation balance is shown exclusive of Section 51 permanent quarantines against Appropriation Act (No.2) 2017-18, due to a movement of Funds of \$3,868,000 to 2020-21. This was a result of delays in the project for the Macquarie Island Research Station.
2. Appropriation applied includes cash payments made from the current and prior years appropriations.

Note 5.1A: Administered annual and unspent appropriations ('Recoverable GST exclusive')

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|------------------|
| Ordinary annual services | | |
| Annual Appropriation | | |
| Operating | 411,200 | 847,475 |
| Payments to corporate Commonwealth entities/companies | 49,901 | 2,073 |
| Section 74 receipts | 14 | 7 |
| Total available appropriation | 461,115 | 849,555 |
| Appropriation applied (current and prior years) | (420,368) | (832,784) |
| Variance | 40,747 | 16,771 |
| Opening unspent appropriation balance | 211,930 | 329,243 |
| Section 51 Direction | (29,720) | (31,053) |
| Repeal of <i>Annual Appropriation Acts 2012-13, 2013-14 and 2014-15</i> | - | (103,031) |
| Repeal of <i>Annual Appropriation Acts 2015-16</i> | (192,009) | - |
| Closing unspent appropriation balance | 30,948 | 211,930 |
| Balance comprises appropriations as follows: | | |
| <i>Appropriation Act (No. 1) - Operating 2015/16</i> | - | 192,009 |
| <i>Appropriation Act (No. 1) - Operating 2017/18</i> | | 15,992 |
| <i>Appropriation Act (No. 3) - Operating 2017/18</i> | | 3,929 |
| <i>Appropriation Act (No. 1) - Operating 2018/19</i> | 18,080 | - |
| <i>Appropriation Act (No. 3) - Operating 2018/19</i> | 12,868 | |
| Total unspent appropriation - ordinary annual services | 30,948 | 211,930 |
| Other services | | |
| Annual Appropriation | | |
| <i>Appropriation Act (No. 6) 2017-18 - Non Operating - Administered Assets and Liabilities</i> | - | 6,113,550 |
| Payments to corporate Commonwealth entities/companies | 181 | 376 |
| Total available appropriation | 181 | 6,113,926 |
| Appropriation applied (current and prior years) | (181) | (6,113,926) |
| Variance | - | - |
| Opening unspent appropriation balance | | 76,750 |
| Repeal of <i>Annual Appropriation Acts 2013-14 and 2014-15</i> | - | (76,750) |
| Closing unspent appropriation balance | - | - |
| Balance comprises appropriations as follows: | | |
| Total unspent appropriation - other services | - | - |
| Total unspent appropriation | 30,948 | 211,930 |

1. The unspent appropriation balances are shown exclusive of Section 51 permanent quarantines.

Note 5.1B: Special Appropriations Applied ('Recoverable GST exclusive')

| Authority | Type | Purpose | Appropriation applied | |
|--|----------------|---|-----------------------|------------------|
| | | | 2019 \$'000 | 2018 \$'000 |
| <i>Public Governance, Performance and Accountability Act 2013 s.77, Administered</i> | Refund | To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment. | 40 | 59 |
| <i>Australian Renewable Energy Agency Act 2011 - s66 Appropriation - AAO 2015 Industry to ENVIRO</i> | Limited Amount | To improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia. | 171,500 | 207,000 |
| <i>Clean Energy Finance Corporation Act 2012, s.46, AAO 2015</i> | Limited Amount | | - | 2,000,000 |
| Total special appropriation applied | | | 171,540 | 2,207,059 |

5.2. Special Accounts

Note 5.2A: Special Accounts

| | Environmental Water Holdings Special Account ¹ | | National Environment Protection Council Special Account ² | | Natural Heritage Trust of Australia Account ³ | |
|---|--|----------|---|---------|---|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance brought forward from previous period | 39,151 | 45,988 | 5,716 | 4,232 | 419,386 | 397,628 |
| Increases | | | | | | |
| Appropriation credited to special account | 33,292 | 16,568 | 496 | 502 | - | - |
| Amounts credited under section 6(2) of the NHT Act 1997 | - | - | - | - | 6,291 | 5,964 |
| Amounts credited under section 23 of the NHT Act 1997 | - | - | - | - | 158,973 | 237,516 |
| Other receipts | 6,063 | 2,878 | 320 | 2,084 | 128 | 112 |
| Total increases | 39,355 | 19,446 | 816 | 2,586 | 165,392 | 243,592 |
| Available for payments | 78,506 | 65,434 | 6,532 | 6,818 | 584,778 | 641,220 |
| Decreases | | | | | | |
| Administered | | | | | | |
| Payments made - suppliers | (23,428) | (25,933) | (312) | (871) | (83,436) | (43,501) |
| Payments made - grants | (10) | (350) | (589) | (231) | (54,900) | (178,333) |
| Total administered | (23,438) | (26,283) | (901) | (1,102) | (138,336) | (221,834) |
| Total decreases | (23,438) | (26,283) | (901) | (1,102) | (138,336) | (221,834) |
| Total balance carried to the next period | 55,068 | 39,151 | 5,631 | 5,716 | 446,442 | 419,386 |
| Balance represented by: | | | | | | |
| Cash held in the Official Public Account | 55,068 | 39,151 | 5,631 | 5,716 | 446,442 | 419,386 |
| Total balance carried to the next period | 55,068 | 39,151 | 5,631 | 5,716 | 446,442 | 419,386 |

Note 5.2A: (Cont'd) Special Accounts

| | Ozone Protection and SGG Account ⁴ | | Reef Trust Special Account 2014 ⁵ | |
|---|---|-----------------|--|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance brought forward from previous period | 31,332 | 24,865 | 5,879 | 6,747 |
| Increases | | | | |
| Appropriation credited to special account | - | - | 72,123 | 485,636 |
| Costs recovered | 12,237 | 15,095 | - | - |
| Other receipts | 1,489 | 1,409 | 1,321 | 1,346 |
| Total increases | 13,726 | 16,504 | 73,444 | 486,982 |
| Available for payments | 45,058 | 41,369 | 79,323 | 493,729 |
| Decreases | | | | |
| Administered | | | | |
| Payments made - suppliers | (12,728) | (10,037) | (6,541) | (4,785) |
| Payments made - grants | - | - | (28,213) | (483,065) |
| Total administered | (12,728) | (10,037) | (34,754) | (487,850) |
| Total decreases | (12,728) | (10,037) | (34,754) | (487,850) |
| Total balance carried to the next period | 32,330 | 31,332 | 44,569 | 5,879 |
| Balance represented by: | | | | |
| Cash held in the Official Public Account | 32,330 | 31,332 | 44,569 | 5,879 |
| Total balance carried to the next period | 32,330 | 31,332 | 44,569 | 5,879 |

Note 5.2A: (Cont'd) Special Accounts

| | Clean Energy Finance Corporation ⁶ | | Services for Other Entities and Trust Moneys ⁷ | |
|---|---|--------------------|---|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance brought forward from previous period | 6,279,000 | 5,979,000 | 365 | 389 |
| Increases | | | | |
| Appropriation credited to special account | - | 2,000,000 | - | - |
| Total increases | - | 2,000,000 | - | - |
| Available for payments | 6,279,000 | 7,979,000 | 365 | 389 |
| Decreases | | | | |
| Administered | | | | |
| Payments made - grants | (600,000) | (1,700,000) | - | (24) |
| Total administered | (600,000) | (1,700,000) | - | (24) |
| Total decreases | (600,000) | (1,700,000) | - | (24) |
| Total balance carried to the next period | 5,679,000 | 6,279,000 | 365 | 365 |
| Balance represented by: | | | | |
| Cash held in the Official Public Account | 5,679,000 | 6,279,000 | 365 | 365 |
| Total balance carried to the next period | 5,679,000 | 6,279,000 | 365 | 365 |

Note 5.2A: (Cont'd) Special Accounts

| | Energy Special Account⁸ | |
|---|---|---------------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| Balance brought forward from previous period | 13,604 | 14,048 |
| Increases | | |
| Appropriation credited to special account | - | - |
| Internal Transfer | 4,947 | 1,345 |
| Costs recovered | - | - |
| Other receipts | 2,960 | 9,494 |
| Return of capital | - | - |
| Restructuring | - | - |
| Total increases | 7,907 | 10,839 |
| Available for payments | 21,511 | 24,887 |
| Decreases | | |
| Departmental | | |
| Payments made - suppliers | (9,324) | (10,563) |
| Payments made - grants | (2,008) | (720) |
| Payments made - asset acquisitions | - | - |
| Payments made - other | (39) | - |
| Restructuring | - | - |
| Total departmental | (11,371) | (11,283) |
| Total decreases | (11,371) | (11,283) |
| Total balance carried to the next period | 10,140 | 13,604 |
| Balance represented by: | | |
| Cash held in the Official Public Account | 10,140 | 13,604 |
| Total balance carried to the next period | 10,140 | 13,604 |

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80

Establishing Instrument: *Water Act 2007*; section 111

Purpose: Amounts standing to the credit of the account may be debited for:

- (a) the payment or discharge of the costs, expenses and other obligations incurred by the Commonwealth Environmental Water Holder in the performance of the functions of the Commonwealth Environmental Water Holder (including doing any of the things referred to in subsection 105(2)); and
- (b) meeting the expenses of administering the Account.

The expenses of administering the Account do not include the cost of salaries of the Commonwealth Environmental Water Holder or the staff referred to in section 116.

This account is non-interest bearing.

2. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80

Establishing Instrument: *National Environment Protection Council Act 1994*; section 53

Purpose: The purposes of the Account are as follows:

- (a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the functions of:
 - (i) the Council; or
 - (ii) the NEPC Committee; or
 - (iii) any other committee established under section 33;
- (b) either:
 - (i) paying grants for amounts consistent with the aim of people enjoying the benefit of equivalent protection from air, water or soil pollution and from noise, wherever they live in Australia; or
 - (ii) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in undertaking projects with that aim;
 whether or not the grants or projects relate to a national environment protection measure or proposed national environment protection measure;

- (c) paying any remuneration and allowances payable to any person under this Act;
- (d) meeting the expenses of administering the Account;
- (e) paying amounts that are required or permitted to be repaid under this Act;
- (f) paying for activities that are incidental to the purposes mentioned in paragraphs (a) to (e).

This account is interest bearing.

3. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80

Establishing Instrument: *Natural Heritage Trust of Australia Act 1997* (NHT Act) section 4

Purpose: Section 8 of the NHT Act sets out the purposes of the account as follows:

- (a) the National Vegetation Initiative;
- (b) the Murray-Darling 2001 Project;
- (c) the National Land and Water Resources Audit;
- (d) the National Reserve System;
- (e) the Coasts and Clean Seas Initiative;
- (f) environmental protection (as defined by section 15 of the Act);
- (g) supporting sustainable agriculture (as defined by section 16 of the Act);
- (h) natural resources management (as defined by section 17 of the Act);
- (i) a purpose incidental or ancillary to any of the above purposes;
- (j) the making of grants of financial assistance for any of the above purposes; and
- (k) an accounting transfer purpose (as defined by section 18 of the Act).

This account earns interest at the rate of interest earned by the Commonwealth as at the end of the financial year on deposits held with the Reserve Bank of Australia.

In accordance with section 42 of the NHT Act, the Department has ensured that the balance of the account has not fallen below the base amount.

4. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80

Establishing Instrument: *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, section 65B

Purpose: The following are the purposes of the account:

- (a) paying or reimbursing the Commonwealth's costs associated with the administration of this Act and the regulations;
- (b) paying or reimbursing the Commonwealth's costs associated with furthering the following programs (including providing information about those programs):
 - (i) ODS phase out programs;
 - (ii) emission minimisation programs for ODSs and SGGs
- (c) paying or reimbursing the Commonwealth's costs associated with the management of the National Halon Bank;
- (ca) paying or reimbursing the Commonwealth's costs associated with research relating to:
 - (i) substances that deplete ozone in the atmosphere; or
 - (ii) synthetic greenhouse gases; and
- (d) refunding any amounts credited to the Account in error.

This account is non-interest bearing.

5. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78

Establishing Instrument: *PGPA Act (Reef Trust Special Account 2014) Determination 01*

Purpose: The purposes for which amounts are allowed to be debited from the special account are:

- (a) to make payments for projects to improve water quality and the coastal habitat in the Great Barrier Reef World Heritage Area;
- (b) to make payments for projects to address threats to the environment of the Great Barrier Reef World Heritage Area;

- (c) to make payment for projects to protect, repair or mitigate damage to Great Barrier Reef World Heritage Area;
- (d) to reduce the balance of the special account without making a real or notional payment; or
- (e) to repay amounts received by the Commonwealth and credited to the special account where an Act or other law requires or permits the amounts to be repaid.

This account is non-interest bearing.

6. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80

Establishing Instrument: *Clean Energy Finance Corporation Act 2012, section 45*

Purpose: The purposes of the account, for which amounts may be debited from the account, are to:

- a) make payments to the Corporation, so long as the payments are authorised by the nominated Minister under subsection 49(1); and
- b) make payments to ARENA, so long as payments are authorised by the nominated Minister under subsection 51(1).

This account is non-interest bearing.

7. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78

Establishing Instrument: *Financial Management and Accountability Determination 2010/02 – Services for Other Entities and Trust Moneys – Department of the Environment, Water, Heritage and the Arts Special Account Establishment 2010*

Purpose: The purposes of the account, for which amounts may be debited from the account, are to:

- (a) disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;
- (b) disburse amounts in connection with services performed on behalf of other governments and bodies that are not FMA Act agencies;
- (c) repay amounts where an Act or other law requires or permits the repayment of an amount received; and
- (d) reduce the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.

This account is non-interest bearing. The closing balance represents the amounts held in trust. See note 8.2 for more information.

8. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78

Establishing Instrument: *PGPA Act (Energy Special Account 2015-Establishment) Determination 2015/07*

Purpose: Amounts standing to the credit of the account may be debited for any of the following purposes:

- (a) conducting activities that contribute to policy development in the energy and resources sectors, including, but not limited to:
 - (i) energy market reform;
 - (ii) energy efficiency;
 - (iii) energy security;
 - (iv) renewable and distributed energy generation;
 - (v) resource exploration and development;
 - (vi) petroleum (oil and gas);
 - (vii) clean energy technology;
 - (viii) land access;
 - (ix) mining and minerals;
 - (x) other forms of resource extraction;
- (b) to repay amounts where an Act or other law requires or permits the repayment of an amount received;
- (c) to repay to any person any amount received from that person for a purpose of the *Energy Special Account* and which is no longer required for that purpose;
- (d) to disburse or repay amounts for the purposes of the National Partnership Agreement on Energy Efficiency;

- (e) activities that are incidental to the purpose mentioned in paragraph (a) and (d);
- (f) to reduce the balance of the special account (and, therefore, the available appropriation for the special account) without making a real or notional payment;
- (g) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

This account is non-interest bearing.

The Department has a BAF (Building Australia Fund) Energy Portfolio Special Account. This account was established under section 75 of the *Nation-building Funds Act 2008*. For the year ended 30 June 2019 the account had a nil balance and no transactions (2018: nil). The purpose of the BAF Energy Portfolio Special Account is to make payments in relation to the creation or development of energy infrastructure, so long as the payments are specified under subsection 77(2).

5.3. Regulatory Charging Summary

| | 2019 \$'000 | 2018 \$'000 |
|----------------------------------|----------------|----------------|
| Amounts applied | | |
| Departmental | | |
| Annual appropriations | 7,786 | 7,723 |
| Administered | | |
| Annual appropriations | 2,217 | 2,514 |
| Total amounts applied | 10,003 | 10,237 |
| Expenses | | |
| Departmental | 7,593 | 7,612 |
| Administered | 13,634 | 13,851 |
| Total expenses | 21,227 | 21,463 |
| External Revenue | | |
| Departmental | 97 | 160 |
| Administered | 22,934 | 21,859 |
| Total external revenue | 23,031 | 22,019 |
| Amounts written off | | |
| Administered | - | - |
| Total amounts written off | - | - |

Greenhouse and Energy Minimum Standards New Zealand contribution to the registration system for 2018-19 was \$157,020. As this is not a fee, it has not been included.

Regulatory charging activities:

Application fees to vary fuel standards
 Hazardous waste permits
 Ozone Protection and Synthetic Greenhouse Gas Management Program
 Sea Dumping Permit Applications
 Wildlife Trade Permits
 Environmental Assessments under the *Environment Protection and Biodiversity Conservation Act 1999*
 Greenhouse and Energy Minimum Standards
 Commercial Building Disclosure
 Non-road Spark Ignition Engines and Equipment (NRSIEE)
 Voluntary Product Stewardship Accreditation – nil return

Documentation (Cost Recovery Implementation Statements) for the above activities is available at:
<http://www.environment.gov.au/about-us/accountability-reporting/cost-recovery>

6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

6.1. Employee Provisions

| | 2019 | 2018 |
|---------------------------------------|---------------|--------|
| | \$'000 | \$'000 |
| Note 6.1A: Employee Provisions | | |
| Leave | 78,105 | 68,787 |
| Separations and redundancies | 93 | 193 |
| Total employee provisions | 78,198 | 68,980 |

Accounting Policy

Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2019. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The Department's employees are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's Administered Schedule of Assets and Liabilities.

The Department makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

6.2. Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Department has determined the key management personnel to be the Minister, the Assistant Minister, the Secretary and the Deputy Secretaries. Key management personnel remuneration is reported in the table below:

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Short-term employee benefits | 2,144 | 2,606 |
| Post-employment benefits | 346 | 430 |
| Other long-term employee benefits | 101 | 116 |
| Total key management personnel remuneration expenses¹ | 2,591 | 3,152 |

The total number of key management personnel who are included in the above table is 5 (2018: 9). The Department reassessed who was considered key management personnel during the year resulting in a decrease in the number of identified key management personnel to five. Key management personnel expenses reflect normal operational requirements, acting periods and personnel movements into and out of the Department including resignations and retirements. The expenditure is based upon a period from 1 July 2018 to 30 June 2019.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Ministers. The Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.
2. Comparatives have been restated to exclude actuarial assessment impact on annual leave and long service leave, resulting in a reduction of \$89,000 on the total remuneration expenses.
3. The classification of key management personnel remuneration has been adjusted for consistency to report annual leave as a short-term benefit as advised by the Department of Finance.

6.3. Related Party Disclosures

Related party relationships:

The Department is an Australian Government controlled entity. Related parties to the Department are Key Management Personnel including Portfolio Minister, the Assistant Minister, the Secretary and the Deputy Secretaries.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity. It has been determined that there are no (2018: nil) related party transactions to be separately disclosed.

7. Managing Uncertainties

This section analyses how the Department manages financial risks within its operating environment.

7.1. Contingent Assets and Liabilities

Note 7.1A: Contingent Liabilities and Assets

| | Claims for damages or costs | |
|-------------------------------------|-----------------------------|--------------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| Contingent assets | | |
| Balance from previous period | 2,734 | 6,053 |
| New contingent assets recognised | 3,438 | 1,300 |
| Re-measurement | 5 | (426) |
| Assets realised | (3,266) | (4,193) |
| Total contingent assets | 2,911 | 2,734 |
| Contingent liabilities | | |
| Balance from previous period | - | 659 |
| Liabilities realised | - | (659) |
| Total contingent liabilities | - | - |
| Net contingent assets | 2,911 | 2,734 |

Quantifiable Contingencies

In 2018-19, total contingent assets were \$2,910,473. This amount relates to:

- insurance recoveries for losses arising from insured events and insurance claims which are still pending as at 30 June 2019; and
- a litigation matter in which the Department is a party for which the Department may receive its costs associated with defending this legal challenge.

Unquantifiable Contingencies

At 30 June 2019 the Department is involved in a number of legal claims for which the Department may receive its costs. It is not possible to estimate the amounts of any eventual recoveries in relation to these claims.

At 30 June 2019 the Department was party to a number of legal cases which upon completion may result in the Department being required to pay damages or costs. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these cases.

Accounting Policy

Contingent Assets and Contingent Liabilities

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measure. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Note 7.1B: Administered - Contingent Assets and Liabilities

| | Indemnities | |
|---------------------------------------|--------------------|---------------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| Contingent liabilities | | |
| Balance from previous period | 100,000 | 100,000 |
| New contingent liabilities recognised | - | - |
| Total contingent liabilities | 100,000 | 100,000 |
| Net contingent liabilities | (100,000) | (100,000) |

Quantifiable Administered ContingenciesLow Carbon Australia Limited – Board of Directors' and senior management indemnities

The above table contains \$100,000,000 of contingent liabilities in respect to indemnities (2018: \$100,000,000). The Australian Government has provided indemnities to directors and company officers of Low Carbon Australia Limited (LCAL). A total of seven indemnity deeds were executed in 2014. Each indemnity covers liability incurred by a director or officer arising from the implementation of the merger of LCAL with the Clean Energy Finance Corporation. An aggregate cap of \$100 million to cover all claims has been established, and the indemnities will operate for seven years from execution (to 2020).

Unquantifiable Administered ContingenciesLiability for costs incurred in a national liquid fuel emergency

The Australian Government has responsibility for the *Liquid Fuel Emergency Act 1984* (the Act). In addition, the Australian Government and State and Territory governments have entered into an inter-governmental agreement in relation to a national liquid fuel emergency (IGA 2006). Under the IGA, the Australian Government agrees to consult IGA parties on a likely shortage and, if necessary after those consultations, to advise the Governor-General to declare a national emergency under the Act.

The IGA also contains three areas where the Australian Government may incur expenses in the unlikely event of a national liquid fuel emergency. These relate to the direct costs of managing a liquid fuel emergency and include the possibility of the Australian Government reimbursing the State and Territory governments for costs arising from their responses, and potential compensation for industry arising from Australian Government directions under the Act.

Snowy Hydro Limited – water releases

On 29 June 2018, Snowy Hydro Limited became a wholly Commonwealth owned company following the Commonwealth's acquisition of the New South Wales (NSW) and Victorian Government's shares. At the time of corporatisation of Snowy Hydro Limited, on 28 June 2012, the Australian, NSW and Victorian Governments, as the then owners, indemnified the company for liabilities arising from water releases in the Snowy River below Jindabyne Dam, where these releases are in accordance with the Snowy Water Licence and related regulatory arrangements agreed between the three governments, including the *Snowy Water Inquiry Outcomes Implementation Deed (SWIOD) 2002*. The indemnity applies to liabilities for which a claim is notified within 20 years from 28 June 2002.

As sole owner, the Commonwealth is now wholly liable for the indemnity. However, NSW must pay 100 per cent of the amount claimable where the liability is a result of the Snowy Water Licence being inconsistent with the SWIOD or with a direction from NSW that is inconsistent with the principles for managing water releases from Jindabyne Dam, as agreed by the Australian, NSW and Victorian governments.

Significant and Remote Administered ContingenciesSnowy Hydro Limited – Board Members' Indemnity

The Australian Government has provided an indemnity for each of the Directors of Snowy Hydro Limited to protect them against claims relating to their employment as directors. Until the indemnity agreements are varied or ceased, they will remain as contingent and unquantifiable liabilities.

Snowy Hydro Limited – Termination of the Equity Subscription Agreement

The Australian Government will provide sufficient funding to cover costs and liabilities incurred by Snowy Hydro Limited (SHL) for delivery of Snowy 2.0, capped to the total remaining undrawn equity, in the event that Commonwealth terminates the Equity Subscription Agreement between the Commonwealth and SHL.

Accounting Policy

Indemnities

The maximum amounts payable under the indemnities given is disclosed above. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

7.2. Financial Instruments

| | 2019 | 2018 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Note 7.2A: Categories of Financial Instruments | | |
| Financial assets under AASB 139 | | |
| Loan and receivables | | |
| Cash on hand or on deposit | | 14,740 |
| Goods and services receivables | | 9,566 |
| Other receivables | | 1,350 |
| Total loans and receivables | | 25,656 |
| Total financial assets | | 25,656 |
| Financial assets under AASB 9 | | |
| Financial assets at amortised cost | | |
| Cash on hand or on deposit | 15,499 | |
| Goods and services receivables | 11,680 | |
| Other receivables | 754 | |
| Total financial assets at amortised cost | 27,933 | |
| Total financial assets | 27,933 | |
| Financial Liabilities | | |
| Financial liabilities measured at amortised cost | | |
| Suppliers payable | 18,925 | 18,891 |
| Grants payable | 4 | 21 |
| Total financial liabilities measured at amortised cost | 18,929 | 18,912 |
| Total financial liabilities | 18,929 | 18,912 |

Accounting Policy**Financial Assets**

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition.

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- 1. the financial asset is held in order to collect the contractual cash flows; and
- 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a de-recognition event where the write-off directly reduces the gross carrying amount of the financial asset. The Department classifies its departmental financial assets depending on their nature and purpose. The departmental financial assets are recognised and derecognised upon 'trade date'.

Financial Liabilities

Departmental financial liabilities are classified as 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective interest basis.

Suppliers and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

| | |
|---------------|---------------|
| 2019 | 2018 |
| \$'000 | \$'000 |

Note 7.2B: Net Gains or Losses on Financial Assets

Financial assets at amortised cost

| | | |
|------------|--------------|-------------|
| Impairment | <u>(134)</u> | <u>(13)</u> |
|------------|--------------|-------------|

| | | |
|---|---------------------|--------------------|
| Net losses on financial assets at amortised cost | <u><u>(134)</u></u> | <u><u>(13)</u></u> |
|---|---------------------|--------------------|

| | | |
|---------------------------------------|---------------------|--------------------|
| Net losses on financial assets | <u><u>(134)</u></u> | <u><u>(13)</u></u> |
|---------------------------------------|---------------------|--------------------|

Classification of financial assets on the date of initial application of AASB 9

| Financial assets class | Notes | AASB 139 original classification | AASB 9 new classification | AASB 139 carrying amount at 1 July 2018 \$'000 | AASB 9 carrying amount at 1 July 2018 \$'000 |
|--------------------------------|-------|----------------------------------|---------------------------|---|---|
| Cash on hand or on deposit | 3.1A | Loans and receivable | Amortised Cost | 14,740 | 14,740 |
| Goods and services receivables | 3.1B | Loans and receivable | Amortised Cost | 9,566 | 9,566 |
| Other receivables | 3.1B | Loans and receivable | Amortised Cost | 1,350 | 1,350 |
| Total financial assets | | | | 25,656 | 25,656 |

Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9

| Financial assets class | AASB 139 carrying amount at 1 July 2018 \$'000 | AASB 9 carrying amount at 1 July 2018 \$'000 |
|---|---|---|
| Financial assets at amortised cost | | |
| Loans and receivable | | |
| Cash on hand or on deposit | 14,740 | 14,740 |
| Goods and services receivables | 9,566 | 9,566 |
| Other receivables | 1,350 | 1,350 |
| Total financial assets | 25,656 | 25,656 |

7.3. Administered – Financial Instruments

| | 2019 | 2018 |
|--|-------------------|-------------------|
| | \$'000 | \$'000 |
| Note 7.3A: Categories of Financial Instruments | | |
| Financial Assets under AASB 139 | | |
| Loans and receivables | | |
| Cash in special accounts | | 6,780,464 |
| Goods and services receivables | | 1,860 |
| Advances and loans | | 60 |
| Other receivables | | 98,550 |
| Total loans and receivables | | 6,880,934 |
| Available-for-sale financial assets | | |
| Administered investments available for sale | | 11,676,789 |
| Total available-for-sale financial assets | | 11,676,789 |
| Total financial assets | | 18,557,723 |
| Financial Assets under AASB 9 | | |
| Financial assets at amortised cost | | |
| Cash in special accounts | 6,263,040 | |
| Goods and services receivables | 541 | |
| Other receivables | 1,189 | |
| Total financial assets at amortised cost | 6,264,770 | |
| Financial assets at fair value through other comprehensive income | | |
| Administered investments | 16,052,167 | |
| Total financial assets at fair value through other comprehensive income | 16,052,167 | |
| Total financial assets | 22,316,937 | |
| Financial Liabilities | | |
| Financial liabilities measured at amortised cost | | |
| Trade creditors and accruals | 48,122 | 8,715 |
| Grants payable | 6,977 | 7,150 |
| Total financial liabilities measured at amortised cost | 55,099 | 15,865 |
| Total financial liabilities | 55,099 | 15,865 |

Accounting Policy**Financial Assets**

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the Department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification depends on both the Department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flow from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial Assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial asset measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or loss as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial asset at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to 12-month *expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carry amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Grants payables are recognised at amortised cost. Grants liabilities are recognised when grant recipients meet their performance or eligibility criteria (and irrespective of having been invoiced).

Classification of financial assets on the date of initial application of AASB 9

| Financial assets class | Notes | AASB 139 original classification | AASB 9 new classification | AASB 139 carrying amount at 1 July 2018 \$'000 | AASB 9 carrying amount at 1 July 2018 \$'000 |
|---|--------------|---|----------------------------------|---|---|
| Cash in special accounts | 4.1A | Loans and receivable | At amortised cost | 6,780,464 | 6,780,464 |
| Goods and services receivables | 4.1C | Loans and receivable | At amortised cost | 1,860 | 1,860 |
| Advances and loans | 4.1C | Loans and receivable | At amortised cost | 60 | 60 |
| Other receivables | 4.1C | Loans and receivable | At amortised cost | 98,550 | 98,550 |
| Administered investments available for sale | 4.1D | Available-for-sale financial assets | FVOCI | 11,676,789 | 11,676,789 |
| Total financial assets | | | | 18,557,723 | 18,557,723 |

| | 2019 \$'000 | 2018 \$'000 |
|---|------------------|----------------|
| Note 7.3B: Net Gains or Losses on Financial Assets | | |
| Financial assets at amortised cost | | |
| Interest revenue | 2 | 14 |
| Impairment | (10) | (8) |
| Gains on disposal | - | 8 |
| Net gain/ (losses) on financial assets at amortised cost | (8) | 14 |
| Financial assets at fair value through other comprehensive income | | |
| Gains recognised in equity | 3,775,197 | 225,480 |
| Snowy Hydro Limited Dividends | 139,950 | 34,450 |
| Net gain / (loss) on financial assets at fair value through other comprehensive income | 3,915,147 | 259,930 |
| Net gain on financial assets | 3,915,139 | 259,944 |

Note 7.3C: Net Gains or Losses on Financial Liabilities

There were no net gains/(losses) recorded for financial liabilities in 2019 (2018: Nil).

Note 7.3D: Fair Value of Financial Instruments

| | Carrying amount 2019 \$'000 | Fair value 2019 \$'000 | Carrying amount 2018 \$'000 | Fair value 2018 \$'000 |
|------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| Financial Assets | | | | |
| Cash in special accounts | 6,263,040 | 6,263,040 | 6,780,464 | 6,780,464 |
| Goods and services receivables | 541 | 541 | 1,860 | 1,860 |
| Advances and loans | - | - | 60 | 60 |
| Other receivables | 1,189 | 1,189 | 98,550 | 98,550 |
| Administered investments | 16,052,167 | 16,052,167 | 11,676,789 | 11,676,789 |
| Total financial assets | 22,316,937 | 22,316,937 | 18,557,723 | 18,557,723 |
| Financial Liabilities | | | | |
| Trade creditors and accruals | 48,122 | 48,122 | 8,715 | 8,715 |
| Grans Payable | 6,977 | 6,977 | 7,150 | 7,150 |
| Total financial liabilities | 55,099 | 55,099 | 15,865 | 15,865 |

Note 7.3E: Credit Risk

The administered activities of the Department were not exposed to a high level of credit risk as the majority of financial assets are cash and cash equivalents, advances and loans, goods and services receivables, other receivables and investments in government controlled and funded entities.

The Department is exposed to credit risk through its financial assets of loans, goods and services receivables and other receivables. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Department. The Department considers a financial asset to be in default when contractual payments are 150 days past due for administered items and 90 days for Natural Heritage Trust of Australia special account items. However, the Department may also consider a financial asset to be in default when internal or external information indicates that the Department is unlikely to receive the outstanding contractual amounts.

Credit risk is managed by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Department has policies and procedures that guide debt recovery techniques that are to be applied. The Department held no collateral to mitigate against credit risk.

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'Expected Credit Loss' (ECL) model. The Department of Finance mandates application of the simplified approach where available for lease receivables, trade receivables and contract assets. AASB 9 allows the use of practical methods when measuring ECL. The Department's provision matrix for ECL of trade receivables includes:

- Use historical credit loss experience;
- Specify fixed provision rates depending on the number of days past due;
- Segment if appropriate depending on loss patterns for different customer segments; and
- Adjust historical rates to reflect information about current conditions, and reasonable and supportable forecasts of future economic condition.

The Department has allocated \$0.27 million (2018: \$0.28 million) to the impairment loss allowance for sales of goods and services receivables and other receivables.

The Department has not allocated an impairment allowance in 2017-18 on loans and other receivable from Snowy Hydro Limited. The loans provided to South Australian Government were fully repaid in December 2018 and the other receivable from Snowy Hydro Limited was settled in October 2018.

The carrying amount of loans and goods and services receivables, net of impairment losses, represents the Department's maximum exposure to credit risk as \$1.73 million (2018: \$100.47 million).

Note 7.3F: Liquidity Risk

The majority of the Department's administered financial liabilities are trade creditors and grants payable. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with administered liabilities. This is highly unlikely due to appropriation funding mechanism available to the Department and internal policies and procedures to ensure appropriate resources exist to meet any financial obligations.

All financial liabilities are payable within one year for both current and prior financial years.

Note 7.3G: Market Risk**Currency risk**

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Department holds basic administered financial instruments that do not expose the Department to currency risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The only interest bearing item in the Administered Schedule of assets and liabilities is 'Loans to State and Territory Governments', the amount is zero (2018: \$0.06 million). These items have fixed interest and would, therefore, not fluctuate due to changes in the market interest rate. The Department's administered activities are not exposed to interest rate risk.

Other price risk

The Department's administered activities are not exposed to other price risk. The administered investments are not traded on the Australian Stock Exchange. The Department does not hold any other financial instruments that would be exposed to other price risk.

7.4. Fair Value Measurement

Accounting Policy

The Department has a policy of revaluing non-financial assets every three years with the last revaluation completed for 30 June 2018. The Department engaged the services of an independent expert to conduct an asset materiality review of all non-financial assets at 30 June 2019. The assessment was to determine if carrying amount of assets differs materially from the fair value as at reporting date. The Department has concluded that there was no significant change in the fair value.

Note 7.4A: Fair Value Measurement

| | Fair value measurements at the end of the reporting period | |
|---|--|----------------|
| | 2019 \$'000 | 2018 \$'000 |
| Non-financial assets | | |
| Buildings | 192,559 | 209,924 |
| Leasehold improvements | 20,144 | 25,244 |
| Heritage and cultural | 72,319 | - |
| Plant and equipment | 66,878 | 145,516 |
| Buildings - work in progress | 20,463 | 16,233 |
| Leasehold improvements - work in progress | 1,066 | 525 |
| Plant and equipment - work in progress | 436,726 | 274,221 |
| Total non-financial assets | 810,155 | 671,663 |
| Total fair value measurements of assets in the statement of financial position | 810,155 | 671,663 |

Fair value measurements

The highest and best use of all non-financial assets are the same as their current use.

7.5. Administered – Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

Accounting Policy

For Accounting Policy, refer to Note 4.1D: Other Investments and Note 4.2: Administered Non-Financial Assets.

Note 7.5A: Fair Value Measurement

| Fair value measurements at the end of the reporting period ¹ | | | | Valuation Technique(s) and Inputs Used |
|---|-------------------|-------------------|-------------------------------|--|
| | 2019 | 2018 | Category (Level 1, 2 or 3) | |
| | \$'000 | \$'000 | | |
| Available for sale financial assets | | | | |
| Other investment - Director of National Parks | 247,070 | 260,476 | Level 3 | Net asset balance |
| Other investment - Sydney Harbour Federation Trust | 381,995 | 383,116 | Level 3 | Net asset balance |
| Other investment - Australian Renewable Energy Agency | 103,034 | 88,973 | Level 3 | Net asset balance |
| Other investment - Clean Energy Finance Corporation | 4,820,068 | 4,030,224 | Level 3 | Net asset balance |
| Other investment - Snowy Hydro Limited | 10,500,000 | 6,914,000 | Level 3 | Discounted cash flow |
| Total financial assets | 16,052,167 | 11,676,789 | | |
| Non-financial assets² | | | | |
| Heritage and cultural | 987 | 998 | Level 2 | Market Approach |
| Total non-financial assets | 987 | 998 | | |
| Total fair value measurements assets | 16,053,154 | 11,677,787 | | |

1. The Department did not measure any non-financial assets at fair value on a non-recurring basis at 30 June.

2. The current use of all non-financial assets is considered their highest and best use.

Note 7.5B: Reconciliation for Recurring Level 3 Fair Value Measurements

| | Financial assets Other Investments | | Total | |
|--|---------------------------------------|------------|-------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July | 11,676,789 | 3,735,933 | 11,676,789 | 3,735,933 |
| Total gains/(losses) recognised in other comprehensive income ¹ | 3,775,197 | 225,480 | 3,775,197 | 225,480 |
| Equity Injections | 600,181 | 1,700,376 | 600,181 | 1,700,376 |
| Purchases | - | 6,015,000 | - | 6,015,000 |
| Total as at 30 June | 16,052,167 | 11,676,789 | 16,052,167 | 11,676,789 |

1. These gains are presented in the Schedule of Comprehensive Income under 'Gains on financial assets at fair value through other comprehensive income'.

8. Other Information

This section provides other disclosures relevant to the Department of the Environment and Energy's financial information for the year.

8.1. Aggregated Assets and Liabilities

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Note 8.1A: Aggregate Assets and Liabilities | | |
| Assets expected to be recovered in: | | |
| No more than 12 months | 132,127 | 216,794 |
| More than 12 months | 834,744 | 696,064 |
| Total assets | 966,871 | 912,858 |
| Liabilities expected to be settled in: | | |
| No more than 12 months | 45,752 | 51,387 |
| More than 12 months | 754,009 | 607,937 |
| Total liabilities | 799,761 | 659,324 |

Note 8.1B: Administered Aggregate Assets and Liabilities

| | | |
|---|-------------------|-------------------|
| Assets expected to be recovered in: | | |
| No more than 12 months | 6,275,788 | 6,928,488 |
| More than 12 months | 19,834,192 | 15,025,983 |
| Total assets | 26,109,980 | 21,954,471 |
| Liabilities expected to be settled in: | | |
| No more than 12 months | 55,099 | 16,346 |
| Total liabilities | 55,099 | 16,346 |

8.2. Assets Held in Trust

| | 2019 | 2018 |
|---|------------|------------|
| | \$'000 | \$'000 |
| <u>Note 8.2A: Assets Held in Trust</u> | | |
| The Department holds monies in trust on behalf of Environment Protection Authority Victoria in relation to management of Hazardous Wastes, Substances and Pollutants program. | | |
| Monetary assets – Services for other entities and trust monies | | |
| As at 1 July | 365 | 389 |
| Receipts | - | - |
| Payments | - | (24) |
| Total as at 30 June | 365 | 365 |
| Total monetary assets held in trust | 365 | 365 |

Natural Heritage Trust of Australia

Financial Statements *for the period ended 30 June 2019*



INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment and the Minister for Energy and Emissions Reduction

Opinion

In my opinion, the financial statements of the Natural Heritage Trust of Australia ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Secretary and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary of the Department of the Environment and Energy is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Scott Sharp

Executive Director

Delegate of the Auditor-General

Canberra

30 September 2019

Contents

Statement by the Secretary and Chief Finance Officer 213

Primary Financial Statements

- Statement of Comprehensive Income214
- Statement of Financial Position215
- Statement of Changes in Equity216
- Cash Flow Statement217

Overview 218

Notes to the Financial Statements..... 219

- 1. Financial Performance.....219
 - 1.1. Expenses219
 - 1.2. Own-Source Revenue and gains.....220
- 2. Financial Position221
 - 2.1. Financial Assets.....221
 - 2.2. Payables.....222
- 3. Funding.....223
 - 3.1. Special Accounts223
- 4. Managing uncertainties224
 - 4.1. Contingent Assets and Liabilities.....224
 - 4.2. Financial Instruments.....224
- 5. Other Information.....227
 - 5.1. Aggregate Assets and Liabilities227
 - 5.2. Budgetary Reports and Explanations of Major Variances.....227

Statement by the Secretary and Chief Finance Officer

Subsection 43(3) of the *Natural Heritage Trust of Australia Act 1997* requires that the financial statements of the Natural Heritage Trust of Australia Account (the Trust) comply with written guidelines issued by the Minister for Finance, being the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*.

In our opinion, the attached financial statements for the year ended 30 June 2019 are based on properly maintained financial records and:

- comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- present fairly the Trust's financial position, financial performance and cash flows.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

Signed 

Finn Pratt
Secretary

30 September 2019

Signed 

Robert Hanlon
Chief Finance Officer

30 September 2019

Statement of Comprehensive Income

for the period ended 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 |
|---|-------|----------------|----------------|
| NET COST OF SERVICES | | | |
| Expenses | | | |
| Suppliers | 1.1A | 116,947 | 45,603 |
| Grants | 1.1B | 54,123 | 179,117 |
| Total expenses | | 171,070 | 224,720 |
| Own-source Income | | | |
| Own-source revenue | | | |
| Interest - amounts credited to special account | | 5,581 | 6,291 |
| Other Revenue | 1.2A | 132 | 338 |
| Total own-source revenue | | 5,713 | 6,629 |
| Gains | | | |
| Other gains | | - | 8 |
| Total gains | | - | 8 |
| Total own-source income | | 5,713 | 6,637 |
| Net cost of services | | 165,357 | 218,083 |
| Revenue from Government - amounts credited to special account | | 158,973 | 237,516 |
| Surplus/(Deficit) | | (6,384) | 19,433 |

Accounting Policy

Interest Revenue

Under subsection 6(2) of the *Natural Heritage Trust of Australia Act 1997*, the Trust is entitled to receive interest income equal to the fixed-income percentage of the uninvested amount standing to the credit of the Trust's Special Account as at the end of the financial year. The fixed-income percentage is the percentage equal to the rate of interest earned by the Commonwealth as at the end of the financial year on deposits held with the Reserve Bank of Australia.

The funds held in the Official Public Account constitute 'uninvested funds' and as such are subject to the interest income provision. The interest is also applicable to all funds held in the Trust's bank account excluding unrepresented cheques, together with cash on hand and unbanked money.

Interest revenue is recognised using the effective interest method as set out in AASB139 *Financial Instruments: Recognition and Measurement*.

Revenue from Government

Under subsection 23 of the *Natural Heritage Trust of Australia Act 1997*, if another Act appropriates an amount from the Consolidated Revenue Fund for credit to the Trust's Special Account, the amount is to be credited to the Special Account. Amounts appropriated for credit to the Trust's Special Account for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Trust gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 |
|---|-------|----------------|----------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash in special accounts | | 446,442 | 419,386 |
| Trade and Other Receivables | 2.1A | 11,901 | 7,388 |
| Total financial assets | | 458,343 | 426,774 |
| Non-financial assets | | | |
| Prepayments | | 58 | 180 |
| Total non-financial assets | | 58 | 180 |
| Total assets | | 458,401 | 426,954 |
| LIABILITIES | | | |
| Payables | | | |
| Suppliers | 2.2A | 39,355 | 2,543 |
| Grants | 2.2B | 425 | 1,164 |
| Other payables - GST payable to the OPA | | 2,837 | 1,079 |
| Total payables | | 42,617 | 4,786 |
| Total liabilities | | 42,617 | 4,786 |
| Net assets | | 415,784 | 422,168 |
| EQUITY | | | |
| Retained surplus | | 415,784 | 422,168 |
| Total equity | | 415,784 | 422,168 |

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the period ended 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 |
|--|-------|----------------|----------------|
| RETAINED EARNINGS | | | |
| Opening balance | | | |
| Balance carried forward from previous period | | 422,168 | 402,735 |
| Adjusted opening balance | | 422,168 | 402,735 |
| Comprehensive income | | | |
| Surplus/ (Deficit) for the period | | (6,384) | 19,433 |
| Total comprehensive income | | (6,384) | 19,433 |
| Closing balance as at 30 June | | 415,784 | 422,168 |

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the period ended 30 June 2019

| | Notes | 2019 \$'000 | 2018 \$'000 |
|---|-------|----------------|----------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | | 168,788 | 245,855 |
| Interest equivalent receipts | | 6,291 | 5,964 |
| GST received | | 7,928 | 8,316 |
| Other | | 128 | - |
| Total cash received | | 183,135 | 260,135 |
| Cash used | | | |
| Suppliers | | 89,169 | 44,901 |
| Grants | | 58,982 | 184,988 |
| GST paid | | 7,928 | 8,316 |
| Section 74 receipts transferred to OPA | | - | 112 |
| Other | | - | 60 |
| Total cash used | | 156,079 | 238,377 |
| Net cash from operating activities | | 27,056 | 21,758 |
| Net increase in cash held | | 27,056 | 21,758 |
| Cash and cash equivalents at the beginning of the reporting period | | 419,386 | 397,628 |
| Cash and cash equivalents at the end of the reporting period | | 446,442 | 419,386 |

The above statement should be read in conjunction with the accompanying notes.

Overview

The Basis of Preparation

The financial statements are general purpose financial statements and are required by clause 1(b) of section 43 of the *Natural Heritage Trust of Australia Act 1997*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Accounting Standards

All new standards, revised standards, interpretations or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Trust's financial statements.

Taxation

The Trust is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events After the Reporting Period

There are no events occurring after the reporting period that would materially affect the financial statements.

Notes to the Financial Statements

1. Financial Performance

This section analyses the financial performance of the Natural Heritage Trust of Australia for the year ended 30 June 2019.

1.1. Expenses

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Note 1.1A: Suppliers | | |
| Goods and services supplied or rendered | | |
| Consultants | 129 | 587 |
| Contractors | 13,556 | 14,113 |
| Regional Land payments | 82,064 | - |
| General goods and services | 168 | 1,488 |
| Implementation costs | 20,876 | 28,868 |
| Legal services | 154 | 547 |
| Total goods and services supplied or rendered | 116,947 | 45,603 |
| Goods supplied | - | 4 |
| Services rendered | 116,947 | 45,599 |
| Total goods and services supplied or rendered | 116,947 | 45,603 |
| Total suppliers | 116,947 | 45,603 |

Accounting Policy

Regional Land payments

Regional Land payments are made under National Landcare Program to protect, conserve and provide for the productive use of Australia's water, soil, plants and animals and the ecosystems in which they live and interact, in partnership with governments, industry and communities. This expenditure was previously shown in Note 1.1B: Grants expenditure in the prior year.

Implementation costs

The Implementation costs represent funding provided to the Department of the Environment and Energy, Department of Industry, Innovation and Science, Department of Natural Resources Mines and Energy and Torres Strait Regional Authority to cover costs associated with implementing the Trust's activities.

Note 1.1B: Grants

| | | |
|--|---------------|----------------|
| Australian Government entities (related parties) | 6,774 | 24,337 |
| State and Territory Governments | 5,226 | 79,688 |
| Local Governments | 688 | 1,491 |
| Non-profit organisations | 31,230 | 70,469 |
| Profit making entities | 5,453 | 2,509 |
| Individuals | 535 | 62 |
| Universities | 3,922 | 165 |
| Other | 295 | 396 |
| Total grants | 54,123 | 179,117 |

Accounting Policy

Grants

The Australian Government National Landcare Program funds a range of activities to help drive sustainable agriculture as well as supporting the protection, conservation and rehabilitation of Australia's natural environment. The majority of these funds are provided through the Trust.

1.2. Own-Source Revenue and gains

| | 2019 | 2018 |
|--|--------|--------|
| | \$'000 | \$'000 |

Own-Source Revenue

Note 1.2A: Other Revenue

| | | |
|--|------------|------------|
| Resources received free of charge | 71 | 182 |
| Repayments of prior years grants expenditure | 61 | 156 |
| Total other revenue | 132 | 338 |

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

2. Financial Position

This section analyses the assets and the operating liabilities of the Natural Heritage Trust of Australia.

2.1. Financial Assets

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Note 2.1A: Trade and Other Receivables | | |
| Appropriations receivables | | |
| Interest equivalency payment receivable | 5,581 | 6,291 |
| Total appropriations receivables | 5,581 | 6,291 |
| Other receivables | | |
| GST receivable from the Australian Taxation Office | 6,320 | 1,030 |
| Other | 86 | 169 |
| Total other receivables | 6,406 | 1,199 |
| Total trade and other receivables (gross) | 11,987 | 7,490 |
| Less impairment loss allowance | (86) | (102) |
| Total trade and other receivables (net) | 11,901 | 7,388 |

Credit terms for other receivables were within 30 days (2018: 30 days).

Accounting Policy

Financial assets

Other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.2. Payables

| | 2019 | 2018 |
|--|--------|--------|
| | \$'000 | \$'000 |

Note 2.2A: Suppliers

| | | |
|------------------------------|---------------|--------------|
| Trade creditors and accruals | 39,355 | 2,543 |
| Total suppliers | 39,355 | 2,543 |

All suppliers are expected to be settled in no more than 12 months. Settlement was usually made within 30 days. The 2019 balance primarily relates to the end of financial year accruals for the Regional Landcare Partnerships projects.

Note 2.2B: Grants

| | | |
|--|------------|--------------|
| Australian Government entities (related parties) | - | 180 |
| State and Territory Governments | - | 65 |
| Non-profit organisations | 331 | 822 |
| Profit making entities | - | 97 |
| Universities | 94 | - |
| Total grants | 425 | 1,164 |

All grants are expected to be settled in no more than 12 months. Settlement was made according to the terms and conditions of each grant. This was usually within 30 days of grant recipients meeting their performance or eligibility criteria.

3. Funding

This section identifies the funding structure of the Natural Heritage Trust of Australia.

3.1. Special Accounts

| | NHT Account ¹ | |
|---|--------------------------|-----------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| Balance brought forward from previous period | 419,386 | 397,628 |
| Increases: | | |
| Amounts credited under section 6(2) of the NHT Act 1997 | 6,291 | 5,964 |
| Amounts credited under section 23 of the NHT Act 1997 | 158,973 | 237,516 |
| Other receipts | 128 | 112 |
| Total increases | 165,392 | 243,592 |
| Available for payments | 584,778 | 641,220 |
| Decreases: | | |
| Payments made - suppliers | (83,436) | (43,501) |
| Payments made - grants | (54,900) | (178,333) |
| Total decreases | (138,336) | (221,834) |
| Total balance carried to the next period | 446,442 | 419,386 |
| Balance represented by: | | |
| Cash held in the Official Public Account | 446,442 | 419,386 |
| Total balance carried to the next period | 446,442 | 419,386 |

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80.

Establishing Instrument: *Natural Heritage Trust of Australia Act 1997* (NHT Act) section 4.

Purpose: Section 8 of the NHT Act sets out the purposes of the account as follows:

- (a) the National Vegetation initiative;
- (b) the Murray-Darling 2001 Project;
- (c) the National Land and Water Resources Audit;
- (d) the National Reserve System;
- (e) the Coasts and Clean Seas Initiative;
- (f) environmental protection (as defined by section 15 of the Act);
- (g) supporting sustainable agriculture (as defined by section 16 of the Act);
- (h) natural resources management (as defined by section 17 of the Act);
- (i) a purpose incidental or ancillary to any of the above purposes;
- (j) the making of grants of financial assistance for any of the above purposes; and
- (k) an accounting transfer purpose (as defined by section 18 of the Act).

In accordance with section 42 of the NHT Act, the Trust has ensured that the balance of the account has not fallen below the base amount of \$300 million.

4. Managing uncertainties

This section analyses how the Natural Heritage Trust of Australia manages financial risks within its operating environment.

4.1. Contingent Assets and Liabilities

The Trust was not aware of any contingent assets or liabilities as at the signing date that would require disclosure in the financial statements (2018: Nil).

4.2. Financial Instruments

| | 2019 | 2018 |
|--|--------|--------|
| | \$'000 | \$'000 |

Note 4.2A: Categories of Financial Instruments

Financial assets under AASB 139

Loans and receivables

| | | |
|--------------------------|--|---------|
| Cash in special accounts | | 419,386 |
| Other receivables | | 67 |

| | | |
|------------------------------------|--|----------------|
| Total loans and receivables | | 419,453 |
|------------------------------------|--|----------------|

| | | |
|-------------------------------|--|----------------|
| Total financial assets | | 419,453 |
|-------------------------------|--|----------------|

Financial assets under AASB 9

Financial assets at amortised cost

| | | |
|--------------------------|---------|--|
| Cash in special accounts | 446,442 | |
| Other receivables | - | |

| | | |
|---|----------------|--|
| Total financial assets at amortised cost | 446,442 | |
|---|----------------|--|

| | | |
|-------------------------------|----------------|--|
| Total financial assets | 446,442 | |
|-------------------------------|----------------|--|

Financial Liabilities

Financial liabilities measured at amortised cost

| | | |
|------------------------------|--------|-------|
| Trade creditors and accruals | 39,355 | 2,543 |
| Grant payables | 425 | 1,164 |

| | | |
|---|---------------|--------------|
| Total financial liabilities measured at amortised cost | 39,780 | 3,707 |
|---|---------------|--------------|

| | | |
|------------------------------------|---------------|--------------|
| Total financial liabilities | 39,780 | 3,707 |
|------------------------------------|---------------|--------------|

The fair values of the financial assets and liabilities approximate their carrying amounts.

Accounting Policy

Financial Assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the Trust classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition.

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- 1. the financial asset is held in order to collect the contractual cash flows; and
- 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

The Trust classifies its financial assets depending on their nature and purpose. The financial assets are recognised and derecognised upon 'trade date'.

All financial assets are classified as 'at amortised cost' as they have fixed or determinable payments that are not quoted in an active market.

Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Future cash flows for receivables, which are almost all short term in nature, are recognised at their nominal amounts.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

The Trust's financial liabilities are classified as 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Grants payables are recognised at amortised cost. Grants liabilities are recognised when grant recipients meet their performance or eligibility criteria (and irrespective of having been invoiced).

Fair Value Measurement

The Trust's financial assets and liabilities are measured at nominal amounts or amortised cost. Hence, no fair value measurement disclosures are required.

Classification of financial assets on the date of initial application of AASB 9

| Financial assets class | Notes | AASB 139 original classification | AASB 9 new classification | AASB 139 carrying amount at 1 July 2018 \$'000 | AASB 9 carrying amount at 1 July 2018 \$'000 |
|-------------------------------|--------------|---|----------------------------------|---|---|
| Cash in special accounts | | Loans and receivables | Amortised Cost | 419,386 | 419,386 |
| Other receivables | 2.1A | Loans and receivables | Amortised Cost | 67 | 67 |
| Total financial assets | | | | 419,453 | 419,453 |

Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9

| Financial assets class | AASB 139 carrying amount at 1 July 2018 \$'000 | AASB 9 carrying amount at 1 July 2018 \$'000 |
|-------------------------------|---|---|
| Cash in special accounts | 419,386 | 419,386 |
| Other receivables | 67 | 67 |
| Total financial assets | 419,453 | 419,453 |

| | 2019 | 2018 |
|---|--------|--------|
| | \$'000 | \$'000 |
| Note 4.2B: Net Gains or Losses on Financial Assets | | |
| Financial assets at amortised cost | | |
| Gains on disposal | - | 8 |
| Net gains on financial assets at amortised cost | - | 8 |
| Net gains on financial assets | - | 8 |

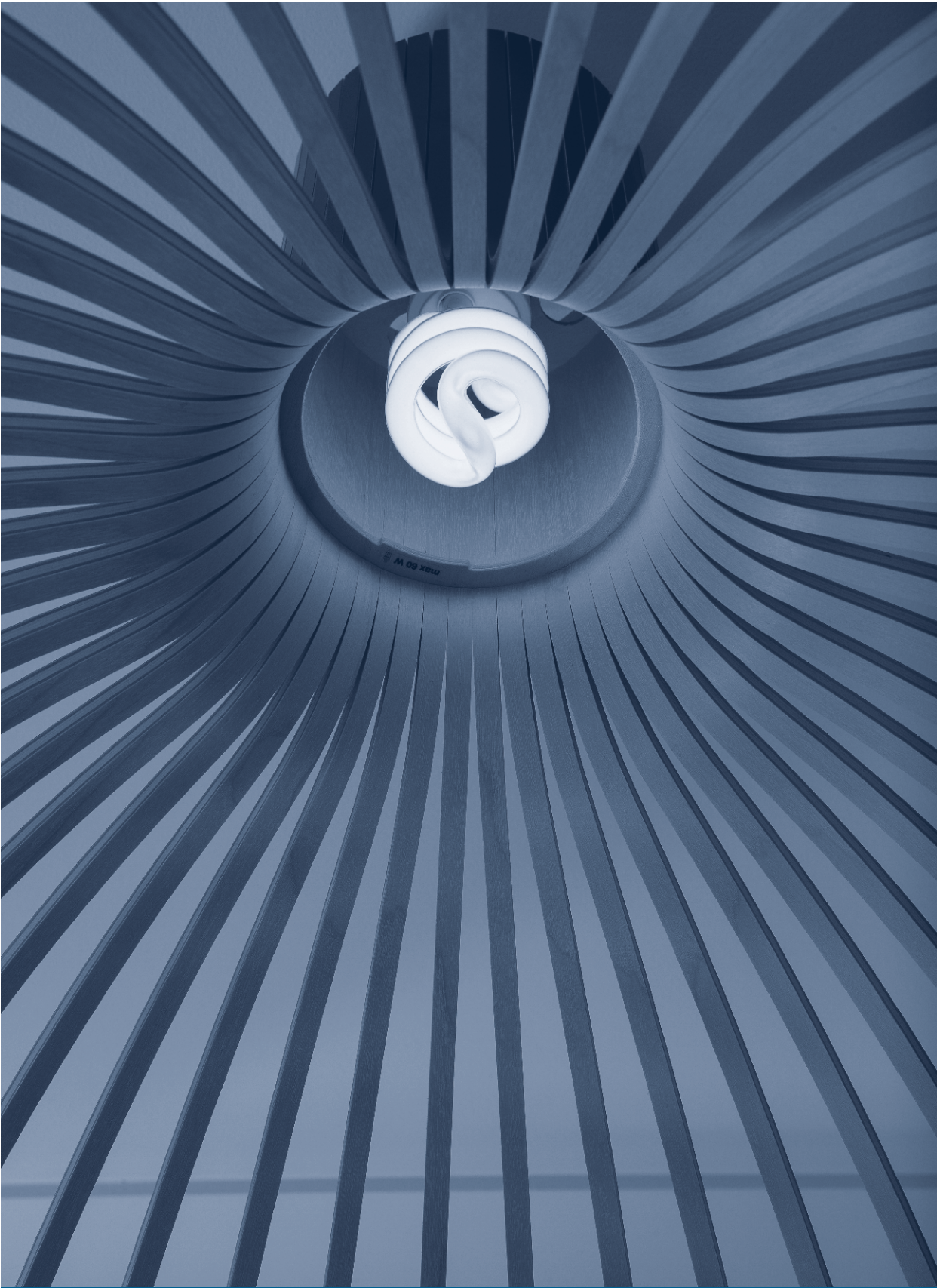
5. Other Information

5.1. Aggregate Assets and Liabilities

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Note 5.1A: Aggregate Assets and Liabilities | | |
| Assets expected to be recovered in: | | |
| No more than 12 months | 458,401 | 426,954 |
| More than 12 months | - | - |
| Total assets | 458,401 | 426,954 |
| Liabilities expected to be settled in: | | |
| No more than 12 months | 42,617 | 4,786 |
| More than 12 months | - | - |
| Total liabilities | 42,617 | 4,786 |

5.2. Budgetary Reports and Explanations of Major Variances

The requirements of AASB 1055 *Budgetary Reporting* do not apply to the Trust as the Trust does not present budgeted financial statements to Parliament.



Appendices

Appendix 1: Statement of certification with PGPA Rule section 10 (Fraud systems)



Australian Government
Department of the Environment and Energy

2018–19 CERTIFICATE OF COMPLIANCE

I, Finn Pratt, as the accountable authority for the Department of the Environment and Energy (the entity) and in accordance with the Section 17AG(2)(b)(i-iii) of *Public Governance, Performance and Accountability Rule 2014*, certify that:

- (i) fraud risk assessments and fraud control plans have been prepared for the entity; and
- (ii) appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place for the entity; and
- (iii) all reasonable measures have been taken to deal appropriately with fraud relating to the entity.

A handwritten signature in black ink, appearing to read 'Finn Pratt'.

Finn Pratt AO PSM
Secretary

14 August 2019

Appendix 2: Entity Resource Statement 2018–19

| | Actual available appropriation for 2018–19 \$'000 (a) | Payments made 2018–19 \$'000 (b) | Balance remaining 2018–19 \$'000 (a) – (b) |
|---|---|--|--|
| Ordinary annual services¹ | | | |
| Departmental appropriation | | | |
| Departmental appropriation ² | 537,244 | 489,672 | 47,572 |
| Total | 537,244 | 489,672 | 47,572 |
| Administered expenses | | | |
| Outcome 1—Clean Land | 365,118 | 324,713 | |
| Outcome 2—Clean Air | 2,789 | 1,564 | |
| Outcome 4—Energy | 43,293 | 30,826 | |
| Total | 411,200 | 357,103 | |
| Total ordinary annual services | A | 948,444 | 846,775 |
| Other services³ | | | |
| Departmental non-operating³ | | | |
| Equity injections | 200,208 | 161,630 | |
| Total | 200,208 | 161,630 | 38,578 |
| Administered non-operating³ | | | |
| Administered assets and liabilities | – | – | – |
| Total | – | – | |
| Total other services | B | 200,208 | 161,630 |
| Total available annual appropriations and payments | 1,148,652 | 1,008,405 | |
| Special appropriations | | | |
| Special appropriations limited by criteria/entitlement | | | |
| <i>Public Governance, Performance and Accountability Act 2013—s77</i> | | 40 | |
| Special appropriations limited by amount | | | |
| <i>Australian Renewable Energy Agency Act 2011—s66</i> | | 171,500 | |

| | | Actual available appropriation for 2018–19 \$'000 (a) | Payments made 2018–19 \$'000 (b) | Balance remaining 2018–19 \$'000 (a) – (b) |
|---|----------|---|--|--|
| Total special appropriations | C | | 171,540 | |
| Special accounts⁴ | | | | |
| Opening balance | | 6,794,069 | | |
| Appropriation receipts ⁴ | | 276,122 | | |
| Non-appropriation receipts to special accounts | | 24,518 | | |
| Payments made | | | 821,528 | |
| Total special account | D | 7,094,709 | 821,528 | 6,273,181 |
| Total resourcing and payments (A+B+C+D) | | 8,243,361 | 2,001,473 | |
| Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations | | (276,122) – | | |
| Total net resourcing and payments for ENVIRO | | 7,967,239 | 2,001,473 | |

1. Appropriation Bills (Nos 1 and 3) 2018–19, prior year departmental appropriation and section 74 relevant agency receipts.
2. Includes an amount of \$30.180 million in 2018–19 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.
3. Appropriation Bill (No.2) 2018–19.
4. Does not include 'Special Public Money' held in the Services for Other Entities and Trust Moneys Special accounts (SOETM), as it does not constitute funds available to the Department for operations.

Appendix 3: Expenses for outcomes

| Expenses 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. | Budget* | Actual expenses | Variation |
| | 2018–19 | 2018–19 | 2018–19 |
| | \$'000 | \$'000 | \$'000 |
| | (a) | (b) | (a) – (b) |
| Program 1.1: Sustainable Management of Natural Resources and the Environment | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 36,512 | 28,585 | 7,927 |
| Special accounts ¹ | 262,462 | 205,790 | 56,672 |
| Payments to corporate entities | 47,438 | 47,438 | – |
| Expenses not requiring appropriation in the Budget year | – | 10 | (10) |
| Departmental expenses | | | |
| Departmental appropriation ² | 22,754 | 22,356 | 398 |
| Expenses not requiring appropriation in the Budget year | 11,411 | 892 | 10,519 |
| Total for Program 1.1 | 380,577 | 305,071 | 75,506 |
| Program 1.2: Environmental Information and Research | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 28,585 | 28,302 | 283 |
| Departmental expenses | | | |
| Departmental appropriation ² | 28,061 | 33,238 | (5,177) |
| Expenses not requiring appropriation in the Budget year | 116 | 1,567 | (1,451) |
| Total for Program 1.2 | 56,762 | 63,107 | (6,345) |
| Program 1.3: Commonwealth Environmental Water | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 1,900 | 1,900 | – |
| Special accounts ³ | 38,045 | 24,183 | 13,862 |
| Expenses not requiring appropriation in the Budget year ⁴ | – | 33,321 | (33,321) |
| Departmental expenses | | | |
| Departmental appropriation ² | 17,581 | 18,082 | (501) |
| Expenses not requiring appropriation in the Budget year | 97 | 860 | (763) |
| Total for Program 1.3 | 57,623 | 78,346 | (20,723) |

| Expenses 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. | Budget* | Actual expenses | Variation |
| | 2018–19 | 2018–19 | 2018–19 |
| | \$'000 | \$'000 | \$'000 |
| | (a) | (b) | (a) – (b) |
| Program 1.4: Conservation of Australia's Heritage and Environment | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 8,457 | 7,665 | 792 |
| Departmental expenses | | | |
| Departmental appropriation ² | 31,024 | 32,684 | (1,660) |
| Expenses not requiring appropriation in the Budget year | – | 2,846 | (2,846) |
| Total for Program 1.4 | 39,481 | 43,195 | (3,714) |
| Program 1.5: Environmental Regulation | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 259 | 239 | 20 |
| Departmental expenses | | | |
| Departmental appropriation ² | 49,727 | 53,799 | (4,072) |
| Expenses not requiring appropriation in the Budget year | 881 | 2,445 | (1,564) |
| Total for Program 1.5 | 50,867 | 56,483 | (5,616) |
| Program 1.6: Management of Hazardous Wastes, Substances and Pollutants | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 1,746 | 3,051 | (1,305) |
| Special accounts | 15,583 | 12,125 | 3,458 |
| Expenses not requiring appropriation in the Budget year | – | 1 | (1) |
| Departmental expenses | | | |
| Departmental appropriation ² | 46,816 | 48,357 | (1,541) |
| Expenses not requiring appropriation in the Budget year | 529 | 1,616 | (1,087) |
| Total for Program 1.6 | 64,674 | 65,150 | (476) |

| Expenses 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. | Budget* | Actual expenses | Variation |
| | 2018–19 | 2018–19 | 2018–19 |
| | \$'000 | \$'000 | \$'000 |
| | (a) | (b) | (a) – (b) |

Outcome 1 Totals by appropriation type

Administered expenses

| | | | |
|--|---------|---------|----------|
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 77,459 | 69,742 | 7,717 |
| Special accounts ³ | 316,090 | 242,098 | 73,992 |
| Payments to corporate entities | 47,438 | 47,438 | – |
| Expenses not requiring appropriation in the Budget year ⁴ | – | 33,332 | (33,332) |

Departmental expenses

| | | | |
|---|----------------|----------------|---------------|
| Departmental appropriation ² | 195,963 | 208,516 | (12,553) |
| Expenses not requiring appropriation in the Budget year | 13,034 | 10,226 | 2,808 |
| Total expenses for Outcome 1 | 649,984 | 611,352 | 38,632 |

| | 2017–18 | 2018–19 |
|--|--------------|--------------|
| Average staffing level (number) | 1,027 | 1,002 |

* Full year budget, including any subsequent adjustment made to the 2018–19 Budget at Additional Estimates.

1. The variance includes expenditure adjustments made through the 2019–20 budget process, which moved \$11.25 million from the Natural Heritage Trust and \$38.75 million from the Reef Trust 2018–19 special account budgets to future years. The remaining \$6.67 million reflects minor delays to program activities under each special account.
2. Departmental appropriation combines ordinary annual services (Appropriation Act Nos 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
3. The variance is due to lower than expected environmental water delivery and management activities associated with Environmental Water Holdings special account in 2018–19.
4. The variance is driven by the results of impairment testing on water entitlement assets held by the Department.

| 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. | Budget* | Actual expenses | Variation |
| | 2018–19 | 2018–19 | 2018–19 |
| | \$'000 | \$'000 | \$'000 |
| | (a) | (b) | (a) – (b) |
| Program 2.1: Reducing Australia's Greenhouse Gas Emissions | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 839 | 574 | 265 |
| Departmental expenses | | | |
| Departmental appropriation ¹ | 40,948 | 44,145 | (3,197) |
| Expenses not requiring appropriation in the Budget year | 4,257 | 5,304 | (1,047) |
| Total for Program 2.1 | 46,044 | 50,023 | (3,979) |
| Program 2.2: Adapting to Climate Change | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 1,950 | 1,950 | – |
| Departmental expenses | | | |
| Departmental appropriation ¹ | 2,342 | – | 2,342 |
| Expenses not requiring appropriation in the Budget year | 5 | – | 5 |
| Total for Program 2.2 | 4,297 | 1,950 | 2,347 |
| Program 2.3: Renewable Energy Technology Development | | | |
| Administered expenses | | | |
| Payments to corporate entities ² | 351,641 | 173,963 | 177,678 |
| Departmental expenses | | | |
| Departmental appropriation ¹ | 5,982 | 6,082 | (100) |
| Total for Program 2.3 | 357,623 | 180,045 | 177,578 |

| 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. | Budget* | Actual expenses | Variation |
| | 2018–19 | 2018–19 | 2018–19 |
| | \$'000 | \$'000 | \$'000 |
| | (a) | (b) | (a) – (b) |

Outcome 2 Totals by appropriation type

| | | | |
|---|----------------|----------------|----------------|
| Administered expenses | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 2,789 | 2,524 | 265 |
| Payments to corporate entities ² | 351,641 | 173,963 | 177,678 |
| Departmental expenses | | | |
| Departmental appropriation ¹ | 49,272 | 50,227 | (955) |
| Expenses not requiring appropriation in the Budget year | 4,262 | 5,304 | (1,042) |
| Total expenses for Outcome 2 | 407,964 | 232,018 | 175,946 |
| | 2017–18 | 2018–19 | |
| Average staffing level (number) | 253 | 231 | |

* Full year budget, including any subsequent adjustment made to the 2018–19 Budget at Additional Estimates.

1. Departmental appropriation combines ordinary annual services (Appropriation Act Nos 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
2. The variance relates to the nature of projects under the Australian Renewable Energy Agency's grant program, which deal with emerging and developing technologies and are often subject to variations that change the timing of payments.

| 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. | Budget* | Actual expenses | Variation |
| | 2018–19 | 2018–19 | 2018–19 |
| | \$'000 | \$'000 | \$'000 |
| | (a) | (b) | (a) – (b) |

Program 3.1: Antarctica: Science, Policy and Presence

Administered expenses

| | | | |
|---|----|----|---|
| Expenses not requiring appropriation in the Budget year | 12 | 11 | 1 |
|---|----|----|---|

Departmental expenses

| | | | |
|---|---------|---------|-----|
| Departmental appropriation ¹ | 133,130 | 132,819 | 311 |
|---|---------|---------|-----|

| | | | |
|--|--------|---------|----------|
| Expenses not requiring appropriation in the Budget year ² | 55,073 | 120,151 | (65,078) |
|--|--------|---------|----------|

| | | | |
|------------------------------|----------------|----------------|-----------------|
| Total for Program 3.1 | 188,215 | 252,981 | (64,766) |
|------------------------------|----------------|----------------|-----------------|

Outcome 3 Totals by appropriation type

Administered expenses

| | | | |
|---|----|----|---|
| Expenses not requiring appropriation in the Budget year | 12 | 11 | 1 |
|---|----|----|---|

Departmental expenses

| | | | |
|---|---------|---------|-----|
| Departmental appropriation ¹ | 133,130 | 132,819 | 311 |
|---|---------|---------|-----|

| | | | |
|--|--------|---------|----------|
| Expenses not requiring appropriation in the Budget year ² | 55,073 | 120,151 | (65,078) |
|--|--------|---------|----------|

| | | | |
|-------------------------------------|----------------|----------------|-----------------|
| Total expenses for Outcome 3 | 188,215 | 252,981 | (64,766) |
|-------------------------------------|----------------|----------------|-----------------|

| | 2017–18 | 2018–19 |
|--|------------|------------|
| Average staffing level (number) | 389 | 397 |

* Full year budget, including any subsequent adjustment made to the 2018–19 Budget at Additional Estimates.

1. Departmental appropriation combines ordinary annual services (Appropriation Act Nos 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

2. The variance is primarily due to the review and update of key economic and engineering assumptions used in the valuation of the Department's Antarctic solid waste disposal sites make-good provision in 2018–19.

| 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. | Budget* | Actual expenses | Variation |
| | 2018–19 | 2018–19 | 2018–19 |
| | \$'000 | \$'000 | \$'000 |
| | (a) | (b) | (a) – (b) |

Program 4.1: Energy

Administered expenses

| | | | |
|---|--------|--------|-------|
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 43,293 | 37,877 | 5,416 |
|---|--------|--------|-------|

Departmental expenses

| | | | |
|---|--------|--------|---------|
| Departmental appropriation ¹ | 61,107 | 57,993 | 3,114 |
| Special account | 12,166 | 11,211 | 955 |
| Expenses not requiring appropriation in the Budget year | 79 | 2,110 | (2,031) |

| | | | |
|------------------------------|----------------|----------------|--------------|
| Total for Program 4.1 | 116,645 | 109,191 | 7,454 |
|------------------------------|----------------|----------------|--------------|

Outcome 4 Totals by appropriation type

Administered expenses

| | | | |
|---|--------|--------|-------|
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 43,293 | 37,877 | 5,416 |
|---|--------|--------|-------|

Departmental expenses

| | | | |
|---|--------|--------|---------|
| Departmental appropriation ¹ | 61,107 | 57,993 | 3,114 |
| Special account | 12,166 | 11,211 | 955 |
| Expenses not requiring appropriation in the Budget year | 79 | 2,110 | (2,031) |

| | | | |
|-------------------------------------|----------------|----------------|--------------|
| Total expenses for Outcome 4 | 116,645 | 109,191 | 7,454 |
|-------------------------------------|----------------|----------------|--------------|

| | 2017–18 | 2018–19 |
|--|------------|------------|
| Average staffing level (number) | 245 | 258 |

* Full year budget, including any subsequent adjustment made to the 2018–19 Budget at Additional Estimates.

1. Departmental appropriation combines ordinary annual services (Appropriation Act Nos 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

Appendix 4: Operation of the *Environment Protection and Biodiversity Conservation Act 1999*

Section 516 of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires the Secretary to prepare an annual report on the operation of the EPBC Act and for the Minister to lay a copy of this report before the Parliament. This section meets this reporting requirement for 2018–19.

Operation

Environmental referrals, assessments and approvals

Matters of national environmental significance and other nationally protected matters

The EPBC Act provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places—defined in the Act as matters of national environmental significance. There are nine matters of national environmental significance.

Under the EPBC Act, actions that are likely to have a significant impact on a nationally protected matter require assessment and approval from the Minister (or their delegate).

When an action is referred for consideration under the EPBC Act, the Minister/delegate considers whether the action is likely to have a significant impact on a nationally protected matter based on the information the proponent provides in their referral documentation (and any public comments received). The Minister (or their delegate) will then decide within 20 business days whether the action requires further assessment and approval under the EPBC Act—this is the ‘referral decision’.

The Department publishes all referrals, and other relevant statutory documents associated with a proposed action, on its website.

www.environment.gov.au/epbc/public-notice

Further information on EPBC Act referrals, approvals, assessments and matters of national environmental significance is provided in Tables A4.A.1–A4.A.5 in Appendix 4A.

Actions by the Australian Government and actions on Commonwealth land

The EPBC Act regulates actions that have a significant impact on the environment where the actions affect, or are taken, on Commonwealth land or that are carried out by an Australian Government agency. This includes the disposal of Commonwealth land.

In 2018–19, the Minister did not make any determinations for projects on Commonwealth land.

We received eight requests for advice from the Department of Infrastructure and Regional Development and Airservices Australia in relation to proposals involving Commonwealth airports. The Minister’s delegate determined that advice was required for six of the proposals. Two proposals are still pending decision. Of the six proposals requiring advice, in two cases advice was provided; in the other cases the provision of advice is pending.

Strategic assessments

Strategic assessments under Part 10 of the EPBC Act can deliver greater economic certainty, regulatory efficiencies for business and improved ecological outcomes when compared with project-by-project approvals.

Actions covered by a strategic assessment approval and taken in accordance with the endorsed plan do not require any further assessment or approval from the Commonwealth.

Compliance and enforcement

Compliance is an important element of our system of regulation, and helps to ensure our laws are achieving the outcomes they were designed to deliver. The Department published a new Compliance Policy in February 2019, which aims to help the community understand how we encourage compliance and respond to potential contraventions of our laws. We also published our Annual Compliance Plan for 2018–19, which sets out the annual priority compliance outcomes for the Department.

For details of decisions and legal actions see page 248.

Antarctic Treaty environment protection

The EPBC Act exempts certain actions from requiring EPBC permits if a permit for that action has been issued under the *Antarctic Treaty (Environment Protection) Act 1980* (ATEP Act).

The EPBC Act states that, where an action is taken in accordance with a permit issued under the ATEP Act and the permit is in force, certain actions involving listed threatened species and ecological communities, migratory species and listed marine species are not offences. Seven of the permits that the Minister granted under the ATEP Act in 2018–19 granted such exemptions.

Access to biological resources and benefit sharing

Part 8A of the Environment Protection and Biodiversity Conservation Regulations 2000 (EPBC Regulations) controls access to biological resources in Commonwealth areas for the purposes of research on and development of genetic resources and biochemical compounds.

Under Part 8A of the EPBC Regulations, the Department issued 38 permits for access to biological resources in Commonwealth areas in 2018–19.

Cetacean permits

In the Australian Whale Sanctuary (all Commonwealth waters from the three nautical mile state waters limit out to the boundary of Australia's Exclusive Economic Zone), a permit under the EPBC Act is required to take, trade, keep, move or interfere with (harass, chase, herd, tag, mark or brand) a cetacean or to possess or treat (divide or cut up, or extract any product from) a cetacean. Australian residents must also obtain a permit to carry out such activities in waters beyond the sanctuary—that is, in international or foreign waters. In 2018–19, Australia granted 13 cetacean permits and varied the conditions of one existing cetacean permit (see Table A4.A.6 in Appendix 4A).

www.environment.gov.au/marine/marine-species/cetaceans/australian-whale-sanctuary

Protection of species and ecological communities

Species and ecological community listing assessment outcomes

The Minister may list threatened fauna and flora in six categories defined by the EPBC Act: extinct, extinct in the wild, critically endangered, endangered, vulnerable, and conservation dependent. Species listed as extinct in the wild, critically endangered, endangered or vulnerable are matters of national environmental significance. The Threatened Species Scientific Committee advises the Minister on these listings.

In 2018–19, Ministers made listing decisions on assessments for 62 species. There were 35 new species listings, 11 transfers to different threat categories and 11 species removed from the list. Four species were reassessed and retained in the same category in the list. One species was assessed to be ineligible for listing. The listings are detailed in Tables A4.A.7 and A4.A.8 in Appendix 4A. Thirty-one of the listing decisions aligned the Commonwealth threat status of species with states and territories, using assessments provided through the common assessment method—a national environmental regulatory reform that enables consistent assessment of threatened species across Australia.

At the time of listing, information was published in approved conservation advices on the conservation status and distribution of each threatened species, the main factors that led to its eligibility for listing, and priority conservation and research actions needed to support recovery. For species removed from the list or assessed to be ineligible for listing, listing advices were prepared explaining the outcome and were published.

Ecological communities can be listed as critically endangered, endangered or vulnerable. Those listed as critically endangered and endangered are matters of national environmental significance. Listing ecological communities helps to protect vital species habitat and ecosystem functions.

Ministers made listing decisions to add four new ecological communities:

- › Two were in the endangered category: Poplar box grassy woodland on alluvial plains, and Assemblages of species associated with open-coast salt-wedge estuaries of western and central Victoria.
- › Two were in the critically endangered category: Tasmanian forests and woodlands dominated by black gum or Brookers gum, and Tuart forests and woodlands on the Swan coastal plain.

Conservation advices and recovery plans

The EPBC Act provides for making or adopting recovery plans and approved conservation advices for listed threatened species and ecological communities.

Approved conservation advices provide guidance on recovery and threat abatement activities, including research priorities to support the recovery of listed species or ecological communities. The Ministers or their delegate approved 51 conservation advices for species and four conservation advices for ecological communities in 2018–19.

Recovery plans set out the research and management actions needed to stop the decline and support the recovery of listed threatened species or threatened ecological communities. In 2018–19, Ministers approved five recovery plans covering three species and two ecological

communities (Table A4.A.9 in Appendix 4A); 99.8 per cent of listed threatened species and ecological communities now have either a recovery plan or an approved conservation advice, or both, in place to guide recovery efforts (Table A4.A.10).

We publish guidelines that provide information to help with regulatory decision-making about listed species and guides to help land managers, environment professionals and the general public to identify, assess and manage ecological communities. One guide published this year was *Posidonia australis* Seagrass Meadows of the Manning-Hawkesbury Ecoregion: A Nationally Significant Ecological Community, as listed in Appendix 4B and available on the Species Profile and Threats database.

www.environment.gov.au/cgi-bin/sprat/public/sprat.pl

Wildlife conservation plans

Wildlife conservation plans set out the research and management actions necessary to support survival of one or more migratory, marine, conservation-dependent or cetacean species listed under the EPBC Act that, while not considered threatened, would benefit from a nationally coordinated approach to conservation. No wildlife conservation plans were made in 2018–19.

Key threatening processes and threat abatement plans

The EPBC Act provides for the listing of key threatening processes. A threatening process is one that threatens or may threaten the survival, abundance or evolutionary development of a native species or ecological community (Table A4.A.11 in Appendix 4A details all listed threatening processes). The Threatened Species Scientific Committee advises the Minister on the listing of key threatening processes and on whether a threat abatement plan or other action is needed to abate these processes.

The Minister made two threat abatement plans in 2018–19:

- › the threat abatement plan for the incidental catch (or bycatch) of seabirds during oceanic longline fishing operations (2018)
- › the threat abatement plan for disease in natural ecosystems caused by *Phytophthora cinnamomi* (2018).

The Department did not release any draft plans for comment. Threat abatement plans are published on our website.

www.environment.gov.au/biodiversity/threatened/threat-abatement-plans

International wildlife trade and management

Trade in Australian native species and species listed under the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES) is regulated in accordance with Part 13A of the EPBC Act.

Under the EPBC Act, the Department can grant approvals to export specimens derived from regulated native species or species listed under CITES or to import regulated live animals.

In 2018–19, the Department approved:

- › six artificial propagation programs, including for cycads and other native plants
- › one aquaculture program (for Mary River cod)
- › two wildlife trade management plans (for kangaroos and crocodiles)
- › three captive breeding programs (for butterflies and macaws)
- › six wildlife trade operations (non-fisheries), including for native plants, hermit crabs and syngnathids (seahorses, seadragons and pipefish).

We completed 69 assessments of Australian and international zoos and aquaria to ensure their facilities were suitable to house live animals from a welfare perspective. International animal transfers undertaken in 2018–19 included a group of chimpanzees, a Sri Lankan leopard and Tasmanian devils. The Department entered into 15 new agreements with overseas institutions that prescribed the care requirements for iconic native species held by the institutions.

To combat wildlife crime, the Department works with international partners, Commonwealth agencies and state regulators, including INTERPOL, the Australian Federal Police, Australian Border Force, state and territory police and environmental agencies.

Import of wildlife products

Part 13A of the EPBC Act requires permits to be issued for the import of most types of wildlife into Australia. When CITES-listed species (including their parts and derivatives) are imported into Australia without the required permits, they may be seized (see Table A4.A.12 in Appendix 4A). The most common items seized were traditional medicines that were suspected to include extracts of protected animal or plant products.

In 2018–19, Australia issued 12 per cent more permits for the import of wildlife than for the previous year. Of the total 2181 permits issued, 2150 were for CITES-listed wildlife, and 31 were for non-CITES-listed live animals, of which 14 were for testing purposes. The testing permits were issued for importing insects for trials of biological controls of invasive species.

Most of the increase in import permits issued was for CITES-listed wildlife. Species most often covered by import permits include American alligators, pythons, monitors, crocodiles and rosewood. Almost all permits for reptile species were associated with fashion items such as handbags, shoes, watchstraps and belts. Permits for rosewood species were most commonly for musical instruments, such as guitars, and furniture items. The top 10 species covered by wildlife import permits account for 77 per cent of all species on permits issued (see Table A4.A.13 in Appendix 4A).

Live imports

The live import list comprises species and specimens that may be imported live into Australia. A person cannot legally import live specimens of a species that is not listed in the live import list, even if it has been imported previously or is known to be in Australia already. Anyone can apply to the Minister to amend the live import list to include a new species.

In 2018–19, the Minister approved seven additions to the live import list:

- › electric yellow cichlid (*Labidochromis caeruleus*), included in Part 1 of the list (does not require a permit from the Department to import)
- › a gall fly (*Cecidochares connexa*), included in Part 1 of the list (does not require a permit from the Department to import)
- › turquoise killifish (*Nothobranchius furzeri*), included in Part 2 of the list (research only, high-security facilities only)
- › growling grass frog (*Litoria raniformis*), included in Part 2 of the list (research only, high-security facilities only)
- › a freshwater snail (*Oncomelania hupensis quadrasii*), included in Part 2 of the list (research only, high-security facilities only)
- › pygmy hippopotamus (*Choeropsis liberiensis*), included in Part 2 of the list (eligible non-commercial purpose only, excluding household pets)
- › okapi (*Okapia johnstoni*), included in Part 2 of the list (eligible non-commercial purpose only, excluding household pets).

The Department is assessing seven further applications for amendments to the live import list received during the year.

The Department received six applications to include potential biocontrol agents in the live import list. These will not be assessed for import unless testing indicates their efficacy as biocontrol agents.

The Minister agreed to review a decision not to include Leggett's rainbowfish (*Glossolepis leggetti*) in the live import list.

Export of wildlife products

Part 13A of the EPBC Act requires permits to be issued for the export of regulated native species and most types of CITES-listed species. Wildlife harvesting for export is required to be ecologically sustainable and, for live animals, must meet welfare requirements. Commercial exports of items containing native or CITES-listed species must be sourced from a program that demonstrates the ecological sustainability of the harvest. Aside from commercial fisheries, over 90 such programs are approved under the EPBC Act for native or CITES-listed species, including plants, saltwater crocodiles, kangaroos, possums and some invertebrates.

In 2018–19, Australia issued 19 per cent more permits for the export of wildlife than the previous year. Of the total 928 export permits issued, 742 permits were issued for the export of CITES-listed wildlife and 186 were issued for native species (non-CITES-listed wildlife). Most of the increase in export permits issued was for CITES-listed wildlife. In addition, 13,794 personal baggage permits were issued for the export of personal items containing CITES-listed products—a 12 per cent decrease from the previous year.

Species most often covered by wildlife export permits include Australian saltwater crocodiles, corals, American alligators, kangaroos and monitors (see Table A4.A.14 in Appendix 4A). Exports of crocodile, monitor and alligator products are generally associated with fashion items such as handbags, shoes, watchstraps and belts. Corals were usually exported live in the aquarium trade. Kangaroos were generally exported as meat and skins. The top 10 species covered by export permits accounted for 36 per cent of all species on permits issued. Export permits are often issued to allow multiple shipments of the species under each permit; therefore, the volume of export of these species is likely to be far greater than is represented in the permit data.

Protection of natural and cultural places and values²

The Government provides protection under the EPBC Act for World Heritage properties and for places on the National Heritage and Commonwealth Heritage lists. Under the EPBC Act, the Minister must give an approval before a proponent takes any action that may have a significant impact on the heritage values of a listed world heritage or national heritage place or a Commonwealth heritage place overseas.

World Heritage List

As at 30 June 2019, Australia had 19 properties on the World Heritage List. These properties—some of which have multiple sites—are protected under the EPBC Act and have associated management requirements. All Australian properties on the World Heritage List have management plans.

For operations in 2018–19, see Part 2, Annual Performance Statements, ‘Regulating to protect our environment and heritage’, target ‘All Australian properties included on the list of World Heritage are well managed’, page 44.

National Heritage List

Each year the Minister is required to set a Finalised Priority Assessment List of places that the Australian Heritage Council will assess for their National or Commonwealth Heritage values. The Finalised Priority Assessment List is published on our website.

www.environment.gov.au/topics/heritage/heritage-places/finalised-priority-assessment-lists

Giving consideration to the Heritage Council’s advice, the Minister added three places to the National Heritage List during 2018–19:

- › Queen Victoria Market (Victoria)
- › Centennial Park (New South Wales)
- › Quinkan Country (Queensland).

There are now 116 places included in the National Heritage List.

² Information on compliance and enforcement in Commonwealth reserves is included in the Director of National Parks annual report at www.environment.gov.au/topics/national-parks/parks-australia/publications

In accordance with the requirements of the EPBC Act, the Department uses its best endeavours to ensure a plan for managing the National Heritage listed values of each of these places is prepared in cooperation with place owners and managers.

Commonwealth Heritage List

As at 30 June 2019, there were 388 places in the Commonwealth Heritage List. No places were added during 2018–19.

The Department released updated guidelines to help Commonwealth agencies to better understand management requirements for Commonwealth Heritage places. These are listed in Appendix 4B and published on the Department’s website.

<http://www.environment.gov.au/heritage/publications/working-together-managing-commonwealth-heritage-places>

To support the updated guidelines, the Department conducted a Commonwealth Heritage place managers workshop in March 2019. The workshop facilitated better understanding of place management requirements for Commonwealth agencies.

During 2018–19, four Heritage Strategies and three Heritage Management Plans were approved by the Australian Heritage Council.

Fisheries assessment and approvals

Under the EPBC Act the Department assesses Australian fisheries to ensure they are managed in an ecologically sustainable way and to identify areas for improvement. Of the 19 fisheries assessed in 2018–19, three were Commonwealth managed and 16 were state or territory managed. Thirteen fisheries were approved as wildlife trade operations and six were exempted from the export provisions of the EPBC Act (for a period of up to 10 years).

These assessments and approvals are informed by risk. The Department has continued to work with fishery managers to identify and address ecological risks. This has resulted in a number of fisheries being able to demonstrate low risk and move to longer term approvals.

The Department assessed all fisheries consistent with statutory requirements (see Table A4.A.15 in Appendix 4A). Following these assessments, conditions and/or recommendations were imposed to maintain or improve the ecologically sustainable management of the fisheries in the short to medium term. These conditions and recommendations are published on the Department’s website.

www.environment.gov.au/coasts/fisheries/index.html

Meeting statutory time frames under section 518 of the EPBC Act

Under section 518 of the EPBC Act—Non-compliance with time limits—we report on delays in meeting time frames and the reason. These operations are reported in Part 2, Annual Performance Statements, ‘Regulating to protect our environment and heritage’, target ‘Activities required by legislation are conducted within statutory time frames’, pages 41–44. Table A4.A.16 provides a summary of delays in meeting statutory time frames relating to EPBC Act provisions other than referrals, assessments and approvals.

Decisions and legal actions

The EPBC Act provides for enforcement mechanisms for managing suspected or identified instances of non-compliance and for reviewing the compliance of referred projects. Enforcement mechanisms include environmental audits, infringement notices and civil and criminal penalties. Remediation orders and determinations may require repair or mitigation of environmental damage.

On 2 April 2019 the Office of Compliance issued INPEX Operations Australia Pty Ltd an infringement notice valued at \$12,600 for contravening condition eight of EPBC 2008/4208. This condition relates to the storage of PFAS waste water onsite and its transport interstate for treatment.

The following matters were determined by courts during 2018–19:

- › In September 2018, a Sydney man received a suspended custodial sentence of one year, 10 months and 27 days for four counts of breaching the EPBC Act by attempting to export Australian native wildlife specimens to Korea and Indonesia, and importing CITES and regulated live specimens from Indonesia.
- › On 21 December 2018, the registered pilot of a helicopter was fined \$800 for offences in Kakadu National Park. The pilot pled guilty to offences against section 12.58(1)(b) of the EPBC Regulations: landing or taking off an aircraft in or over a Commonwealth reserve.
- › In May 2019 the Federal Court issued an interim injunction on a residential development in Baldivis, Western Australia, prohibiting the disturbance of sand and vegetation in the area while the Department assesses the development’s impacts on threatened black cockatoo species.
- › An Indonesian fishing vessel that was undertaking illegal fishing within the Sanctuary Zone of the Ashmore Reef Marine Park was apprehended on 22 May 2019. On 19 June 2019, in the Northern Territory Local Court, the master of the vessel was convicted of offences under the *Fisheries Management Act 1991* (FMA) and section 354A (5) of the EPBC Act. The master received eight months imprisonment, with four months suspended, and a \$5000 recognisance for three years. A conviction was recorded under the EPBC Act without penalty, as the judge felt the term of imprisonment had been adequately reflected through the sentence under the FMA.

Statement of reasons

Section 13 of the *Administrative Decisions (Judicial Review) Act 1977* provides that a person aggrieved by a decision made under legislation may request a statement setting out the findings on material questions of fact, referring to the evidence or other material on which those findings were based and giving the reasons for the decision (statement of reasons). Additionally, sections 77(4)(b) and 78C(4)(b) of the EPBC Act allow people to request a statement of reasons about controlled action decisions and the reconsideration of controlled action decisions.

In 2018–19, 52 statements of reasons were provided. Seven were for decisions under Part 13A of the EPBC Act, 22 were for referral decisions under section 75, one was for a reconsideration of a referral decision under section 78, nine were for assessment approach decisions under section 87, 10 were for approval decisions under sections 130 and 133, one was for a variation to conditions decision under section 143, and two were for decisions to approve a management plan.

Reconsideration of a decision

Under section 78 of the EPBC Act, reconsideration of a referral decision under section 75 of the Act is available in limited circumstances. Typically, reconsiderations are completed on request when there is substantial new information or a substantial change in the likely effects on protected matters.

In 2018–19 the Minister or their delegate made 215 referral decisions and reconsidered six referral decisions.

Committees

Australian Heritage Council

The Australian Heritage Council, established under the *Australian Heritage Council Act 2003*, is the Australian Government's principal advisory body on heritage matters. It is responsible under the EPBC Act for assessing the heritage values of places nominated for possible inclusion in the National Heritage List and the Commonwealth Heritage List, and for advising the Minister on heritage issues. In 2018–19 the council met four times. Further information is on our website.

www.environment.gov.au/heritage/organisations/australian-heritage-council

Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development

The Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) is a statutory committee established in October 2012 under the EPBC Act. The IESC provides independent scientific advice to the Australian, Queensland, New South Wales, Victorian and South Australian governments on the water-related impacts of coal seam gas and large coal mining development, including any impacts of associated salt production and/or salinity. The IESC draws upon the expertise of its members and the best available science in hydrology, hydrogeology, geology and ecology.

The IESC held nine meetings during 2018–19, preparing advice on the water-related impacts of nine large coal mines and one coal seam gas project in Queensland and New South Wales.

The advice provided by the IESC is discussed in Part 2, Annual Performance Statements, 'Science, information and research', pages 82 and 89. Further information is on the IESC website.

www.iesc.environment.gov.au

Indigenous Advisory Committee

The Indigenous Advisory Committee, established under section 505A of the EPBC Act, provides advice to the Minister on the operations of the EPBC Act by incorporating Aboriginal and Torres Strait Islander people's knowledge of land management and the conservation and sustainable use of biodiversity. In 2018–19, the committee held two face-to-face meetings and completed a range of out-of-session work. Further information is on our website.

www.environment.gov.au/indigenous/committees/iac.html

Threatened Species Scientific Committee

The Threatened Species Scientific Committee, established under section 502 of the EPBC Act, advises the Minister on amending and updating lists of threatened species, threatened ecological communities and key threatening processes, all listed under the EPBC Act. It advises on the development or adoption of recovery and threat abatement plans and prepares conservation advices for approval by the Minister or delegate. Four meetings were held in 2018–19. Further information about the committee is on our website.

www.environment.gov.au/biodiversity/threatened/tssc

Legislative amendments

There were no legislative amendments to the EPBC Act in 2018–19.

Appendix 4A: Statistics and other information

This appendix comprises statistics on the operation of the EPBC Act in 2018–19.

Environmental referrals, assessments and approvals

Table A4.A.1: Overview of EPBC Act referrals and approval of actions, 2018–19

| | 2018–19 | Total since EPBC Act commenced in 2000 |
|---|---------|--|
| Referrals received | | |
| Total referrals received | 220 | 6403 |
| Total referrals withdrawn | 15 | 638 |
| Referral decisions | | |
| Referrals where a decision has been made | 221 | 5911 |
| Approval required—controlled action | 105 | 1856 |
| Approval not required—action to be taken in a particular matter | 2 | 1086 |
| Approval not required—no conditions on action | 114 | 2959 |
| Action clearly unacceptable | 0 | 10 |
| Referrals lapsed | 6 | 90 |
| Approval of actions | | |
| Actions approved | 68 | 1049 |
| Actions not approved | 0 | 11 |

Note: With the upgrade of environment assessment databases, differences in total figures may appear when compared with previous years, as data integrity has improved. Assessment officers enter and correct data on an ongoing basis. The figures in Table A4.A.1 are an accurate reflection of referral data as of 30 June 2019.

Table A4.A.2: Decisions on EPBC Act referrals made in 2018–19, by jurisdiction

| Decisions made in 2018–19 | | | | | |
|---------------------------|-----------------------------|-------------------|-----------------------|------------|-----------------|
| | Action clearly unacceptable | Approval required | Approval not required | | Total decisions |
| | | CA | PM | NCA | |
| ACT | 0 | 1 | 0 | 1 | 2 |
| Christmas Island | 0 | 0 | 0 | 1 | 1 |
| Commonwealth marine | 0 | 1 | 0 | 3 | 4 |
| NSW | 0 | 28 | 0 | 18 | 46 |
| NT | 0 | 0 | 0 | 5 | 5 |
| QLD | 0 | 27 | 1 | 18 | 46 |
| SA | 0 | 1 | 0 | 1 | 2 |
| TAS | 0 | 0 | 1 | 8 | 9 |
| VIC | 0 | 20 | 0 | 17 | 37 |
| WA | 0 | 27 | 0 | 42 | 69 |
| Total | 0 | 105 | 2 | 114 | 221 |

Notes: CA = controlled action; PM = action to be taken in a particular manner; NCA = not controlled action.

Table A4.A.3: Decisions on EPBC Act referrals made in 2018–19, by activity category

| Decisions made in 2018–19 | | | | | |
|---|-----------------------------|-------------------|-----------------------|------------|-----------------|
| | Action clearly unacceptable | Approval required | Approval not required | | Total decisions |
| | | CA | PM | NCA | |
| Agriculture and forestry | 0 | 1 | 0 | 3 | 4 |
| Aquaculture | 0 | 0 | 1 | 4 | 5 |
| Commercial development | 0 | 10 | 0 | 10 | 20 |
| Commonwealth | 0 | 0 | 0 | 4 | 4 |
| Commonwealth development | 0 | 1 | 0 | 2 | 3 |
| Energy generation and supply (non-renewable) | 0 | 4 | 0 | 5 | 9 |
| Energy generation and supply (renewable) | 0 | 10 | 0 | 15 | 25 |
| Exploration (mineral, oil and gas—non-marine) | 0 | 0 | 0 | 1 | 1 |
| Manufacturing | 0 | 1 | 0 | 0 | 1 |
| Mining | 0 | 25 | 0 | 12 | 37 |
| Natural resources management | 0 | 1 | 0 | 1 | 2 |
| Private | 0 | 3 | 0 | 4 | 7 |
| Residential development | 0 | 30 | 0 | 10 | 40 |
| Science and research | 0 | 0 | 0 | 2 | 2 |
| Telecommunications | 0 | 0 | 1 | 2 | 3 |
| Tourism and recreation | 0 | 4 | 0 | 15 | 19 |
| Transport—air and space | 0 | 1 | 0 | 0 | 1 |
| Transport—land | 0 | 9 | 0 | 12 | 21 |
| Transport—water | 0 | 1 | 0 | 1 | 2 |
| Waste management (non-sewerage) | 0 | 1 | 0 | 0 | 1 |
| Waste management (sewerage) | 0 | 1 | 0 | 4 | 5 |
| Water management and use | 0 | 2 | 0 | 7 | 9 |
| Total | 0 | 105 | 2 | 114 | 221 |

Notes: CA = controlled action; PM = action to be taken in a particular manner; NCA = not controlled action. Total includes six reconsiderations.

Table A4.A.4: Decisions on assessment approach made in 2018–19, by type

| | Assessments active | Assessments completed | Assessments withdrawn | Assessments lapsed |
|---|-----------------------|--------------------------|--------------------------|-----------------------|
| Commonwealth assessments | | | | |
| Preliminary documentation—further information required | 58 | 1 | 0 | 0 |
| Preliminary documentation—no further information required | 1 | 0 | 0 | 0 |
| Public environment report | 0 | 0 | 0 | 0 |
| Referral information | 1 | 0 | 0 | 0 |
| Environmental impact statement | 2 | 0 | 0 | 0 |
| State/territory assessments | | | | |
| Bilateral assessment | 21 | 0 | 0 | 0 |
| Accredited process | 17 | 0 | 0 | 0 |
| Total | 100 | 1 | 0 | 0 |

Table A4.A.5: Matters of national environmental significance under the EPBC Act considered in relation to impacts of proposed action, 2018–19

| | Matter protected | Not controlled action— particular manner | Controlled action |
|--|---|---|----------------------|
| Division 1 Matters of national environmental significance | | | |
| Section 12 | World Heritage values of a World Heritage listed property | 1 | 1 |
| Section 15B | National Heritage values of a National Heritage listed place | 1 | 7 |
| Section 16 | Ecological character of a declared Ramsar wetland | 0 | 5 |
| Section 18 | Listed threatened species or ecological community | 1 | 102 |
| Section 20 | Listed migratory species | 1 | 15 |
| Section 21 | Nuclear activities with a significant impact on the environment | 0 | 1 |
| Section 23 | Commonwealth marine environment | 0 | 4 |
| Section 24B | Activities in the Great Barrier Reef Marine Park | 0 | 1 |
| Section 24D | Affects at least one water resource | 0 | 7 |
| Division 2 | | | |
| Section 26 | Commonwealth land | 0 | 0 |
| Section 27B | Activities involving Commonwealth Heritage listed places overseas | 0 | 0 |
| Section 28 | Commonwealth or Commonwealth agency activity | 0 | 1 |
| Total | | 4 | 144 |

Note: This table refers to matters of national environmental significance considered in 2018–19 by section and decision, regardless of the number of referrals received.

Access to biological resources and benefit sharing

Table A4.A.6: Applications received and permits granted for cetacean research or impacts under the EPBC Act, 2018–19

| Section of EPBC Act | Applications received | Permits granted | Conditions varied or revoked | Suspended or cancelled |
|---|-----------------------|-----------------|------------------------------|------------------------|
| 238(3)(a) cetacean conservation; or (b) incidental interference | 12 | 13* | 1 | 0 |
| 238(3)(c) whale watching | 0 | 0 | 0 | 0 |
| Total | 12 | 13 | 1 | 0 |

* Note that one permit application received in 2017–18 was granted in 2018–19.

Protection of species and ecological communities

Table A4.A.7: Species and ecological communities listing outcomes under the EPBC Act, 2018–19

| Species and ecological communities | Status |
|--|---|
| Listings (scientific name or name of ecological community) | |
| <i>Myriocephalus nudus</i> | Listed as extinct (1 species) |
| <i>Bruguiera hainesii</i> (Haines's Orange Mangrove) | Listed as critically endangered (17 species and 2 ecological communities) |
| <i>Litoria kroombitensis</i> (Kroombit Treefrog) | |
| <i>Androcalva adenothalia</i> | |
| <i>Clausena excavata</i> | |
| <i>Eremophila glabra</i> subsp. <i>Scaddan</i> (C. Turley s.n. 10/11/2005) | |
| <i>Hesperocolletes douglasi</i> (Douglas' broad-headed bee) | |
| <i>Hibbertia</i> sp. Toolbrunup (J.R. Wheeler 2504) | |
| <i>Homoranthus bebo</i> | |
| <i>Lasiopetalum</i> sp. Mount Caroline (S.D. Hopper SDH 6381) | |
| <i>Phebalium speciosum</i> | |
| <i>Stylidium amabile</i> | |
| <i>Cophixalus concinnus</i> (elegant frog) | |
| <i>Cophixalus hosmeri</i> (rattling nursery-frog) | |
| <i>Cophixalus mcdonaldii</i> (Mount Elliot nursery-frog) | |
| <i>Cophixalus monticola</i> (Mountain-top nursery-frog) | |
| <i>Cophixalus neglectus</i> (Bellenden Ker nursery-frog) | |
| <i>Petrogale concinna concinna</i> (Nabarlek (Victoria River District)) | |
| Tasmanian forests and woodlands dominated by black gum or Brookers gum | |
| Tuart forests and woodlands on the Swan coastal plain | |

| Species and ecological communities | Status |
|--|--|
| <i>Crinia sloanei</i> (Sloane's froglet) | Listed as endangered (16 species and 2 ecological communities) |
| <i>Acacia woodmaniorum</i> (woodman's wattle) | |
| <i>Androcalva perlaria</i> (pearl-like androcalva) | |
| <i>Bossiaea</i> sp. <i>Frankland</i> (E.M. Sandiford EMS 896) | |
| <i>Caladenia graniticola</i> (Pingaring spider-orchid) | |
| <i>Grevillea acropogon</i> | |
| <i>Hypocalymma angustifolium</i> subsp. <i>Hutt River</i> (S. Patrick 2982) | |
| <i>Hypocalymma</i> sp. <i>Cascade</i> (R. Bruhn 20896) | |
| <i>Melaleuca</i> sp. <i>Wanneroo</i> (G.J. Keighery 16705) | |
| <i>Nannoperca pygmaea</i> (little pygmy perch) | |
| <i>Pimelea axiflora</i> subsp. <i>pubescens</i> | |
| <i>Stylidium asymmetricum</i> (asymmetric triggerplant) | |
| <i>Stylidium coroniforme</i> subsp. <i>amblyphyllum</i> | |
| <i>Stylidium coroniforme</i> subsp. <i>coroniforme</i> (Wongan Hills triggerplant) | |
| <i>Trioza barrettae</i> (Banksia Brownii plant-louse) | |
| <i>Cophixalus aenigma</i> (tapping nursery-frog) | |
| Poplar box grassy woodland on alluvial plains | |
| Assemblages of species associated with open-coast salt-wedge estuaries of western and central Victoria | |
| <i>Hirundapus caudacutus</i> (white-throated needle-tail) | Listed as vulnerable (1 species) |
| Transferred species: uplistings | |
| <i>Melomys rubicola</i> (Bramble Cay melomys) | Uplisted from endangered to extinct |
| <i>Pteropus conspicillatus</i> (spectacled flying-fox) | Uplisted from vulnerable to endangered |
| <i>Geocrinia alba</i> (white-bellied frog, creek frog) | Uplisted from endangered to critically endangered |
| <i>Litoria castanea</i> (yellow-spotted tree frog, yellow-spotted bell frog) | |
| <i>Litoria myola</i> (Kuranda tree frog) | |
| <i>Philoria frosti</i> (Baw Baw frog) | |
| <i>Fontainea oraria</i> (coastal fontainea) | |
| <i>Gentiana bredboensis</i> | Uplisted from vulnerable to critically endangered |
| Transferred species: downlistings | |
| <i>Litoria dayi</i> (Australian lace-lid, lace-eyed tree frog) | Downlisted from endangered to vulnerable |
| <i>Spicospina flammocaerulea</i> (sunset frog) | |
| <i>Galaxias truttaceus</i> (Western Australian population) (western trout minnow) | Downlisted from critically endangered to endangered |

| Species and ecological communities | Status |
|--|--|
| Deleted from the list | |
| <i>Dasycercus cristicauda</i> (crest-tailed mulgara) | Deleted from the list (11 species) |
| <i>Mesembriomys macrurus</i> (golden-backed tree-rat, Koorrawal) | |
| <i>Notamacropus eugenii eugenii</i> (Tammar wallaby (South Australia)) | |
| <i>Pseudantechinus mimulus</i> (Carpentarian antechinus) | |
| <i>Vombatus ursinus ursinus</i> (common wombat (Bass Strait)) | |
| <i>Aprasia rostrata rostrata</i> (Monte Bello worm-lizard) | |
| <i>Ctenotus angusticeps</i> (northwestern coastal ctenotus) | |
| <i>Hypsela sessiliflora</i> | |
| <i>Myoporum turbinatum</i> (salt myoporum) | |
| <i>Philothea ericifolia</i> | |
| <i>Stylidium coroniforme</i> (Wongan Hills triggerplant) | |
| Retained in current category in the list | |
| <i>Oberonia attenuata</i> (Mossman fairy orchid) | Retained in current category (4 species) |
| <i>Zyzomys palatalis</i> (Carpentarian rock-rat, Aywalirroomoo) | |
| <i>Gymnobelideus leadbeateri</i> (Leadbeater's possum) | |
| <i>Litoria nyakalensis</i> (mountain mistfrog) | |
| Not eligible for listing | |
| <i>Bettongia gaimardi</i> (Tasmanian bettong, eastern bettong) | Not eligible (1 species) |

Table A4.A.8: Number of changes to the lists of threatened species, ecological communities and key threatening processes under the EPBC Act, 2018–19

| | Species | Ecological communities | Key threatening processes |
|---|-----------|------------------------|---------------------------|
| Items on which the Threatened Species Scientific Committee has provided advice to the Minister | 62 | 6 | 0 |
| Ministerial decisions made on Threatened Species Scientific Committee advice | 62 | 4 | 0 |
| Ministerial decisions made on Threatened Species Scientific Committee advice in the following categories | | | |
| Uplisted | 8 | 0 | N/A |
| Downlisted | 3 | 0 | N/A |
| New listings | 35 | 4 | 0 |
| Deleted | 11 | 0 | 0 |
| Amendments to the list | 57 | 4 | 0 |
| Ineligible | 1 | 0 | 0 |
| No change in status | 4 | 0 | 0 |

Table A4.A.9: Recovery plans made or adopted under the EPBC Act, 2018–19

| Recovery plan | Date made or adopted | Listed threatened entities covered |
|--|----------------------|---|
| National Recovery Plan for the Macquarie Perch (<i>Macquaria australasica</i>) | 9 February 2019 | <i>Macquaria australasica</i> (Macquarie perch) |
| National Recovery Plan for the Littoral Rainforest and Coastal Vine Thickets of Eastern Australia Ecological Community | 20 February 2019 | Littoral rainforest and coastal vine thickets of eastern Australia |
| National Recovery Plan for the Central Rock-rat, <i>Zyomys pedunculatus</i> | 23 February 2019 | <i>Zyomys pedunculatus</i> (central rock-rat, Antina) |
| National Recovery Plan for the Clay Pans of the Swan Coastal Plain Ecological Community | 23 February 2019 | Clay pans of the Swan coastal plain |
| Recovery, Management and Monitoring Plan for the Brush-tailed Rabbit-rat <i>Conilurus penicillatus</i> | 23 February 2019 | <i>Conilurus penicillatus</i> (brush-tailed rabbit-rat, brush-tailed tree-rat, Pakooma) |

Table A4.A.10: EPBC Act listed threatened species and ecological communities covered by recovery plans as at 30 June 2019

| | Species | Ecological communities | Total |
|---|---------|------------------------|-------|
| Total number of listed threatened entities | 1890 | 82 | 1972 |
| Number of listed threatened entities covered by recovery plans in force | 720 | 27 | 747 |
| Number of listed threatened entities requiring recovery plans but not covered by a recovery plan in force | 142 | 30 | 172 |

Table A4.A.11: Key threatening processes and threat abatement plans listed under the EPBC Act

| Key threatening process | Date of effect | Threat abatement plan required? | Approved threat abatement plan |
|--|------------------|---------------------------------|--------------------------------|
| Competition and land degradation by feral rabbits | 16 July 2000 | Yes | Yes |
| Competition and land degradation by unmanaged goats | 16 July 2000 | Yes | Yes |
| Dieback caused by the root-rot fungus <i>Phytophthora cinnamomi</i> | 22 February 2019 | Yes | Yes |
| Incidental catch (or bycatch) of seabirds during oceanic longline fishing operations | 10 November 2018 | Yes | Yes |
| Predation by European red fox (<i>Vulpes vulpes</i>) | 16 July 2000 | Yes | Yes |
| Predation by feral cats | 16 July 2000 | Yes | Yes |
| Land clearance | 4 April 2001 | No | N/A |

| Key threatening process | Date of effect | Threat abatement plan required? | Approved threat abatement plan |
|---|-------------------|---------------------------------|--------------------------------|
| Loss of terrestrial climatic habitat caused by anthropogenic emissions of greenhouse gases | 4 April 2001 | No | N/A |
| Psittacine circoviral (beak and feather) disease affecting endangered psittacine species | 4 April 2001 | No | N/A |
| Incidental catch (bycatch) of sea turtles during coastal otter-trawling operations within Australian waters north of 28 degrees south | 4 April 2001 | No | N/A |
| Predation, habitat degradation, competition and disease transmission by feral pigs | 6 August 2001 | Yes | Yes |
| Infection of amphibians with chytrid fungus resulting in chytridiomycosis | 23 July 2002 | Yes | Yes |
| Reduction in the biodiversity of Australian native fauna and flora due to red imported fire ant (<i>Solenopsis invicta</i>) | 2 April 2003 | Yes | No |
| Injury and fatality to vertebrate marine life caused by ingestion of, or entanglement in, harmful marine debris | 13 August 2003 | Yes | Yes |
| Loss of biodiversity and ecosystem integrity following invasion by the yellow crazy ant (<i>Anoplolepis gracilipes</i>) on Christmas Island, Indian Ocean | 12 April 2005 | No | N/A |
| Biological effects, including lethal toxic ingestion, caused by cane toads (<i>Bufo marinus</i>) | 12 April 2005 | Yes | Yes |
| Predation by exotic rats on Australian offshore islands of less than 1000 km ² (100,000 ha) | 29 March 2006 | Yes | Yes |
| Invasion of northern Australia by gamba grass and other introduced grasses | 16 September 2009 | Yes | Yes |
| Loss and degradation of native plant and animal habitat by invasion of escaped garden plants, including aquatic plants | 8 January 2010 | No | N/A |
| Novel biota and its impact on biodiversity | 26 February 2013 | No | N/A |
| Aggressive exclusion of birds from potential woodland and forest habitat by overabundant noisy miners (<i>Manorina melanocephala</i>) | 9 May 2014 | No | N/A |

International wildlife trade and management

Table A4.A.12: Top 10 items seized under the EPBC Act, 2018–19

| | Species | Number of seizures |
|----|--|--------------------|
| 1 | Costus, Aucklandia, Mu Xiang (<i>Saussurea costus</i>) | 113 |
| 2 | Lizard (<i>Scincidae</i> spp.) | 65 |
| 3 | Crocodylia spp. | 51 |
| 4 | Snake (<i>Elapidae</i> spp.) | 50 |
| 5 | Rosewood (<i>Dalbergia</i> spp.) | 36 |
| 6 | Ginseng (<i>Panax</i> spp.) | 29 |
| 7 | Scorpion (<i>Scorpiones</i> spp.) | 18 |
| 8 | Turtle | 10 |
| 9 | Bear (<i>Ursidae</i> spp.) | 10 |
| 10 | Seahorse (<i>Hippocampus</i> spp.) | 9 |

Notes: (1) At the time of preparing this report a total of 489 notices of seizure had been issued in 2018–19. Australian Border Force officers had issued 449 notices of seizure, and departmental officers had issued 40 notices of seizure. (2) Each year some border seizures are not reported to the Department in time to be included in annual reports. Last year 479 notices of seizure were received in time for inclusion in the 2017–18 annual report, but the total number of notices issued in 2017–18 was 518.

Table A4.A.13: Top 10 species covered by EPBC Act wildlife import permits, 2018–19

| Species | Number of import permits issued |
|--|---------------------------------|
| American alligator (<i>Alligator mississippiensis</i>) | 719 |
| Burmese python (<i>Python bivittatus</i>) | 234 |
| Common water monitor (<i>Varanus salvator</i>) | 219 |
| Nile crocodile (<i>Crocodylus niloticus</i>) | 205 |
| Reticulated python (<i>Python reticulatus</i>) | 195 |
| Indian rosewood (<i>Dalbergia latifolia</i>) | 166 |
| Saltwater crocodile (<i>Crocodylus porosus</i>) | 127 |
| Common caiman (<i>Caiman crocodilus crocodilus</i>) | 89 |
| North Indian rosewood (<i>Dalbergia sissoo</i>) | 45 |
| Panama caiman (<i>Caiman yacare</i>) | 45 |
| Siberian sturgeon (<i>Acipenser baerii</i>) | 44 |

Table A4.A.14: Top 10 species most often issued EPBC Act wildlife export permits, 2018–19

| Species | Number of export permits issued |
|--|---------------------------------|
| Saltwater crocodile (<i>Crocodylus porosus</i>) | 143 |
| American alligator (<i>Alligator mississippiensis</i>) | 124 |
| Stony corals (Order: Scleractinia) | 77 |
| Corals (Class: Anthozoa) | 76 |
| Common water monitor (<i>Varanus salvator</i>) | 67 |
| Indian rosewood (<i>Dalbergia latifolia</i>) | 52 |
| Fire corals (Class: Hydrozoa) | 52 |
| Eastern grey kangaroo (<i>Macropus giganteus</i>) | 42 |
| Red kangaroo (<i>Macropus rufus</i>) | 36 |
| Nile crocodile (<i>Crocodylus niloticus</i>) | 30 |

Fisheries assessment and approvals

Table A4.A.15: EPBC Act assessments of Commonwealth and state managed fisheries completed, 2018–19

| Jurisdiction | Fishery | Current assessment decisions | Decision date |
|--------------|--|------------------------------|-------------------|
| Commonwealth | Northern Prawn Fishery | Exempt | 17 December 2018 |
| Commonwealth | Small Pelagic Fishery | Exempt | 22 October 2018 |
| Commonwealth | Southern and Eastern Scalefish and Shark Fishery | WTO | 14 February 2019 |
| NSW | Sea Urchin and Turban Shell Restricted Fishery | Exempt | 22 October 2018 |
| NT | Coastal Line Fishery | WTO | 31 January 2019 |
| QLD | Blue Swimmer Crab Fishery | WTO | 28 May 2019 |
| QLD | East Coast Inshore Fin Fish Fishery | WTO | 18 December 2018 |
| QLD | Gulf of Carpentaria Inshore Fin Fish Fishery | WTO | 22 March 2019 |
| QLD | Mud Crab Fishery | WTO | 28 May 2019 |
| QLD | River and Inshore Beam Trawl Fishery | WTO | 14 February 2019 |
| SA | Beach-cast Marine Algae Fishery | WTO | 18 September 2018 |
| SA | Lakes and Coorong Fishery | WTO | 26 February 2019 |
| SA | Marine Scalefish Fishery | Exempt | 12 March 2019 |
| TAS | Richey Fishing Company—Australian Salmon | Exempt | 11 April 2019 |
| VIC | Eel Fishery | Exempt | 9 April 2019 |
| VIC | PQ Aquatics | WTO | 12 December 2018 |
| WA | Pilbara Fish Trawl Managed Fishery | WTO | 12 November 2018 |
| WA | Temperate Shark Fishery | WTO | 22 August 2018 |
| WA | Tycraft Giant Clam Operation | WTO | 9 April 2019 |

Note: WTO = wildlife trade operation.

Meeting statutory time frames under section 518 of the EPBC Act

The EPBC Act and Regulations specify time frames within which decisions must be made and other actions completed. If the time frames are not met then, in accordance with section 518 of the EPBC Act, a statement must be provided setting out the reasons for the delay. Decisions that were not made within statutory time frames in 2018–19 and the reasons for delay are listed in Table A4.A.16.

Table A4.A.16: Decisions made under other EPBC Act provisions that did not meet statutory time frames, 2018–19

| Section | Total | Late | Reasons for delay |
|---|-----------------|-----------------|--|
| 273(2) Ensuring recovery plans are in force within extended statutory deadline | 19 ^a | 14 ^b | Administrative delay |
| 303CI Time limit for making permit decisions—CITES | 3087 | 369 | 349 administrative delays 19 system errors 1 overseas processing delay |
| 303DH Time limit for making permit decisions—Native (non-CITES) | 220 | 15 | 13 administrative delays 2 system errors |
| 341JH Provision of National Heritage assessments to the Minister | 3 ^c | 2 ^d | Stakeholder consultation and engagement |
| 324ZC Reviewing and reporting on the National Heritage List | 1 | 1 | Administrative delay |
| 324JB(1) Australian Heritage Council to prepare proposed priority assessment list for the National Heritage List | 1 | 1 | Caretaker period |
| 341ZH Reviewing and reporting on the Commonwealth Heritage List | 1 | 1 | Administrative delay |
| 341H Minister to invite Commonwealth Heritage list nominations for each assessment period | 1 | 1 | Australian Heritage Council recommendation to prioritise nomination of places for the National Heritage List |
| 341JA(1) Australian Heritage Council to prepare proposed priority assessment list for the Commonwealth Heritage List. | 1 | 1 | Administrative delay |

- a Three species and two ecological communities were covered by five recovery plans made or adopted (see Table A4.A.10) and another 14 species and ecological communities became overdue in 2018–19. These 14 bring the total number of species and ecological communities overdue to have a recovery plan in force to 164.
- b Eight species and six ecological communities became overdue to have a recovery plan in force during 2018–19.
- c At 30 June 2019, three National Heritage assessments had been transmitted to the Minister during 2018–19.
- d Between 30 June 2018 and 30 June 2019, two statutory decision deadlines for the provision of National Heritage assessments to the Minister expired: Colonial Sydney National Heritage Assessment; and Murray Island Group, including Mer Island, Dauar Island and Waier Island National Heritage Assessment.

Appendix 4B: Publications 2018–19

Guides

Posidonia australis Seagrass Meadows of the Manning-Hawkesbury Ecoregion: a nationally significant ecological community, Department of the Environment and Energy, 2018.

Australia's Commonwealth Heritage—working together managing Commonwealth Heritage places—a guide for Commonwealth agencies, Commonwealth of Australia, 2019.

Reports

Protection of Australia's commemorative places and monuments: Report prepared for the Minister for the Environment and Energy, the Hon. Josh Frydenberg MP, Commonwealth of Australia, 2018

The National Heritage List and Commonwealth Heritage List: 1 July 2013 – 30 June 2018, Commonwealth of Australia, 2018.

Appendix 5: Operation of the *Environment Protection (Alligator Rivers Region) Act 1978*

Section 36 of the *Environment Protection (Alligator Rivers Region) Act 1978* requires the Supervising Scientist to provide to the Minister an annual report on the operation of the Act. This section meets the reporting requirements for 2018–19.

Operation

The position of the Supervising Scientist is established under the *Environment Protection (Alligator Rivers Region) Act 1978* for the purpose of protecting the Alligator Rivers Region from the effects of uranium mining.

The Supervising Scientist Branch is funded under the portfolio's departmental appropriation and contributes to the delivery of 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 activities of the Supervising Scientist under the Act help to achieve this objective by demonstrating whether there has been detrimental impact to the people and the environment of the Alligator Rivers Region, including Kakadu National Park, as a result of uranium mining activities.

Ministerial directions

Under section 7 of the Act, the Supervising Scientist is required to comply with any directions given to them by the Minister relating to the performance of their functions or the exercise of their powers. In 2018–19, the Minister did not issue any such directions to the Supervising Scientist.

Collection and assessment of information

Information on the environmental effects of mining collected and assessed throughout 2018–19, in accordance with section 36(2)(b)(i) of the Act, is summarised below. Further details are provided in the Supervising Scientist annual technical report, which is published on the Department's website.

www.environment.gov.au/science/supervising-scientist/publications

The Supervising Scientist Branch works to protect the environment of the Alligator Rivers Region, including Kakadu National Park, from the effects of uranium mining activities. Working closely with Commonwealth and Northern Territory regulatory authorities, and in consultation with Traditional Owners through the Northern Land Council and the Gundjeihmi Aboriginal Corporation, the branch develops and implements programs to measure the effectiveness of environmental management at uranium mining and exploration sites. These programs include supervision, monitoring and environmental research.

The focus of most of the Supervising Scientist's activities in recent years has been on the Ranger uranium mine—the only operating uranium mine in the region. Among the branch's

broader responsibilities in the region (Table A5.1), Ranger presents the most significant environmental risks, during both mine operations and rehabilitation.

Supervision

The branch's supervision program includes a structured plan of assessments, inspections and audits which provide a mechanism for reviewing and assessing the performance of environmental management systems in place at various mine and exploration sites. Throughout 2018–19, this program was focused on five main areas within the region, including Ranger operations, two historical mine sites in various stages of rehabilitation and several exploration sites (Table A5.1).

Table A5.1: Summary of supervision activities of the Supervising Scientist Branch at five sites in the Alligator Rivers Region, 2018–19

| Activity | Ranger | Jabiluka | Nabarlek | South Alligator Valley | West Arnhem exploration |
|---|-----------------|----------------|----------|------------------------|-------------------------|
| Meetings of the mine site technical committee | 5 | 2 | | N/A | N/A |
| Applications assessed | 7 | | | | |
| Non-routine reports assessed | 9 | | | | |
| Routine reports/plans assessed | 9 | 2 | 1 | | 3 |
| Applications under assessment | 1 | | | | |
| Authorisation amendments assessed | | | | | |
| Environmental audits | 1 | 0 ^a | 1 | | 1 |
| Routine inspections | 12 | 2 | 1 | 1 | |
| Incidents reported | 17 ^b | | | | |

a. The audit program for Jabiluka has been suspended, as the site is in long-term care and maintenance.

b. All reported environmental incidents were followed up through the routine inspection program.

Monitoring

The branch's monitoring program uses a multiple-lines-of-evidence approach, assessing chemical, biological and radiological indicators to detect short-term and long-term impacts of mining on the people and environment surrounding Ranger mine.

The key pathway for exposure of contaminants to the environment during the operational phase of the Ranger mine is the surface water pathway. To ensure protection of the environment, including people, the mine's operator, Energy Resources of Australia Ltd (ERA) is required to achieve specific water quality objectives for the creeks surrounding the mine. These water quality objectives are largely based on site-specific biological effects data, and their achievement provides a key line of evidence that the environment has been protected.

Surface water chemistry data show there were no exceedances of the Ranger water quality objectives throughout the 2018–19 wet season. For example, concentrations of uranium

in surface water downstream of Ranger remained below 2.8 µg/L throughout the 2018–19 wet season.

Biological monitoring techniques have been developed that can be used for both early detection monitoring and assessment of long-term ecosystem-level responses. Results of the in-situ biological toxicity monitoring (early detection) and fish and macroinvertebrate monitoring (long-term detection) showed that downstream biodiversity had been protected, based on the data that had been analysed as at 30 June 2019.

One of the main pathways of potential radiation exposure to the public during Ranger operations is the ingestion pathway, caused by the uptake of radionuclides into bush foods from creek systems downstream of the mine. Freshwater mussels have previously been identified as the most important food source contributing to radiation dose to people, as they strongly bio-accumulate radium-226 in their flesh. Mussels were collected from Mudginberri Billabong, downstream of Ranger, in October 2018 and analysed for radium-226 as part of the routine bioaccumulation monitoring program. Results indicate that radium-226 concentrations had not increased as a result of uranium mining and that there is no unacceptable radiation risk from consuming mussels as part of a bush food diet.

In summary, all monitoring undertaken by the branch to date indicates that there have been no observable environmental impacts from Ranger mine's operations and that the people and the environment of the Alligator Rivers Region remained protected from the effects of uranium mining during 2018–19. A detailed description of all results obtained from the 2018–19 monitoring program will be published in the 2018–19 Supervising Scientist annual technical report.

See Part 2, Annual performance statements, 'Regulating to protect our environment and heritage', pages 46–49.

Environmental research

During 2018–19, all research undertaken by the Supervising Scientist Branch was directed at gaining information to assist with managing key environmental risks associated with Ranger mine operations and rehabilitation. The number of research projects for this period are shown in Figure A5.1.

The branch's proposed research program for 2018–19 built on the approach developed since 2017, which has been underpinned by a comprehensive risk-based planning process to map out the branch's research priorities over the next 10 years. The Alligator Rivers Region Technical Committee is established under the Act to independently review research into the effects of uranium mining in the Alligator Rivers Region. The Technical Committee endorsed the branch's 2018–19 research program in May 2018.

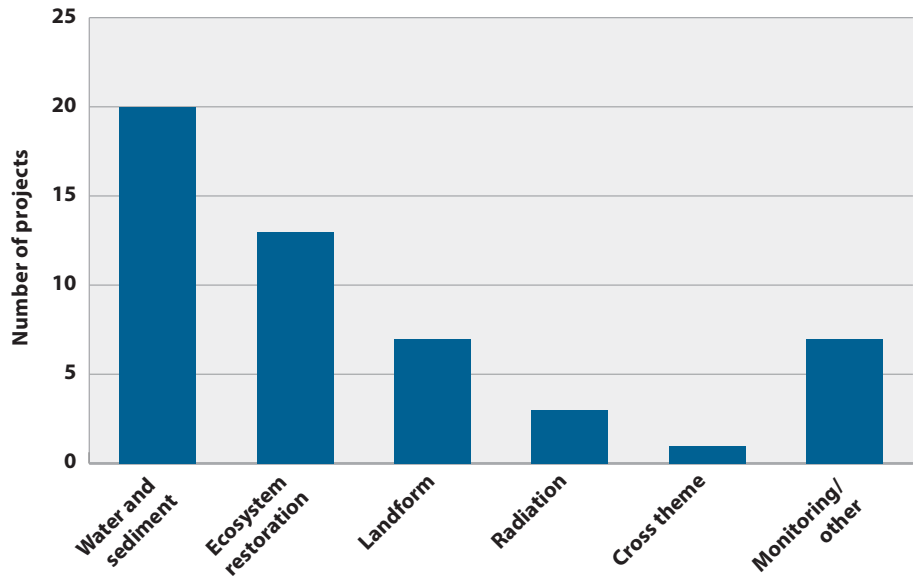
The 2018–19 research program comprised 44 research projects. This was a decrease on project numbers in previous years, reflecting:

- › transfer of dedicated groundwater research projects to ERA or to external experts consulting to SSB
- › reduction in radiation projects between 2017 and 2018 associated mainly with project completion
- › consolidation (mainly) of landform projects.

Rehabilitation research associated with water and sediment quality, ecosystem restoration and landform dominates the branch’s efforts.

Throughout 2018–19, the branch published the findings and outcomes of these projects in 15 peer-reviewed articles.

Figure A5.1: Research projects of the Supervising Scientist Branch, 2018–19, by research theme



Standards, practices and procedures

Information on standards, practices and procedures adopted and/or amended during 2018–19, in accordance with section 36(2)(b)(ii) of the Act, is provided below:

- › The Supervising Scientist Branch developed a suite of rehabilitation standards for Ranger mine, which was published in the third quarter of 2018. These standards and their refinement provide quantitative values against which the mine operator’s proposed closure criteria can be assessed.
- › Procedures and methods for collecting and processing remotely piloted aircraft system data to derive standards for revegetation, as well as restored ecosystem monitoring, are being developed. The refinement of these methods and procedures over time will reduce or eliminate the need for ground-based and resource-intensive field surveys.
- › The chronic toxicity testing method for the northern trout gudgeon, *Mogurnda mogurnda*, was further improved and is being used for routine testing.
- › Acute and chronic toxicity testing methods for freshwater mussels, *Velesunio* spp., were developed. The acute and chronic test protocols have been peer-reviewed and published.

- › Development of a remote videography method for monitoring fish communities in channel billabongs as a replacement technique for visual counts continued. This significantly reduces the risks associated with working in crocodile-inhabited waters. Results from the new method are being compared with results from the former method, for calibration, over a three-year period.

Protection and restoration measures

Information on environmental protection and restoration measures implemented in accordance with section 36(2)(b)(iii) of the Act during 2018–19 is provided below:

- › The Ranger mine operator, ERA, submitted an updated version of its Ranger Mine Closure Plan in early June 2018. The plan includes proposed closure criteria for Ranger mine to apply on and off site after rehabilitation. The Supervising Scientist Branch assessed the plan, publishing an assessment report online in September 2018.
- › The annual routine water quality and biological monitoring programs were completed successfully.
- › The annual audit and routine inspection program was completed successfully.
- › Ongoing monitoring of the adequacy and effectiveness of remedial works undertaken by the mine operator was carried out.

Ongoing progress

Key rehabilitation activities carried out at Ranger mine throughout 2018–19 include:

- › ongoing transfer of mine tailings into Ranger mine Pit 3 for permanent storage, in accordance with the rehabilitation objectives
- › further progression of the rehabilitation of Ranger mine Pit 1, with the bulk backfill activities nearing completion
- › ongoing treatment and disposal of mine waste water, including investigation of alternative treatment options for process water and for more efficient treatment of pond water
- › commencement of decommissioning of the Ranger 3 Deeps underground project
- › recommissioning and installation of additional groundwater monitoring bores to improve understanding of groundwater quality and behaviour and to inform future modelling and assessment.

Requirements of prescribed instruments enacted, made, adopted or issued

Information on the requirements of, and having effect under, new prescribed instruments, or amendments to existing prescribed instruments in accordance with section 36(2)(b)(iv) of the Act, is provided below:

- › During 2018–19, no prescribed instruments were enacted, made, adopted or issued.

Implementation of requirements

Information on the implementation of requirements of, and having effect under, new prescribed instruments, or amendments to existing prescribed instruments in accordance with section 36(2)(b)(v) of the Act, is provided below:

- › During 2018–19, the Supervising Scientist Branch continued to oversee and supervise the implementation of the *Atomic Energy Act 1953* and the *Northern Territory Mining Management Act 2001* as they relate to Ranger uranium mine.

Cost of operations

The cost of operations for the Supervising Scientist Branch in 2018–19 was \$7,912,918.

Appendix 6: Operation of the *Fuel Quality Standards Act 2000*

Section 71 of the *Fuel Quality Standards Act 2000* requires the Minister to prepare an annual report on the operation of the Act. This section meets this reporting requirement for 2018–19.

Operation

The Act requires the fuel industry, including fuel suppliers, to supply fuel that meets strict environmental requirements in accordance with fuel quality standards. Fuel quality standards have been made for all grades of petrol, automotive diesel, biodiesel, ethanol E85 and autogas.

Review of the legislative instruments made under the *Fuel Quality Standards Act 2000*

Nine legislative instruments are being reviewed under the Fuel Quality Standards Act that are sunsetting on 1 October 2019.

On 25 February 2019, the Australian Government announced improvements to fuel quality standards as part of the Climate Solutions Package. The benefits include access to the latest vehicle technology, savings for motorists from more fuel-efficient vehicles and health benefits to the community from cleaner air.

Petrol quality will be improved by lowering the aromatic content starting in 2022 and lowering the sulfur limits starting in 2027.

The petrol and automotive diesel determinations were remade on 18 March 2019. The fuel quality standards regulations for these determinations were remade on 4 April 2019. These instruments will commence on 1 October 2019.

The Department is continuing to consult with industry on the autogas, biodiesel, ethanol E85, ethanol and ethanol E85 information fuel quality standards, and the register of prohibited fuel additives guidelines to finalise these before they sunset on 1 October 2019.

Compliance and enforcement

The Department conducts monitoring, compliance and enforcement activities to detect and respond to non-compliance under the Act and Regulations.

Statistics from the past four years are provided in Table A6.1. During 2018–19, the Department engaged with 363 retail fuel sites. Where non-compliance was detected, the Department took action to ensure the supply of fuel is compliant with the requirements of the Act.

Table A6.1: Statistics on fuel sampling under the *Fuel Quality Standards Act 2000*, 2015–16 to 2018–19

| Actions | 2015–16 | 2016–17 | 2017–18 | 2018–19 |
|--|---------|----------------|---------|------------------|
| Compliance incident reports | 223 | 195 | 133 | N/A ^a |
| Number of retail fuel sites visited | 455 | 457 | 311 | 363 |
| Number of compliant tests | 1596 | 1337 | 778 | 1380 |
| Number of non-compliant tests detected | 33 | 23 | 16 | 13 |
| Number of ethanol labelling breaches | 21 | 8 | 4 | 7 |
| Number of documentation requirements breaches ^b | 29 | 4 ^c | 0 | 0 |

a This information is no longer recorded, as follow-up of compliance incident reports has little correlation with detected non-compliance.

b The Act and Regulations require operators of service stations to maintain and keep records for two years, including delivery documentation, stock reconciliation and fuel-testing records in relation to the supply of fuel, at the premises where the fuel is supplied. Fuel suppliers must also provide documentation to the supply site within 72 hours of the delivery of fuel.

c Section 66 compliance checks only.

Financial information

The Department's 2018–19 operating costs for administering the Act were \$2,411,838 including staff salaries and allowances, consultancies, advertising and other related expenses.

Committee

Section 24 of the Act establishes the Fuel Standards Consultative Committee. The Minister must consult the committee on, or notify it of, various matters as required by the Act. The committee is made up of representatives from the Australian, state and territory governments, fuel producers (including producers of alternative and renewable fuels), car and truck manufacturers, consumers and an environment protection organisation.

Appendix 7: Operation of the *Greenhouse and Energy Minimum Standards Act 2012*

This section is prepared in accordance with section 175 of the *Greenhouse and Energy Minimum Standards Act 2012* (GEMS Act). It covers the operation of the GEMS Act from 1 July 2018 to 30 June 2019.

The GEMS Act supports the development and adoption of appliances and equipment that use less energy and result in fewer greenhouse gas emissions than competing products. The GEMS Act commenced on 1 October 2012. It replaced seven overlapping pieces of state and territory legislation and four state regulators with one national regulator, simplifying the system for manufacturers and importers of regulated appliances and equipment.

Operation

Equipment Energy Efficiency program

The Department administers the GEMS Act through the Equipment Energy Efficiency (E3) program and the GEMS Regulator. The E3 program promotes greater energy efficiency for regulated products by enabling consumers to make informed choices to improve energy efficiency and reduce greenhouse gas emissions. The main policy tools the program uses are mandatory Minimum Energy Performance Standards and Energy Rating Labels for appliances and equipment.

Determinations

At 30 June 2019, a total of 22 determinations were in effect under the GEMS Act. The determinations are legislative instruments that specify GEMS requirements, including requirements for Minimum Energy Performance Standards and Energy Rating Labels for products regulated under the GEMS Act.

Governance

The Department and the GEMS Regulator work cooperatively with state and territory agencies to administer the GEMS Act and develop the E3 program under an intergovernmental agreement. Australia also collaborates on energy efficiency standards with New Zealand through a policy framework and funding arrangement for the E3 program, ensuring the greatest net benefit for both countries.

The E3 program is overseen by the Energy Efficiency Advisory Team, which reports to the Council of Australian Governments Energy Council. The advisory team comprises representatives from Commonwealth, state and territory government agencies and from the New Zealand Government.

Service delivery

In 2018–19, the GEMS Regulator approved 5114 applications and responded to 851 enquiries. Registration applications were approved in 1.23 days, on average. One exemption request was granted in 2018–19.

Revenue

In 2018–19, revenue from registration fees was \$2,307,710. The registration fees are currently under review.

Achievements

During 2018–19 the COAG Energy Council approved new regulations under the GEMS Act for air conditioners and swimming pool pumps.

The Department surveyed stakeholders in 2018–19 to gauge the overall level of satisfaction with the GEMS product registration and compliance process. Of all respondents, 83 per cent were satisfied with the registration service. In addition, 92 per cent agreed registrations were processed in a timely manner and 90 per cent indicated that enquiries were handled in a professional manner. The results show continued high levels of satisfaction over the four years the survey has been undertaken.

During 2018–19, the Allens Hub completed an independent review of the GEMS Act, as required by the legislation. The review found that the GEMS Act is successful in achieving its purpose of a streamlined, nationally consistent approach to appliance energy efficiency. It also found that, for the GEMS Act to deliver additional benefits, it will need to adapt to changing market conditions and requirements. The Government will respond to the review in 2019–20.

GEMS compliance

The GEMS Regulator is responsible for monitoring and enforcing compliance with the GEMS Act. It does this through an intelligence-led, risk-based program that:

- › engages with, and educates, the regulated community
- › monitors compliance through:
 - check testing
 - GEMS inspector market surveillance
 - receiving allegations of suspected non-compliance
- › assesses and investigates non-compliance
- › responds to non-compliance.

During 2018–19, the GEMS Regulator completed check tests of 77 models of 14 GEMS products. Of these models, 64 met GEMS requirements and 13 did not. Of those failing to meet GEMS requirements, the GEMS Regulator:

- › cancelled the registration of seven models
- › referred two models to another regulator
- › remedied the non-compliance and took alternative enforcement action for three models
- › accepted an enforceable undertaking where the other party agreed to take specific remedial actions.

GEMS inspector market surveillance activities revealed:

- › consistently very high (approximately 97 per cent) registration compliance for a range of household GEMS products
- › an overall improvement in labelling compliance compared with 2017–18. Compliance is now at approximately 93 per cent, with the poorest rates of compliance in television and computer monitor labelling.

The GEMS Regulator regularly receives allegations of non-compliance from consumers, industry, and other government departments which are assessed, and if appropriate, investigated. Most of the allegations relate to registration and labelling compliance. As a result of an investigation of one of these allegations, GEMS inspectors gave four infringement notices for the alleged supply of unregistered models of GEMS products. Enquiries are continuing with respect to the other allegations received throughout 2018–19.

Communication

The GEMS Regulator assists responsible parties to comply with the GEMS Act. To achieve this, the GEMS Regulator:

- › informs stakeholders about the E3 program and the operation of the GEMS Act
- › informs stakeholders about registration requirements under the GEMS Act, including through the www.energyrating.gov.au
- › responds to queries through emails to energyrating@environment.gov.au
- › coordinates national marketing and communication projects to support new energy efficiency programs and improve existing ones
- › consults with industry and other interested parties on developing and implementing energy labelling and associated programs
- › monitors and reports on program performance, achievements and enforcement.

Appendix 8: Operation of the *Hazardous Waste (Regulation of Exports and Imports) Act 1989*

Section 61 of the *Hazardous Waste (Regulation of Exports and Imports) Act 1989* requires the Minister to prepare a report on the operation of the Act for each financial year. This section meets the reporting requirements for 2018–19.

The Department submitted an annual report on Australia's implementation of the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal* (Basel Convention) to the convention's secretariat during 2018–19. The annual report for 2017 is on the Basel Convention website.

www.basel.int/Countries/NationalReporting/BaselConventionNationalReports/tabid/4250/Default.aspx

Operation

The Act requires the import, export or transit of hazardous waste to be approved by the Minister or their delegate through a permitting system.

In 2018–19, the Minister or their delegate granted 26 permits. All notices relating to permit applications and decisions are published on the Department's website.

www.environment.gov.au/protection/hazardous-waste/application-and-permit-notice

Compliance and enforcement

The Department works with Australian Border Force to prevent illegal exports of hazardous waste.

In 2018–19, the Department received no referrals from the Australian Border Force or other federal, state or territory agency.

In 2018–19, the Office of Compliance continued to develop strategic intelligence products in relation to hazardous waste to improve the Department's understanding of the nature and extent of hazardous waste exports.

Administrative Appeals Tribunal

No applications for a review of a decision were made to the Administrative Appeals Tribunal in 2018–19.

Financial information

In 2018–19, the Department collected \$592,889 (GST exclusive) in permit application fees under the *Hazardous Waste (Regulation of Exports and Imports) (Fees) Regulations 1990*.

Committee

Section 58E of the Act establishes the Hazardous Waste Technical Group. The Minister must consult this group on any proposed new regulations about the definition of hazardous waste and on evidentiary certificates issued under the Act. The Minister did not consult the technical group in 2018–19, as no relevant new regulations were proposed and no evidentiary certificates were issued over this period.

Appendix 9: Operation of the *Natural Heritage Trust of Australia Act 1997*

Section 43 of the *Natural Heritage Trust of Australia Act 1997* requires the Minister to prepare an annual report on the operation of the Natural Heritage Trust of Australia Account. This section meets this reporting requirement for 2018–19, with the exception of financial information. The Act requires the annual report to include financial statements relating to operations of the account and the Auditor-General's report on the financial statements. See Part 4, Financial Statements, pages 133–207.

The Act established the Natural Heritage Trust of Australia Account to conserve, repair and replenish Australia's natural resources. The account is administered by the Natural Heritage Ministerial Board. The board comprises the ministers responsible for environment and agriculture matters.

Activities carried out under the Act are integral to achieving the Department's purpose to conserve, protect and sustainably manage Australia's biodiversity and heritage. Additionally, these activities support and contribute to sustainable agriculture outcomes across our productive landscapes. Some of these activities are reported in Part 2, Annual Performance Statements, 'Investing in our environment and heritage', pages 24–56.

Operation

National Landcare Program

The Natural Heritage Trust is the principal funding stream supporting the Government's National Landcare Program.

The National Landcare Program is a key part of the Australian Government's commitment to protect and conserve Australia's water, soil, plants, animals and ecosystems, and to support the productive and sustainable use of these valuable resources.

The Australian Government is investing around \$1 billion in the second phase of the National Landcare Program, which is being delivered from July 2017 to June 2023. This second phase of investment continues the Government's commitment to natural resource management, sustainable land management and environmental protection. The investment helps Landcare, Indigenous and community groups continue their valuable work of delivering on-ground biodiversity and sustainable agriculture outcomes that benefit our communities and the environment.

Under the \$450 million Regional Land Partnerships, the Government has adopted a procurement process to deliver regional investment across 54 management units, as this was the best way to increase efficiencies and shift towards more strategic investments. An open, competitive tender process has enabled the Government to identify service providers that represent the best value for money, provide greater clarity on the services to be delivered, and ensure outcomes are measurable.

The second phase of the National Landcare Program also supports the following programs:

- › Smart Farms: \$134 million to support the development and uptake of best practice management, tools and technologies that help farmers, fishers, foresters and regional communities improve the protection, resilience and productive capacity of our soils, water and vegetation, and in turn support successful primary industries and regional communities.
- › Environment small grants: grants of up to \$50,000 to community, Landcare, environment and other groups and individuals to deliver natural resource management activities that improve the quality of the local environment.
- › Continuing to deliver the Reef 2050 Plan: additional funding towards meeting the Government's commitment to the Reef 2050 Long-Term Sustainability Plan.
- › Caring for our World Heritage places: funding to help with the management of our treasured World Heritage sites, with a particular focus on addressing critical threats such as feral animals and weeds, and changed fire regimes.
- › Support for Indigenous Protected Areas: \$15 million for new Indigenous Protected Areas, in addition to an investment of \$93 million for the ongoing support of existing Indigenous Protected Areas.
- › Support for efforts to eradicate red imported fire ants: funding as part of the Australian Government's contribution to the red imported fire ants eradication program for south-east Queensland.
- › Centre for Invasive Species Solutions: support for the Invasive Animals Cooperative Research Centre's transition into the new Centre for Invasive Species Solutions.

Further information is available on the National Landcare Program's website.

www.nrm.gov.au

Appendix 10: Operation of the Ozone Protection and Synthetic Greenhouse Gas Management Act 1989

Section 68 of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* requires the Minister to prepare an annual report on the operation of the Act. This section meets this reporting requirement for 2018–19.

Operation

To enable Australia to meet its international obligations, the Act provides for a licensing system for import, export and manufacture of ozone-depleting substances and synthetic greenhouse gases and equipment containing such substances and gases. The Act prohibits the import or manufacture of certain products (listed in Schedule 4 of the Act) that contain or use scheduled substances unless the Minister grants an exemption. The Act establishes the Ozone Protection and *Synthetic Greenhouse Gas Management Regulations 1995* to control the end uses of ozone-depleting substances and synthetic greenhouse gases in the refrigeration, air conditioning and fire protection industries. Industry-based permit schemes regulate the handling and use of these substances.

Significant developments during 2018–19

Hydrofluorocarbon phase-down

On 1 January 2018, Australia started its phase-down of hydrofluorocarbon (HFC) imports, implemented via the *Ozone Protection and Synthetic Greenhouse Gas Management Amendment Act 2017*. The phase-down is one of the Australian Government's measures to meet Australia's 2030 greenhouse gas emission targets and Australia's obligations under the Montreal Protocol.

Imports in the first year of the phase-down were within the limits set down in the legislation.

Streamlined administration of the domestic use of scheduled substances

The 2014–2016 review of the Ozone Protection and Synthetic Greenhouse Gas Program found that the co-regulatory approach to delivering the end-use industry permit schemes contributed to significant emissions reductions. A number of measures will enhance and streamline the delivery approach and reduce the regulatory burden on businesses and individuals within the permit schemes. From January 2018, permit durations were extended from two to three years and a streamlined renewal process was introduced.

A request for tender was released to market in March 2018, seeking submissions from interested organisations to implement the end-use permit schemes from the expiry of current contractual arrangements in October 2018. The approach to market resulted in new contractual arrangements for an initial period of five years to administer the permit schemes in the refrigeration, air conditioning and fire protection industries—the main users of ozone depleting substances and synthetic greenhouse gases in Australia.

Further detail is on our website.

www.environment.gov.au/protection/ozone/legislation

Import, export and manufacture licences

The Minister or the Minister's delegate may issue four types of licences. Descriptions of these licence types are on our website.

www.environment.gov.au/protection/ozone/licences

At 26 June 2019, there were 741 licences active:

- › 42 controlled substances licences
- › 692 ozone-depleting substances and synthetic greenhouse gas equipment licences
- › four used substances licences
- › three essential use licences.

In 2018, Australia imported 2.498 ozone-depleting potential (ODP) tonnes of bulk hydrochlorofluorocarbons (HCFCs), which is significantly less than the quantity permitted under the Montreal Protocol (55 ODP tonnes). A further 0.02 ODP tonnes of HCFCs were imported in refrigeration and air conditioning equipment and are accounted for in the country where the equipment was manufactured.

In 2018, Australia imported 471.58 ODP tonnes of methyl bromide, of which 17.84 ODP tonnes were imported for controlled uses (which is equal to our Montreal Protocol limit permitted as a critical use exemption).

In 2018, Australia imported:

- › 7906 carbon dioxide equivalent (CO₂-e) kilotonnes of bulk hydrofluorocarbons
- › 3.56 CO₂-e kilotonnes of bulk perfluorocarbons
- › 54.9 CO₂-e kilotonnes of bulk sulfur hexafluoride.

Australia imported a further 6228 CO₂-e kilotonnes of hydrofluorocarbons, 222 CO₂-e kilotonnes of sulfur hexafluoride and 0.05 CO₂-e kilotonnes of perfluorocarbons contained in equipment.

End-use regulations

The *Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995* regulate the handling and use of ozone-depleting substances and synthetic greenhouse gases in the refrigeration, air conditioning and fire protection industries and the uses of methyl bromide as a feedstock and as a fumigant for approved critical uses and quarantine and pre-shipment uses.

Two competency-based industry permit schemes control the domestic end-use acquisition, storage, disposal, handling and trading of substances scheduled under the Act. On behalf of the Australian Government, the Australian Refrigeration Council administers the Refrigeration and Air-conditioning Industry Permit Scheme. The Fire Protection Association Australia administers the Fire Protection Industry Permit Scheme.

Further information on the schemes is available on their websites.

www.arctick.org

www.fpiib.com.au

At 30 June 2019, there were 98,164 active industry permits, consisting of:

- › fire protection: 124 extinguishing agent trading authorisations, 1333 extinguishing agent handling licences and 42 halon special permits under the scheme
- › refrigeration and air conditioning: 20,135 refrigerant trading authorisations and 76,530 refrigerant handling licences.

Compliance and enforcement

The Department conducts compliance and enforcement activities under the Act relating to the manufacture, import, export and end use of ozone-depleting substances and synthetic greenhouse gases. The Department works with the Australian Border Force to monitor imports to ensure compliance with the Act. It also works with the Australian Refrigeration Council and the Fire Protection Association Australia to ensure compliance among permit holders who work with these substances.

In 2018–19, the Department received 110 allegations of non-compliance. All allegations were assessed in accordance with the Department’s Compliance Policy to determine the most appropriate response. Responses this year included educational engagement, site inspections and regulatory notices.

In 2018–19, the Department issued three infringement notices. Two infringement notices were issued to two entities who imported equipment containing scheduled substances without a licence. A third infringement notice was issued to a domestic permit holder who discharged a scheduled substance while carrying out work on air conditioning equipment. All infringement notices have been paid.

The Department has disrupted non-compliant behavior in relation to imports of bulk HFCs and possession of bulk HFCs without the relevant permits. In 2018–19, the Department seized three containers of bulk HFCs or approximately three tonnes of scheduled substance.

Table A10.1: Compliance activities under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, 2018–19

| Compliance activities | Total |
|--|-------|
| Allegations of potential non-compliance referred to the Department | 110 |
| Inspection of regulated premises | 19 |
| Investigations (import and domestic end use) | 30 |
| Compliance achieved (site visits, phone calls, other) | 32 |
| Other outcomes (targeted border controls, refusal of permits, no longer operating) | N/A |

Financial information

The Act provides for the collection of licence application fees at the levels set under the Regulations and import and manufacturing levies set under the *Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Act 1995* and the *Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Act 1995*.

Revenue received during 2018–19 from operation of the National Halon Bank and licence fees and levies is shown in Table A10.2.

Table A10.2: Ozone Protection and Synthetic Greenhouse Gas Special Account revenue, 2018–19

| Activity | Amount in 2018–19 (\$) |
|--|------------------------|
| Levies | 1,314,327 |
| Licence fees | 580,999 |
| National Halon Bank sales and services | 687,384 |
| Refrigeration fees ^a | 10,823,650 |
| Penalties ^b | 17,083 |
| Fire protection fees ^c | 335,926 |
| Total | 13,759,369 |

a The Australian Refrigeration Council administers the Refrigeration and Air-conditioning Industry Permit Scheme and collects permit application fees on behalf of the Department.

b Penalties shown are penalty interest charged when levies are overdue, at a rate of 30 per cent per annum, calculated daily. This penalty was removed as part of changes to the *Ozone Protection and Synthetic Greenhouse Gas Act 1989* on 1 January 2018.

c The Fire Protection Association Australia administers the Fire Protection Industry Permit Scheme and collects permit application fees on behalf of the Department.

In 2018–19, the Department paid the Australian Refrigeration Council \$4,669,461 (GST exclusive) for administering the Refrigeration and Air-conditioning Industry Permit Scheme. The Department paid the Fire Protection Association Australia \$634,978 (GST exclusive) for administering the Fire Protection Industry Permit Scheme.

Appendix 11: Operation of the *Product Stewardship Act 2011*

Section 107 of the *Product Stewardship Act 2011* requires the Minister to provide an annual report on the operation of the Act. This section meets this reporting requirement for 2018–19.

Operation

The Act provides for three levels of product stewardship: voluntary, co-regulatory and mandatory.

Voluntary product stewardship

Part 2 of the Act provides for voluntary product stewardship. Under the Act, organisations can seek accreditation from the Government for product stewardship arrangements and request permission to use product stewardship logos.

An accreditation round was opened 26 March 2018, allowing voluntary product stewardship arrangements to apply to become accredited. Applications closed on 31 August 2018. As part of this process, MobileMuster, an existing accredited arrangement administered by the Australian Mobile Telecommunications Association, applied to be reaccredited for a further five years. MobileMuster's application was approved on 14 May 2019.

On 27 June 2019, the accreditation of FluoroCycle, an arrangement administered by the Lighting Council of Australia, expired.

www.environment.gov.au/protection/national-waste-policy/product-stewardship/voluntary-product-stewardship

Co-regulatory product stewardship

Part 3 of the Act provides for co-regulatory product stewardship. The National Television and Computer Recycling Scheme, set up by the *Product Stewardship (Televisions and Computers) Regulations 2011*, is the only co-regulatory scheme under the Act. The scheme sets industry-funded annual recycling targets for end-of-life televisions and computer products. Importers and manufacturers of these products fund collection and recycling through membership fees paid through industry-run co-regulatory arrangements. The approved co-regulatory arrangements are administered by the Australia and New Zealand Recycling Platform Limited, E-Cycle Solutions Pty Ltd, Electronics Product Stewardship Australasia Pty Ltd and MRI PSO Pty Ltd.

The administrators must ensure that the arrangements achieve the outcomes specified in the Act and the Regulations. These outcomes include providing electronic waste (e-waste) collection services to communities in metropolitan, regional and remote areas of Australia; meeting annual recycling targets; and ensuring that at least 90 per cent of the materials derived from recycling e-waste are made available to be reused in manufacturing new products.

Under section 27 of the Act, approved co-regulatory arrangements are required to undergo a statutory review every five years. The reviews were initiated in September 2017 and completed in November 2018.

Regulatory (mandatory) product stewardship

Part 4 of the Act provides for mandatory product stewardship, where both requirements and outcomes are prescribed in regulations. No schemes have been established under these provisions of the Act.

Annual product list

Section 108A of the Act requires the Minister to publish a list of classes of products for consideration for accreditation or regulation in the following year. No further products were added to the 2017–18 list in 2018–19.

Publication of this annual product list gives the community and business certainty about products considered for coverage by the Act and provides the opportunity for them to contribute to analysis and development of options. The list of product classes under consideration include plastic microbeads, electrical and electronic products, photovoltaic systems, batteries and plastic oil bottles.

www.environment.gov.au/protection/waste-resource-recovery/product-stewardship/legislation/product-list-2017-18

On 7 December 2018, environment ministers agreed to advance the development of new product stewardship schemes to ensure that end-of-life batteries and photovoltaic solar panels are safely managed. Development of these schemes will continue in 2019–20, and it has not yet been decided if these schemes will require regulation under the *Product Stewardship Act 2011*.

In addition, the Department developed a process for the prioritisation of products. The process was agreed to by environment ministers in December 2018.

Legislative amendments

Review of the Product Stewardship Act 2011

The *Product Stewardship Act 2011* is required to be reviewed every five years following commencement. The review began in 2017 and included a review of the *Product Stewardship (Televisions and Computers) Regulations 2011*.

The Department undertook public consultation to seek input from the public, community groups, industry and governments to ensure the ongoing effectiveness of the legislation and the delivery of best-practice outcomes. The Department received over 250 written submissions in response to a discussion paper issued in March 2018. A final report on the outcomes of the review is expected to be completed in the second half of 2019.

www.environment.gov.au/protection/waste-resource-recovery/product-stewardship/consultation-review-ps-act-incl-ntcrs

Appendix 12: Operation of the *Product Stewardship (Oil) Act 2000*

Section 35 of the *Product Stewardship (Oil) Act 2000* requires the Minister to prepare an annual report about the operation of the product stewardship arrangements for oil (including the Act). This section meets this reporting requirement for 2018–19.

Operation

The program provides economic incentives for the environmentally sustainable management, re-refining and re-use of used oil. A levy on oil sales helps fund the cost of recycling used oil. The Department has policy responsibility for the program, but it is administered by the Australian Taxation Office. The Treasurer sets the levy rate under the *Excise Tariff Act 1921* and the *Customs Tariff Act 1995*.

On 1 July 2014, the Treasurer increased the product stewardship oil levy to 8.5 cents per litre of lubricant or equivalent oil. The levy applies to both domestically produced and imported oil. The levy is collected as an excise by the Australian Taxation Office and as customs duty by the Department of Home Affairs. Exported oil is not levied.

Data on the outlays and collections of the Product Stewardship for Oil (PSO) Program is not available at the time of preparing this report, because the data is sourced from external data holdings and also independently verified by the Australian National Audit Office. This data will be made available in the second half of 2019 at:

environment.gov.au/protection/used-oil-recycling/product-stewardship-oil-program

Legislative amendments

Review of the Product Stewardship (Oil) Act 2000

The *Product Stewardship (Oil) Act 2000* is independently reviewed every four years. In June 2017, the Attorney-General agreed to undertake a thematic review of all associated legislation as part of the Fourth Independent Review. The legislative instruments under the *Product Stewardship (Oil) Act 2000* are due to sunset on 1 October 2021.

Appendix 13: Operation of the *Water Act 2007*

The *Water Act 2007* (the Act) requires annual reports on the operation of specific parts of the Act. Section 114 of the Act requires the Commonwealth Environmental Water Holder to provide an annual report to the Minister on its operations during that year. This section meets this reporting requirement for 2018–19.

Operation

Performance against Basin annual environmental watering priorities

The Department is responsible for administering Part 6 of the Act, which establishes the Commonwealth Environmental Water Holder.

Under section 114(2)(a) of the Act, the Commonwealth Environmental Water Holder must provide particulars of achievements against the objectives of the environmental watering plan. This requirement is met through reporting on volumes and key outcomes of Commonwealth environmental water achieved against the Basin annual environmental watering priorities (outlined in Table A13.1). The total volume of Commonwealth environmental water delivered against the Basin annual environmental watering priorities in 2018–19 was 853 GL.

Wherever possible, Commonwealth environmental water holdings are used to achieve multiple outcomes through contributing water to many environmental assets during each watering action. Because of this, the volume of Commonwealth environmental water delivered against the Basin annual environmental watering priorities appears greater in Table A13.1 than the total volume of 853 GL that was released from water storages or allocated by state authorities.

Table A13.1: Decisions made by the Commonwealth Environmental Water Holder on the use of Commonwealth environmental water, 2018–19

| Basin annual environmental watering priorities | Decisions on and use of Commonwealth environmental water |
|---|---|
| Support Basin-scale population recovery of native fish by reinstating flows that promote key ecological processes across local, regional and system scales for the southern connected Basin | <p>During the 2018–19 watering year, Commonwealth environmental water was delivered across the southern connected Basin to contribute towards reinstating natural river flows that have been affected by river regulation.</p> <p>Commonwealth environmental water was delivered through Victorian rivers to benefit native fish populations by supporting fish movement, improve habitat condition, and promote biological processes that provide increased food resources. Environmental flows occurred within the Goulburn River (174 GL), Campaspe River (4 GL), Loddon River (3 GL), Lower Broken Creek (34 GL) and Gunbower Creek (19 GL) systems.</p> <p>In 2018–19, 63 GL of Commonwealth environmental water was released from Hume Dam in collaboration with state environmental water holders, contributing to a Murray River watering event that resulted in approximately 134 GL of water delivered throughout the length of the Murray River.</p> |

| Basin annual environmental watering priorities | Decisions on and use of Commonwealth environmental water |
|--|---|
| | <p>Commonwealth environmental water that flowed from the Goulburn and Campaspe rivers and Lower Broken Creek (221 GL), combined with the Murray River environmental flows, flowed into the Lower Lakes and enabled continuous barrage flow into the Coorong estuary. Environmental flows across the barrages supported the migration of native fish species, including congolli and two species of lamprey. Lamprey are a migratory native fish species that relies on flow cues to travel large distances from the Southern Ocean upstream through the Murray River to complete its lifecycle in fresh water.</p> <p>Continuous barrage flows also improved water salinity in the Coorong north lagoon that supported the survival and growth of black bream that spawned in response to environmental water provided during in 2017–18. The 2017–18 fish spawning event was the first large-scale breeding event of black bream in the Coorong since the Millennium Drought.</p> |
| <p>Coordinate replenishment flows across multiple tributaries to maintain habitat condition and regulate water quality, carbon and nutrients in refuges along the Barwon–Darling watercourse</p> | <p>Most of the northern Basin experienced below average to well below average rainfall for much of 2018–19, resulting in very low to no flows across all systems. Very dry conditions have persisted across the northern Basin over the last two years, with low rainfall and record high temperatures. Natural flows have been small and isolated in the Barwon River, with some waterholes at their lowest level in 50 years, drying back to waterholes with poor water quality, putting native fish at risk.</p> <p>In April 2019, 4 GL of Commonwealth environmental water was used in the Gwydir system to replenish water flow in the Mehi River to maintain habitat condition and regulate water quality, carbon and nutrients in refuges along the Mehi.</p> <p>In April–May 2019, the Commonwealth Environmental Water Holder collaborated with New South Wales environmental water managers to deliver the Northern Fish Flow. This event released a total of 36 GL (18 GL of Commonwealth environmental water) from Glenlyon Dam (Border Rivers system) and Copeton Dam (Gwydir River system) to support native fish by connecting the tributaries of the Barwon–Darling water course to replenish instream habitats.</p> <p>The Commonwealth Environmental Water Office worked closely with the New South Wales Department of Primary Industries Fisheries to monitor native fish response to the river flows. It also worked with the New South Wales Department of Planning, Industry and Environment, the Natural Resources Access Regulator and the Murray–Darling Basin Authority to ensure the protection of the environmental water.</p> <p>During April and May 2019, 7.7 GL of Commonwealth environmental water was delivered to replenish refuge waterholes in the Warrego River, to water waterbird habitat in the Cuttaburra Basin and Yantabulla Swamp, to support vegetation on the Western Floodplain at Toorale, and to provide opportunities for improved river productivity for native fish growth and survival. In May 2019, 8.1 GL of the Commonwealth’s Warrego entitlements at Toorale were also triggered, with flows moving into the downstream Darling River system and approximately 3.3 GL flowing past Wilcannia.</p> <p>Commonwealth and New South Wales environmental water delivered to the Macquarie River and Marshes in the Winter/Spring period of 2018 resulted in approximately 2.7 GL of flow entering the Barwon River. This environmental flow continued to Brewarrina through until late December, breaking a three-month cease-to-flow. The environmental flow helped to reconnect and top up approximately 175 pools along the river between the Macquarie River junction and the Brewarrina Weir. This small flow was important for relieving cease-to-flow conditions, improving water quality in pools, and providing refuge for native fish.</p> |

| Basin annual environmental watering priorities | Decisions on and use of Commonwealth environmental water |
|--|--|
| Support viable populations of threatened native fish and maximise opportunities for range expansion and the establishment of new populations | <p data-bbox="458 268 1193 424">In spring 2018 in the Namoi River, 5.5 GL of Commonwealth environmental water was delivered downstream of Wee Waa to refresh disconnected waterholes and support the survival of native fish, including critically endangered silver perch and threatened Murray cod. The flow event improved the persistence of pools and refuge habitat, helping to maintain fish populations and create opportunity for silver perch movement.</p> <p data-bbox="458 434 1201 674">In autumn 2019 in the Border Rivers catchment, 7.4 GL of Commonwealth environmental water was delivered from Glenlyon Dam to the Dumaresq and Macintyre Rivers as part of the Northern Fish Flow. The flows replenished disconnected waterholes and inundated significant habitat for the threatened native Murray cod and freshwater catfish. The Northern Fish Flow also provided benefits for aquatic vegetation in the Dumaresq/Macintyre, particularly important for small-bodied threatened native fish species like olive perchlet and purple-spotted gudgeon. The Northern Fish Flow resulted in large abundances of shrimps that provided a significant food source for native fish species.</p> <p data-bbox="458 683 1188 950">In the Edward–Wakool system, over 14 GL of Commonwealth environmental water was delivered in the Colligen–Neimur Creek, over 16 GL in the Yallakool Creek system, 3 GL in Tuppal Creek and 2 GL to Pollack Swamp to support native fish outcomes. Monitoring conducted under the Commonwealth Environmental Water Office’s long-term intervention monitoring project detected the EPBC-listed trout cod in Yallakool Creek downstream of Stevens Weir during Commonwealth environmental water flows in May 2019. This was an important finding, indicating an improvement to the species distribution. River blackfish were also detected in Yallakool Creek for the first time since the monitoring of environmental flows commenced in 2010.</p> <p data-bbox="458 959 1197 1035">During autumn 2019, a total of 670 ML of Commonwealth environmental water was delivered in combination with 430 ML of New South Wales environmental water in the Macquarie catchment to maintain two key refuge sites for native fish.</p> <p data-bbox="458 1045 1180 1207">In the Murrumbidgee catchment, 40.5 GL of Commonwealth environmental water, in conjunction with approximately 69.3 GL of New South Wales environmental water, was delivered into Yanga National Park to support the spawning and growth of five native fish species in the Yanga floodplain system, including golden perch, Murray cod, Australian smelt, flathead gudgeon and carp gudgeon.</p> <p data-bbox="458 1216 1193 1456">A total of 145 ML of Commonwealth environmental water was delivered across three sites in South Australia to support populations of threatened Murray hardyhead fish. In 2018–19, 800 Murray hardyhead from one of these sites were used as the source population for fish being relocated to New South Wales—the first time they have been in the state in over a decade. To complement the translocation, Commonwealth environmental water was supplied to the new site on Wingillie Station to create conditions beneficial to Murray hardyhead growth and reproduction. Follow up sampling months later found more fish than were translocated, indicating successful breeding had occurred at the new site.</p> <p data-bbox="458 1466 1163 1599">In response to very low dissolved oxygen concentrations in the lower Murrumbidgee River in January and February 2019, 3.3 GL of Commonwealth environmental water, in conjunction with 8.2 GL of New South Wales environmental water and 16.1 GL of The Living Murray water, was delivered to mitigate poor water quality conditions and prevent major native fish deaths.</p> |

| Basin annual environmental watering priorities | Decisions on and use of Commonwealth environmental water |
|--|---|
| Provide flows to improve habitat and support water bird breeding | <p>In 2018–19, over 51 GL of Commonwealth environmental water was delivered, with over 75 GL of New South Wales environmental water, into the Macquarie Marshes, inundating approximately 7.5% of the northern, southern and eastern Marshes. A total of 42 species of waterbirds were recorded by New South Wales Office of Environment and Heritage in spring 2018, including the endangered Australasian bittern, sharp-tailed sandpiper and Latham's snipe, which are listed on international migratory bird agreements. Other migratory bird species supported by the environmental watering included black-winged stilts, glossy ibis and brolgas. Delivering environmental water to the Macquarie Marshes in winter–spring 2018 was particularly important given the prolonged dry conditions across eastern Australia.</p> <p>In April and May 2019, 7.7 GL of instream Commonwealth environmental water provided habitat for waterbird species in the Warrego catchment. A significant proportion of the flows reached the Cuttaburra Channels and nationally significant Yantabulla Swamp, which supports a high diversity of waterbirds.</p> <p>Between March and May 2019, over 110 GL of Commonwealth environmental water was delivered to South Australia to support releases of fresh water to the Coorong while lowering the water levels in the Lower Lakes. This lowering provided extensive foraging habitat for waterbirds, including migratory waders such as red-necked stints, curlew sandpipers and the rare white-rumped sandpiper.</p> <p>Also, 40.5 GL of Commonwealth environmental water, in conjunction with approximately 69.3 GL of New South Wales water, was delivered into Yanga National Park in the Murrumbidgee catchment to support a diverse assemblage of waterbird species. Waterbird surveys observed the vulnerable-listed freckled duck and magpie goose; and migratory species Caspian tern, marsh sandpiper, red-necked stint and sharp-tailed sandpiper. In response to this watering a number of waterbirds, including the endangered Australasian bittern, Australian little bittern, darters, cormorants, white ibis and eastern great egrets, were also observed nesting. This was the only wetland with nesting egrets detected in New South Wales during 2018–19.</p> <p>Watering of the North Redbank system (6 GL of Commonwealth environmental water and 21 GL of New South Wales environmental water) supported habitat for important species, including endangered Australasian bitterns and Australian little bitterns.</p> <p>Delivery of 2.3 GL of Commonwealth environmental water and approximately 2 GL of New South Wales environmental water in the Gayini Nimmie–Caira area supported habitat for a migratory species, including the sharp-tailed sandpiper.</p> <p>Delivery of 1.4 GL of Commonwealth environmental water to Ramsar-listed wetlands Fivebough and Tuckerbil Swamps supported habitat for important species, including the endangered Australasian bitterns and vulnerable brolgas.</p> |

| Basin annual environmental watering priorities | Decisions on and use of Commonwealth environmental water |
|---|--|
| Maintain and improve the condition and promote the recruitment of forests and woodlands | <p>In 2018–19, 46.5 GL of Commonwealth environmental water, in conjunction with over 90.3 GL of New South Wales environmental water, was delivered into the Redbank system (Yanga National Park and North Redbank) in the Lower Murrumbidgee. This water inundated large areas of river red gum forest and contributed to maintaining its ecological condition.</p> |
| Enable growth and maintain the condition of lignum shrublands | <p>Delivery of 2.3 GL of Commonwealth environmental water, in conjunction with approximately 2 GL of New South Wales environmental water, in the Gayini Nimmie–Caira area has inundated areas of lignum shrubland supporting its growth and maintaining its condition.</p> <p>Delivery of 30 GL of Commonwealth environmental water to the Gwydir Wetlands supported over 3000 ha of lignum shrublands throughout the wetland area.</p> <p>Over 51 GL of Commonwealth environmental water, along with over 75 GL of New South Wales environmental water, was delivered into the Macquarie Marshes. This water inundated approximately 7.5% of the Marshes, including areas of river red gum forest, helping to maintain the condition of river red gum and supporting recruitment.</p> <p>In South Australia, close to 9 GL of Commonwealth environmental water was delivered to 18 discrete wetlands to maintain lignum shrublands.</p> <p>In autumn 2019, Commonwealth environmental water, in conjunction with natural flows, inundated areas of the Toorale Western Floodplain at the Warrego–Darling junction that includes lignum, river red gum, river cooba, black box, coolabah and the threatened tiny teeth. Prior to the flows, the vegetation communities on the Western Floodplain were in the poorest condition they have been in since mid-2016.</p> |
| Improve the condition and extent of moira grass in Barmah–Millewa Forest | <p>Moira grass has suffered long-term declines in extent, largely due to changes to the wetting and drying patterns in the forest and disturbance by foraging and grazing by introduced animals.</p> <p>The 2018–19 watering year continued to trial a new method for water delivery in Barmah Forest, with regulators opened in early winter to allow more natural inflows. This watering improved the condition and extent of moira grass significantly, particularly within the feral horse and pig-proof exclusion fence constructed in April 2017. Moira grass was also recorded in areas where it had previously disappeared. Four additional feral horse exclusion zones in Barmah Forest are planned for 2019–20 to extend the area of healthy moira grass.</p> |
| Support opportunities for lateral connectivity between the river and adjacent low-lying floodplains and wetlands to reinstate natural nutrient and carbon cycling processes | <p>A spring pulse watering action in the Lachlan River provided water to the Great Cumbung Swamp at the end of the system. The Cumbung was also targeted in winter with a further 5.3 GL of Commonwealth environmental water, providing a further spreading of water into the already wetted up Cumbung wetland areas. These actions, along with New South Wales' Water Quality Allowance water over summer, provided a productivity boost to the system and helped improve the resilience of non-woody wetland vegetation such as the common reed and phragmites.</p> <p>In 2018–19, deliveries of over 126 GL of Commonwealth environmental water and New South Wales environmental water increased lateral connectivity between the Macquarie River and adjacent wetlands of the Macquarie Marshes, inundating over 7.5% of floodplain in the northern, southern and eastern Marshes to support nutrient and carbon cycling processes.</p> |

| Basin annual environmental watering priorities | Decisions on and use of Commonwealth environmental water |
|---|--|
| Improve connectivity between freshwater, estuarine and marine environments and improve habitat conditions in the Coorong by optimising and managing inflows through the Lower Lakes | <p>Approximately 550 GL of Commonwealth environmental water was delivered into the Lower Murray, Lower Lakes, Coorong and Murray Mouth in 2018–19. Environmental water has contributed to improved conditions and connectivity in the Lower Lakes and parts of the Coorong estuary. In 2019, approximately 360 GL of environmental water provided consistent flows between the Coorong, Lower Lakes and Murray Mouth, exporting excess salt and maintaining favourable estuarine conditions in the North Lagoon of the Coorong. Salinity levels in the South Lagoon also remained below maximum thresholds; however, recovery of <i>Ruppia tuberosa</i> (a keystone aquatic vegetation species at the site) has been limited since the Millennium Drought.</p> <p>In 2018–19, Commonwealth environmental water enabled continuous flows into the Coorong, with fishways remaining open at all times. During July and August 2018, flows moving through the river system from upstream watering events were used to provide larger releases through the barrages to support the movement of migratory fish species, including lamprey and congolli.</p> |

Note: 1 GL = 1,000 ML = 1 billion litres.

Trade

The *Water Act 2007* requires the Commonwealth Environmental Water Holder to manage environmental water for the purpose of protecting and restoring the environmental assets of the Murray–Darling Basin. Selling water to other users can only be considered if it does not detract from environmental outcomes. Section 106 of the *Water Act* outlines how the proceeds can be used based on the circumstances in which the sale is undertaken.

In September 2018, the Commonwealth Environmental Water Holder conducted a competitive tender process to sell water allocations in the Goulburn Valley of Victoria. The decision to sell was undertaken in accordance with section 106(3) of the *Act*, which requires the proceeds of the trade to be used to purchase water and/or invest in environmental activities that improve the capacity of the Commonwealth’s environmental water holdings to achieve the environmental objectives set out in the Basin Plan.

The tender for the sale was announced on 27 August 2018 and was open from 3 to 5 September 2018. As a result of the tender, the Commonwealth Environmental Water Holder approved 78 successful bids, resulting in the sale of 20,837 ML of water allocation, for a total return of \$6,043,618 for the Murray–Darling Basin environment, at a volume-weighted average price of \$290.04 per ML.

Management of the Environmental Water Holdings Special Account

The Environmental Water Holdings Special Account was established under the *Water Act* for the payment of costs, expenses and other obligations incurred in managing Commonwealth environmental water holdings.

At the start of 2018–19, the Special Account cash balance was \$39.151 million. Funding of \$33.292 million was credited to the Special Account in 2018–19. The proceeds from the sale of water allocations in the Goulburn Valley (detailed above) were retained in the Special Account and are available for use in accordance with the requirements of section 106(3) of the *Act*.

During 2018–19, \$17.938 million was spent on annual water entitlement fees and allocation delivery costs (including use fees and pumping). This accounted for approximately 77 per cent of total Special Account expenditure for the year. A further \$4.737 million was spent on monitoring and evaluation of the use of Commonwealth environmental water, representing 20 per cent of the Special Account expenditure. These monitoring and evaluation activities inform reporting on achievements against the objectives of the Basin Plan’s Environmental Watering Plan and help the Commonwealth Environmental Water Holder to adaptively manage the portfolio.

As at 30 June 2019, the Special Account cash balance was \$55.068 million. Of this, \$10.215 million is committed for long-term intervention monitoring and evaluation activities, and environmental watering actions. The uncommitted balance of \$44.852 million includes \$18.630 million in proceeds from the sale of water allocations, including the Goulburn Valley tender conducted in September 2018. The trade revenue has been set aside to be used in accordance with the requirements of section 106 of the Act. The remaining uncommitted funds will be used for the payment of costs, expenses and other obligations incurred in managing Commonwealth environmental water holdings.

The main categories of expenditure in 2018–19 are shown in Table A13.2.

Table A13.2: Environmental Water Holdings Special Account expenditure, 2018–19

| Category of expense | Total costs (\$ million) ^a |
|---|---------------------------------------|
| Fees and charges for entitlement holdings and allocation delivery ^b | 17.938 |
| Monitoring and evaluation activities | 4.737 |
| Development and maintenance of environmental registers and water accounting systems | 0.117 |
| Commonwealth environmental water delivery and planning projects, quality assurance activities and market analysis | 0.639 |
| Grants | 0.010 |
| Total^b | 23.441 |

a Figures may be ± \$0.001 million due to rounding.

b Fees and charges include \$14.408 million for annual water entitlement (fixed) fees; \$3.113 million for allocation (variable) fees and charges paid to state water authorities for the operation, maintenance and replacement of rural water infrastructure; and \$0.417 million for allocation pumping.

Directions given to the Commonwealth Environmental Water Holder

No directions were given to the Commonwealth Environmental Water Holder in 2018–19 by the Minister, the Assistant Minister or the Secretary of the Department.

Appendix 14: Compliance Index—List of PGPA Rule requirements

| PGPA Rule Reference | Description | Requirement | Page no. |
|---------------------|---|---------------------------------|----------|
| 17AD(g) | Letter of transmittal | | |
| 17AI | A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report | Mandatory | |
| 17AD(h) | Aids to access | | |
| 17AJ(a) | Table of contents | Mandatory | |
| 17AJ(b) | Alphabetical index | Mandatory | |
| 17AJ(c) | Glossary of abbreviations and acronyms | Mandatory | |
| 17AJ(d) | List of requirements | Mandatory | |
| 17AJ(e) | Details of contact officer | Mandatory | |
| 17AJ(f) | Entity's website address | Mandatory | |
| 17AJ(g) | Electronic address of report | Mandatory | |
| 17AD(a) | Review by accountable authority | | |
| 17AD(a) | A review by the accountable authority of the entity | Mandatory | |
| 17AD(b) | Overview of the entity | | |
| 17AE(1)(a)(i) | A description of the role and functions of the entity | Mandatory | |
| 17AE(1)(a)(ii) | A description of the organisational structure of the entity | Mandatory | |
| 17AE(1)(a)(iii) | A description of the outcomes and programmes administered by the entity | Mandatory | |
| 17AE(1)(a)(iv) | A description of the purposes of the entity as included in corporate plan | Mandatory | |
| 17AE(1)(aa)(i) | Name of the accountable authority or each member of the accountable authority | Mandatory | |
| 17AE(1)(aa)(ii) | Position title of the accountable authority or each member of the accountable authority | Mandatory | |
| 17AE(1)(aa)(iii) | Period as the accountable authority or member of the accountable authority within the reporting period | Mandatory | |
| 17AE(1)(b) | An outline of the structure of the portfolio of the entity | Portfolio departments—mandatory | |
| 17AE(2) | Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change | If applicable, mandatory | |

| PGPA Rule Reference | Description | Requirement | Page no. |
|---------------------|--|--------------------------|----------|
| 17AD(c) | Report on the performance of the entity | | |
| | Annual performance statements | | |
| 17AD(c)(i); 16F | Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule | Mandatory | |
| 17AD(c)(ii) | Report on financial performance | | |
| 17AF(1)(a) | A discussion and analysis of the entity's financial performance | Mandatory | |
| 17AF(1)(b) | A table summarising the total resources and total payments of the entity | Mandatory | |
| 17AF(2) | If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results | If applicable, mandatory | |
| 17AD(d) | Management and accountability | | |
| | Corporate governance | | |
| 17AG(2)(a) | Information on compliance with section 10 (fraud systems) | Mandatory | |
| 17AG(2)(b)(i) | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared | Mandatory | |
| 17AG(2)(b)(ii) | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place | Mandatory | |
| 17AG(2)(b)(iii) | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity | Mandatory | |
| 17AG(2)(c) | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance | Mandatory | |
| 17AG(2)(d)–(e) | A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance | If applicable, mandatory | |
| | External scrutiny | | |
| 17AG(3) | Information on the most significant developments in external scrutiny and the entity's response to the scrutiny | Mandatory | |
| 17AG(3)(a) | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity | If applicable, mandatory | |
| 17AG(3)(b) | Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman | If applicable, mandatory | |

| PGPA Rule Reference | Description | Requirement | Page no. |
|--------------------------------------|--|--------------------------|----------|
| 17AG(3)(c) | Information on any capability reviews on the entity that were released during the period | If applicable, mandatory | |
| Management of human resources | | | |
| 17AG(4)(a) | An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives | Mandatory | |
| 17AG(4)(aa) | Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location. | Mandatory | |
| 17AG(4)(b) | Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: › statistics on staffing classification level › statistics on full-time employees › statistics on part-time employees › statistics on gender › statistics on staff location › statistics on employees who identify as Indigenous. | Mandatory | |
| 17AG(4)(c) | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> | Mandatory | |
| 17AG(4)(c)(i) | Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c) | Mandatory | |
| 17AG(4)(c)(ii) | The salary ranges available for APS employees by classification level | Mandatory | |
| 17AG(4)(c)(iii) | A description of non-salary benefits provided to employees | Mandatory | |
| 17AG(4)(d)(i) | Information on the number of employees at each classification level who received performance pay | If applicable, mandatory | |
| 17AG(4)(d)(ii) | Information on aggregate amounts of performance pay at each classification level | If applicable, mandatory | |
| 17AG(4)(d)(iii) | Information on the average amount of performance payment, and range of such payments, at each classification level | If applicable, mandatory | |
| 17AG(4)(d)(iv) | Information on aggregate amount of performance payments | If applicable, mandatory | |
| Assets management | | | |
| 17AG(5) | An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities | If applicable, mandatory | |
| Purchasing | | | |
| 17AG(6) | An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> | Mandatory | |

| PGPA Rule Reference | Description | Requirement | Page no. |
|--|---|--------------------------|----------|
| Consultants | | | |
| 17AG(7)(a) | A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST) | Mandatory | |
| 17AG(7)(b) | A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million] In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]."</i> | Mandatory | |
| 17AG(7)(c) | A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged | Mandatory | |
| 17AG(7)(d) | A statement that <i>"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website"</i> | Mandatory | |
| Australian National Audit Office access clauses | | | |
| 17AG(8) | If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract | If applicable, mandatory | |
| Exempt contracts | | | |
| 17AG(9) | If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters | If applicable, mandatory | |
| Small business | | | |
| 17AG(10)(a) | A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i> | Mandatory | |
| 17AG(10)(b) | An outline of the ways in which the procurement practices of the entity support small and medium enterprises | Mandatory | |

| PGPA Rule Reference | Description | Requirement | Page no. |
|--|---|--------------------------|----------|
| 17AG(10)(c) | If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>“[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”</i> | If applicable, mandatory | |
| Financial statements | | | |
| 17AD(e) | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act | Mandatory | |
| Executive remuneration | | | |
| 17AD(da) | Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule | Mandatory | |
| 17AD(f) Other mandatory information | | | |
| 17AH(1)(a)(i) | If the entity conducted advertising campaigns, a statement that <i>“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i> | If applicable, mandatory | |
| 17AH(1)(a)(ii) | If the entity did not conduct advertising campaigns, a statement to that effect | If applicable, mandatory | |
| 17AH(1)(b) | A statement that <i>“Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website]”</i> | If applicable, mandatory | |
| 17AH(1)(c) | Outline of mechanisms of disability reporting, including reference to website for further information | Mandatory | |
| 17AH(1)(d) | Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found | Mandatory | |
| 17AH(1)(e) | Correction of material errors in previous annual report | If applicable, mandatory | |
| 17AH(2) | Information required by other legislation <ul style="list-style-type: none"> › work health and safety › ecologically sustainable development and environmental performance › advertising and marketing expenditure. | Mandatory | |

Appendix 15: Corrections to material errors in the 2017–18 Annual Report

The following are corrections to errors included in the Department's 2017–18 Annual Report:

- › Page 112, Table 3.1 included incorrect salary rates for some job classifications for 2017–18. The corrected salary rates for relevant job classifications are provided in the revised table below (Revised Table 3.1).
- › Page 114, in Table 3.3 it was incorrectly stated that the number of ongoing employees in the Australian Capital Territory is 1682. It should have said that the number of ongoing employees in the ACT is 1680 and that the number of ongoing employees overseas is 2.

Revised Table 3.1: Key to job classification symbols (2017–18)

| Symbol | Job classification | Incorrect Remuneration salary range per annum | Correct Remuneration salary range per annum |
|--------|--|---|---|
| EL 2 | Executive Level Band 2—includes Expeditioners, Expeditioner Antarctic Medical Practitioners, Head Office Antarctic Medical Practitioners, Principal Legal Officers, Principal Research Scientists, Senior Principal Research Scientists, Senior Research Scientists and Senior Public Affairs Officers | \$120,881–\$221,877 | \$123,298–\$226,315 |
| EL 1 | Executive Level Band 1—includes Expeditioners, Expeditioner Antarctic Medical Practitioners, Head Office Antarctic Medical Practitioners, Public Affairs Officers, Research Scientists and Senior Legal Officers | \$102,715–\$146,115 | \$104,769–\$149,037 |
| APS 6 | Australian Public Service Level 6—includes Expeditioners, Legal Officers, Public Affairs Officers and Research Scientists | \$78,511–\$93,017 | \$80,081–\$94,878 |
| APS 5 | Australian Public Service Level 5—includes Expeditioners, Public Affairs Officers and Legal Officers | \$69,756–\$80,144 | \$71,151–\$81,747 |
| APS 4 | Australian Public Service Level 4—includes Expeditioners, Legal Officers and Public Affairs Officers | \$63,942–\$75,092 | \$65,221–\$76,594 |
| APS 3 | Australian Public Service Level 3—includes Expeditioners, Graduates and Legal Officers | \$56,717–\$66,880 | \$57,851–\$68,218 |
| APS 2 | Australian Public Service Level 2—includes Expeditioners | \$52,847–\$59,564 | \$53,904–\$60,755 |
| APS 1 | Australian Public Service Level 1—includes cadet recruits and school leavers | \$43,471–\$49,917 | \$44,341–\$50,915 |

Source: Enterprise Agreement and SES Remuneration Framework.

Note: Table 3.1 does not include the Director of National Parks and the Australian Renewable Energy Agency (ARENA) Chief Executive Officer and Chief Financial Officer. These statutory appointees are reported separately in their respective annual reports.



Fish and coral in the World Heritage listed Great Barrier Reef, Queensland © Commonwealth of Australia (GBRMPA) and Department of the Environment and Energy



Navigation Aids

Glossary

| Term | Meaning |
|--|--|
| Activities | The PGPA Act defines activities as the actions and/or efforts performed by a Commonwealth entity or Commonwealth company to deliver government objectives and achieve desired results. |
| Australian Energy Market Commission | The national energy market rule maker and market development body. The AEMC makes rules under the National Electricity Law, the National Gas Law and the National Energy Retail Law. These rules impact on how companies can operate and participate in the competitive generation and retail sectors. The AEMC governs the economic regulation of electricity transmission and distribution network services and gas pipelines and advises the COAG Energy Council on strategic issues affecting energy markets. |
| Australian Energy Market Operator | The independent market and systems operator for the national energy markets. AEMO is responsible for operating Australia's gas and electricity markets and power systems. AEMO also provides critical planning, forecasting and power systems information, security advice, and services to its stakeholders. |
| Australian Energy Regulator | The national energy regulator. The AER's functions, mostly related to energy markets in eastern and southern Australia, include monitoring wholesale electricity and gas markets and regulating retail energy markets. The AER also supports the COAG Energy Council with regular briefings on energy market activity and by providing advice on energy market issues as they arise. |
| Biodiversity | The term biodiversity is a contraction of, and synonymous with, biological diversity. Biological diversity is defined in Article 2 of the <i>Convention on Biological Diversity</i> to mean 'the variability among living organisms from all sources including, <i>inter alia</i> , terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems'. A similar definition appears in the glossary to the Ramsar Convention on Wetlands. |
| Bioregion | <p>The term bioregion is a contraction of biogeographic region and is usually synonymous with that term. It is a geographic area characterised by a combination of physical and biological characteristics—for example, terrain, climate and ecological communities. The glossary of terms related to the <i>Convention on Biological Diversity</i> provides the following definition: 'a territory defined by a combination of biological, social, and geographic criteria, rather than geopolitical considerations; generally, a system of related, interconnected ecosystems'.</p> <p>Bioregions are a useful way to analyse patterns of biodiversity. The definition of a particular bioregion depends on the scale at which its characteristic features are measured.</p> |
| Biota | The plant and animal life of a region. |
| Bycatch | Accidental or incidental catch taken by fishers (non-target species). |
| Carbon credit | A tradeable unit corresponding to one metric tonne of carbon dioxide equivalent emissions. Participants in the Emissions Reduction Fund are issued with Australian carbon credit units. |

| Term | Meaning |
|---|--|
| Carbon dioxide equivalent (CO₂-e) | A measure that combines the global warming effect of the six greenhouse gases listed in Annex A of the Kyoto Protocol—carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF ₆)—into a single meaningful number. Specifically, CO ₂ -e represents the carbon dioxide emissions that would cause the same heating of the atmosphere as a particular mass of an Annex A greenhouse gas. For example, 1 tonne of methane is equivalent to the heating potency of 25 tonnes of carbon dioxide and 1 tonne of nitrous oxide is equivalent to the heating potency of 298 tonnes of carbon dioxide. |
| Commonwealth Heritage List | Comprises places that are owned or controlled by the Australian Government and have natural, Indigenous and/or historic heritage values under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> . This includes places connected to defence, communications, customs and other government activities that also reflect Australia's development as a nation. |
| Commonwealth protected area | A marine or terrestrial area protected under Commonwealth legislation, including World Heritage Areas, National Heritage places, Marine Protected Areas, Ramsar wetlands, Indigenous Protected Areas and other areas within the National Reserve System. |
| Corporate governance | The process by which agencies are directed, controlled and held to account. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control. |
| Council of Australian Governments Energy Council | The Council of Australian Governments (COAG) Energy Council is a ministerial forum for the Australian, state and territory governments and New Zealand to work together in the pursuit of national energy reforms. The Energy Council's work covers the following broad themes: <ul style="list-style-type: none"> › overarching responsibility and policy leadership for Australian gas and electricity markets › promotion of energy efficiency and energy productivity in Australia › Australian electricity, gas and petroleum product energy security › cooperation between Australian, state and territory governments › facilitating the economic and competitive development of Australia's mineral and energy resources. |
| Dispatchable generation | Refers to sources of electricity that can be used on demand and dispatched at the request of power grid operators, according to market needs. |
| Ecological communities | Naturally occurring groups of species inhabiting a common environment; interacting with each other, especially through food relationships; and relatively independent of other groups. Ecological communities may vary in size and larger ones may contain smaller ones. In the EPBC Act they are defined as assemblages of native species that inhabit particular areas in nature. |
| Ecologically sustainable | The EPBC Act defines ecologically sustainable use of natural resources as 'use of the natural resources within their capacity to sustain natural processes while maintaining the life-support systems of nature and ensuring that the benefit of the use to the present generation does not diminish the potential to meet the needs and aspirations of future generations'. |
| Ecosystem | A dynamic combination of plant, animal and micro-organism communities and their non-living environment (e.g. soil, water and the climatic regime) interacting as a functional unit. Examples of types of ecosystems are forests, wetlands, and grasslands. |

| Term | Meaning |
|---|---|
| Ecosystem service | The contributions of ecosystems to benefits used in economic and other human activity. |
| Environmental-economic accounting | A multipurpose conceptual framework that describes the interactions between the economy and the environment, and the stocks and changes in stocks of environmental assets. |
| Environmental impact assessment | An assessment of the possible impact of a proposed action undertaken to enable environment and heritage protection and biodiversity conservation. |
| Environmental water | Water provided for the environment to sustain and, where necessary, restore ecological processes and biodiversity of water-dependent ecosystems. |
| Energy Security Board | In August 2017 the COAG Energy Council established the Energy Security Board (ESB). Its role is to coordinate the implementation of the Finkel Review and provide whole-of-system oversight for energy security and reliability. It comprises an independent Chair and Deputy Chair and the heads of AEMO, the AEMC and the AER. |
| Expenses | Total value of all of the resources consumed in producing goods and services. |
| Finalised Priority Assessment List | The list of nominated species, ecological communities and key threatening processes approved for assessment by the Minister for a particular assessment year (1 October–30 September). Each item included on the list is assessed by the Threatened Species Scientific Committee against a set of criteria. At the completion of the assessment the committee provides a listing advice to the Minister for decision, as well as a conservation advice that outlines immediate conservation priorities. |
| Gas Market Reform Group | <p>The Gas Market Reform Group was established by the COAG Energy Council in August 2016 to lead the design, development and implementation of:</p> <ul style="list-style-type: none"> › a new information disclosure and commercial arbitration framework for non-scheme pipelines › transportation (pipeline and hub services) capacity trading related reforms › market transparency reforms › wholesale gas market reforms. <p>The objective of the Gas Market Reform Group is to speed up work in developing and implementing measures to increase competitive gas supply and put downward pressure on prices.</p> |
| Greenhouse gases | Gases that contribute to global warming, including carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃). In addition, the photochemically important gases—non-methane volatile organic compounds (NMVOC), oxides of nitrogen (NO _x) and carbon monoxide (CO)—are also considered. NMVOC, NO _x and CO are not direct greenhouse gases. However, they contribute indirectly to the greenhouse effect by influencing the rate at which ozone and other greenhouse gases are produced and destroyed in the atmosphere. |
| Halon | Halons are fully halogenated chemicals that have relatively long lifetimes in the atmosphere. They are broken down in the stratosphere releasing reactive bromine that is extremely damaging to ozone. |
| Hydrological connectivity | The ability of water to move from one location to another, thereby facilitating the transfer of matter, energy and organisms. |

| Term | Meaning |
|---|---|
| Indigenous Protected Area | An area of Indigenous-owned land or sea where traditional owners have entered into an agreement with the Australian Government to promote biodiversity and cultural resource conservation. |
| International Energy Agency | Australia is a member of the International Energy Agency (IEA). The IEA works to ensure reliable, affordable and clean energy for its member countries and beyond, and helps countries coordinate a collective response to major disruptions in the supply of oil. |
| Limited merits review | Under the now abolished limited merits review (LMR) regime, monopoly network businesses could seek review from the Australian Competition Tribunal of decisions made by the AER and the Economic Regulation Authority (Western Australia). This included decisions on regulated revenues that flowed through to network prices paid by energy consumers for electricity and gas transmission and distribution. On 20 June 2017 the Government announced that it planned to abolish the LMR regime. |
| Market Offer (also called a market retail contract) | A contract for electricity that includes terms and conditions not included in standard contracts. For example, some might include discounts on their rates, or 'green energy' options. |
| Matters of national environmental significance | The matters of national environmental significance protected under the EPBC Act are listed threatened species and communities; listed migratory species; wetlands of international importance; Commonwealth marine environment; World Heritage properties; National Heritage places; the Great Barrier Reef Marine Park; nuclear actions; and water resources in relation to coal seam gas development and large coal mining development. |
| National Electricity Market | The wholesale electricity market for the electrically connected states and territories of eastern and southern Australia—the Australian Capital Territory, New South Wales, Queensland, South Australia, Tasmania, and Victoria. |
| National Electricity Market Emergency Management Forum | The National Electricity Market Emergency Management Forum (NEMEMF) works to implement and improve emergency plans and procedures that apply during power system emergencies. It comprises representatives from industry and governments and is chaired by AEMO. The Department participates in NEMEMF. |
| National Energy Productivity Plan | <p>The National Energy Productivity Plan (NEPP) is a COAG Energy Council agreed package of measures to improve Australia's energy productivity by 40 per cent between 2015 and 2030.</p> <p>The NEPP takes a whole-of-system approach to energy policy and covers electricity, gas and transport fuels. It includes:</p> <ul style="list-style-type: none"> › energy market reforms to promote consumer choice and increase competition and innovation in the energy market › energy efficiency measures that support better energy use in buildings, equipment and vehicles. |
| National Gas Emergency Response Advisory Committee | The National Gas Emergency Response Advisory Committee (NGERAC) works to develop and test arrangements, protocols and other measures to respond to and mitigate the effect of multi-jurisdictional natural gas supply shortages, and advise the COAG Energy Council and jurisdictions. It comprises officials from Australian, state and territory governments, and representatives of AEMO, gas industry sectors and gas users. The Department is the current chair of NGERAC. |
| National Heritage List | A written record of the places and their heritage values that the Minister is satisfied have one or more of the National Heritage values. |

| Term | Meaning |
|--|--|
| National Oil Supplies Emergency Committee | The National Oil Supplies Emergency Committee (NOSEC) provides advice to the COAG Energy Council on fuel supply and the management of national liquid fuel emergencies. It comprises officials from the Australian, state and territory governments, and representatives from the fuel supply industry. To prepare for potential emergencies NOSEC meets to conduct emergency simulation exercises, learn from any supply incidents or disruptions and support harmonisation of jurisdictional and national emergency responses. |
| National Pollutant Inventory | The National Pollutant Inventory (NPI) provides the community, industry and government with free information about substance emissions in Australia. It has emission estimates for 93 toxic substances and the source and location of these emissions. |
| Oil stockholding contract or 'ticketing contract' | Commercial arrangement where, for a fee, a seller reserves an amount of oil stock for the buyer. The contract allows the buyer (in this case Australia) to purchase the reserved oil at a market-based price or cancel the contract to release the stock back into the global oil market. This is typically done during a global oil shortage. |
| Operating costs | Expenses associated with the day-to-day operation of the Department. |
| Outcomes | The intended results, impacts or consequences of actions by the Government on the Australian community. They are listed in agencies' Portfolio Budget Statements and Portfolio Additional Estimates Statements. |
| Ozone-depleting substances | Substances that deplete the earth's protective ozone layer. They are widely used in refrigerators, air conditioners, fire extinguishers, dry cleaning and electronic equipment, as solvents for cleaning, and as agricultural fumigants. Ozone-depleting substances include chlorofluorocarbons, halon, hydrochlorofluorocarbons and methyl bromide. Countries have agreed to phase out ozone-depleting substances through the <i>Montreal Protocol on Substances that Deplete the Ozone Layer</i> . Some industries that use ozone-depleting substances are replacing those substances with synthetic greenhouse gases. |
| Portfolio Additional Estimates Statements | Update or amend information in the Portfolio Budget Statements on the resources available to, and the planned performance of, each agency within a portfolio. |
| Portfolio Budget Statements | Provide detailed information on the resources available to, and the planned performance of, each agency within a portfolio. The PBS includes expenditure and revenue estimates for the current financial year, the budget year and the three forward years. It informs senators, members of Parliament and the public of the proposed allocation of resources to Government outcomes. The PBS is an important means by which the executive Government remains accountable to the Parliament. |
| Procurement | The whole process of acquiring property and services. Procurement involves the processes of developing a business case, including risk assessment; identifying and evaluating alternative solutions; approaching the market; assessing tenders or quotes; awarding contracts; delivering and paying for the property and services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life. |
| Product stewardship | Recognises that manufacturers, importers and others who benefit from making and selling a product share some responsibility for the environmental impacts of that product. |

| Term | Meaning |
|---|--|
| Programs | Agencies deliver programs that are the Government actions taken to deliver the stated outcomes. Agencies are required to identify the programs that contribute to Government outcomes over the budget and forward years. |
| Purposes | The PGPA Act defines purposes (when used in relation to an Australian Government entity or an Australian Government company) to include the objectives, functions or role of the entity or company. In relation to performance management, purposes are defined as the reasons or ideal state or outcomes for which the entity or company undertakes its activities. |
| Ramsar sites | Wetlands of international importance designated under the Ramsar Convention on Wetlands. |
| Renewable Energy Target | An Australian Government scheme designed to reduce emissions of greenhouse gases in the electricity sector and encourage the additional generation of electricity from sustainable and renewable sources. |
| Revenue | The total value of resources earned or received to cover the production of goods and services. |
| Standing offer (also called a standard retail contract) | Is a basic plan for electricity use. A person might be on a standing offer if they have: <ul style="list-style-type: none"> › been in the same location for several years; and › never taken up a market offer plan. |
| Sustainable diversion limit | The maximum long-term annual average quantities of water that can be taken, on a sustainable basis, from Murray–Darling Basin water resources as a whole and from the water resources, or particular parts of the water resources, of each resource plan area in the Basin. |
| Threat abatement plan | Threat abatement plans are developed when they are deemed by the Minister to be a feasible, efficient and effective way of abating a listed key threatening process, having regard to the advice of the Threatened Species Scientific Committee and other nominated persons or bodies. |
| Threatened species | Listed threatened species (together with listed threatened ecological communities) form one of the nine matters of national environmental significance protected by the EPBC Act. Listed threatened species are categorised under the Act as ‘extinct’, ‘extinct in the wild’, ‘critically endangered’, ‘endangered’, ‘vulnerable’ or ‘conservation dependent’. |
| Uplistings | Changes to a higher threat category of species already on the threatened list. |

Abbreviations and acronyms

| Abbreviations and acronyms | Meaning |
|----------------------------|--|
| ABRS | Australian Biological Resources Study |
| ACCC | Australian Competition and Consumer Commission |
| ACT | Australian Capital Territory |
| AEMC | Australian Energy Market Commission |
| AEMO | Australian Energy Market Operator |
| AER | Australian Energy Regulator |
| ANAO | Australian National Audit Office |
| APS | Australian Public Service |
| ARENA | Australian Renewable Energy Agency |
| ATEP Act | <i>Antarctic Treaty (Environment Protection) Act 1980</i> |
| BEEC | Building energy efficiency certificates |
| CBD Program | Commercial Building Disclosure Program |
| CEFC | Clean Energy Finance Corporation |
| CER | Clean Energy Regulator |
| CERA | Cumulative ecological risk assessment |
| CEWH | Commonwealth Environmental Water Holder |
| CITES | <i>Convention on International Trade in Endangered Species of Wild Fauna and Flora</i> |
| CMA | Catchment management authority |
| CCAMLR | Commission for the Conservation of Antarctic Marine Living Resources |
| COAG | Council of Australian Governments |
| CO ₂ -e | Carbon dioxide equivalent |
| COP24 | Conference of the Parties—United National Climate Change Conference |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation |
| CTI | Coral Triangle Initiative |
| DMO | Default market offer |
| E3 Program | Equipment Energy Efficiency Program |
| EL | Executive Level |
| EPBC Act | <i>Environment Protection and Biodiversity Conservation Act 1999</i> |
| EPBC Regulations | <i>Environment Protection and Biodiversity Conservation Regulations 2000</i> |
| ERF | Emissions Reduction Fund |
| ESB | Energy Security Board |
| GBRMPA | Great Barrier Reef Marine Park Authority |
| GBRF | Great Barrier Reef Foundation |
| GEMS Act | <i>Greenhouse and Energy Minimum Standards Act 2012</i> |
| GL | Gigalitre or one billion litres |
| GST | Goods and services tax |
| GWh | Gigawatt hour |

| Abbreviations and acronyms | Meaning |
|----------------------------|--|
| ha | Hectare |
| HFC | Hydrofluorocarbon |
| HCFCs | Hydrochlorofluorocarbons |
| HFCs | Hydrofluorocarbons |
| IEA | International Energy Agency |
| IESC | Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development |
| IUCN | International Union for Conservation of Nature |
| kt | Kilotonnes |
| LMR | Limited merits review |
| LRET | Large-scale Renewable Energy Target |
| LTIM | Long-term intervention monitoring |
| MERIT | Monitoring, Evaluation, Reporting and Improvement Tool |
| ML | Megalitre or one million litres |
| MoG | Machinery of government |
| Mt CO ₂ -e | Million tonnes of carbon dioxide equivalent |
| MW | Megawatt or one million watts |
| NABERS | National Australian Built Environment Rating System |
| NCC | National Construction Code |
| NEM | National Electricity Market |
| NEMEMF | National Electricity Market Emergency Management Forum |
| NEMP | National Environmental Management Plan |
| NEPP | National Energy Productivity Plan |
| NESP | National Environmental Science Program |
| NGERAC | National Gas Emergency Response Advisory Committee |
| NMVOC | Non-methane volatile organic compound |
| NOSEC | National Oil Supplies Emergency Committee |
| NPI | National Pollutant Inventory |
| NSW | New South Wales |
| NSL | National Species List |
| NT | Northern Territory |
| NTRGP | National Taxonomy Research Grant Program |
| ODP | Ozone-depleting potential |
| ODS | Ozone-depleting substances |
| OECD | Organisation for Economic Co-operation and Development |
| PBS | Portfolio Budget Statements |
| PFAS | Per- and poly-fluoroalkyl substances |
| PFAS NEMP | National Environmental Management Plan for PFAS |
| PFOA | Perfluorooctanoic acid |
| PFOS | Perfluorooctane sulfonate |

| Abbreviations and acronyms | Meaning |
|----------------------------|--|
| PFOSF | Perfluorooctane sulfonyl fluoride |
| PGPA Act | <i>Public Governance, Performance and Accountability Act 2013</i> |
| PGPA Rule | <i>Public Governance, Performance and Accountability Rule 2014</i> |
| PV | Photovoltaic |
| QLD | Queensland |
| QPS | Quarantine and pre-shipment |
| RIS | Ramsar Information Sheet |
| RET | Renewable Energy Target |
| RRO | Retailer Reliability Obligation |
| SA | South Australia |
| SES | Senior Executive Service |
| SPRAT | Species Profile and Threats Database |
| SPREP | Secretariat of the Pacific Regional Environment Program |
| TAS | Tasmania |
| VIC | Victoria |
| WA | Western Australia |
| WHS Act | <i>Work Health and Safety Act 2011</i> |
| WTO | Wildlife trade operation |

List of tables

| | Page no. |
|---|----------|
| Table 2.1: Alignment between purposes and outcomes outlined in the Corporate Plan 2018–19 and Portfolio Budget Statements 2018–19 | 15 |
| Table 2.2: Source of performance measures by purpose and activity, 2018–19 | 16 |
| Table 2.3: Four-year record of modelled salt export (tonnes) over the barrages to the Coorong Lakes, 2014–15 to 2017–18 | 36 |
| Table 2.4: Commercial Building Disclosure Program growth and results snapshots, June 2019 compared with June 2018 | 77 |
| Table 3.1: Ongoing employees, 2018–19 | 92 |
| Table 3.2: Non-ongoing employees, 2018–19 | 93 |
| Table 3.3: Ongoing employees, 2017–18 | 93 |
| Table 3.4: Non-ongoing employees, 2017–18 | 94 |
| Table 3.5: Ongoing employees under the <i>Public Service Act 1999</i> , 2018–19 | 94 |
| Table 3.6: Non-ongoing employees under the <i>Public Service Act 1999</i> , 2018–19 | 95 |
| Table 3.7: Ongoing employees under the <i>Public Service Act 1999</i> , 2017–18 | 95 |
| Table 3.8: Non-ongoing employees under the <i>Public Service Act 1999</i> , 2017–18 | 96 |
| Table 3.9: Full-time and part-time employees under the <i>Public Service Act 1999</i> , 2018–19 | 96 |
| Table 3.10: Full-time and part-time employees under the <i>Public Service Act 1999</i> , 2017–18 | 97 |
| Table 3.11: Employment type by location under the <i>Public Service Act 1999</i> , 2018–19 | 97 |
| Table 3.12: Employment type by location under the <i>Public Service Act 1999</i> , 2017–18 | 98 |
| Table 3.13: Indigenous employment under the <i>Public Service Act 1999</i> , 2018–19 | 98 |
| Table 3.14: Indigenous employment under the <i>Public Service Act 1999</i> , 2017–18 | 98 |
| Table 3.15: Employment arrangements under the <i>Public Service Act 1999</i> , 2018–19 | 100 |
| Table 3.16: Information about remuneration for key management personnel | 102 |
| Table 3.17: Information about remuneration for senior executives | 103 |
| Table 3.18: Information about remuneration for other highly paid staff | 104 |
| Table 3.19: Australian Public Service Act employment salary ranges by classification level (minimum/maximum), 2018–19 | 105 |
| Table 3.20: Incidents notified under the <i>Work Health and Safety Act 2011</i> , 2018–19 | 108 |
| Table 3.21: Departmental committees | 109 |
| Table 3.22: Portfolio Audit Committee membership and meeting attendance, 2018–19 | 112 |
| Table 3.23: Expenditure on consultants, 2018–19 | 115 |
| Table 3.24: Advertising and market research expenditure in excess of \$13,800, 2018–19 (GST inclusive) | 117 |
| Table 3.25: Examples of how the Department applies the principles of ecologically sustainable development | 128 |
| Table A4.A.1: Overview of EPBC Act referrals and approval of actions, 2018–19 | 251 |
| Table A4.A.2: Decisions on EPBC Act referrals made in 2018–19, by jurisdiction | 251 |

| | Page no. |
|--|----------|
| Table A4.A.3: Decisions on EPBC Act referrals made in 2018–19, by activity category | 252 |
| Table A4.A.4: Decisions on assessment approach made in 2018–19, by type | 253 |
| Table A4.A.5: Matters of national environmental significance under the EPBC Act considered in relation to impacts of proposed action, 2018–19 | 253 |
| Table A4.A.6: Applications received and permits granted for cetacean research or impacts under the EPBC Act, 2018–19 | 254 |
| Table A4.A.7: Species and ecological communities listing outcomes under the EPBC Act, 2018–19 | 254 |
| Table A4.A.8: Number of changes to the lists of threatened species, ecological communities and key threatening processes under the EPBC Act, 2018–19 | 256 |
| Table A4.A.9: Recovery plans made or adopted under the EPBC Act, 2018–19 | 257 |
| Table A4.A.10: EPBC Act listed threatened species and ecological communities covered by recovery plans as at 30 June 2019 | 257 |
| Table A4.A.11: Key threatening processes and threat abatement plans listed under the EPBC Act | 257 |
| Table A4.A.12: Top 10 items seized under the EPBC Act, 2018–19 | 259 |
| Table A4.A.13: Top 10 species covered by EPBC Act wildlife import permits, 2018–19 | 259 |
| Table A4.A.14: Top 10 species most often issued EPBC Act wildlife export permits, 2018–19 | 260 |
| Table A4.A.15: EPBC Act assessments of Commonwealth and state managed fisheries completed, 2018–19 | 260 |
| Table A4.A.16: Decisions made under other EPBC Act provisions that did not meet statutory time frames, 2018–19 | 261 |
| Table A5.1: Summary of supervision activities of the Supervising Scientist Branch at five sites in the Alligator Rivers Region, 2018–19 | 264 |
| Table A6.1: Statistics on fuel sampling under the <i>Fuel Quality Standards Act 2000</i> , 2015–16 to 2018–19 | 270 |
| Table A10.1: Compliance activities under the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> , 2018–19 | 280 |
| Table A10.2: Ozone Protection and Synthetic Greenhouse Gas Special Account revenue, 2018–19 | 281 |
| Table A13.1: Decisions made by the Commonwealth Environmental Water Holder on the use of Commonwealth environmental water, 2018–19 | 285 |
| Table A13.2: Environmental Water Holdings Special Account expenditure, 2018–19 | 291 |

List of figures

| | Page no. |
|--|----------|
| Figure 1.1: Department's organisational structure as at 30 June 2019 | 8 |
| Figure 2.1: Performance snapshot overall | 23 |
| Figure 2.2: Performance snapshot for Environment and Heritage Purpose | 26 |
| Figure 2.3: Cumulative salt export from the Murray–Darling Basin, 2017–18 | 36 |
| Figure 2.4: Number of EPBC Act statutory referral decisions versus late decisions, 2014–15 to 2018–19 | 41 |
| Figure 2.5: Uraniumx—concentration downstream of Ranger uranium mine, 2002 to 2018 | 47 |
| Figure 2.6: Radiationx—Radium-226 concentrations in freshwater mussels downstream of Ranger uranium mine, 2000–2017 and 2018 | 48 |
| Figure 2.7: Performance snapshot for Climate Change Purpose | 58 |
| Figure 2.8: Annual clean energy research and development expenditure | 61 |
| Figure 2.9: Performance snapshot for Antarctica Purpose | 66 |
| Figure 2.10: Number of international institutions collaborating in the Australian Antarctic program over the past five financial years | 69 |
| Figure 2.11: Number of papers published in peer-reviewed journals over the past five financial years | 69 |
| Figure 2.12: Performance snapshot for Energy Purpose | 73 |
| Figure 2.13: Weighted average processing times for GEMS product registrations, 2015–16 to 2018–19 | 77 |
| Figure 2.14: GEMS product registrations, 2015–16 to 2018–19 | 77 |
| Figure 2.15: Performance snapshot for science, information and research activity | 83 |
| Figure A5.1: Research projects of the Supervising Scientist Branch, 2018–19, by research theme | 266 |

Index

A

abbreviations and acronyms, 306–308

access clauses, Australian National Audit Office, 116

actions on Commonwealth land, 240

activities, departmental, 7, 14–15, 22

administered assets and liabilities, 7

advertising and marketing expenditure, 117–118

air conditioners, 4, 72, 76, 272, 304

air quality, 9, 53, 124

Alligator Rivers Region, 18, 25, 40, 46–47, 49, 128–129, 263–268, 310

 radium concentrations, 47–48

amphibians, 38, 258

animals, native, 30

annual performance statements, 14–89

annual report contact, iv

Antarctic and science precinct, Hobart, 68

Antarctic blue whale, 70

Antarctic heritage artefacts, 113–114, 175

Antarctic research stations, 68, 113

Antarctic Science Collaboration Initiative, 66

Antarctic Treaty System, 4, 66–67, 129, 241

Antarctica (Purpose), 14–15, 20, 66–71

 performance overview, 23, 66

 performance snapshot, 23, 66

see also performance results

appliances and equipment, energy efficiency in, 4, 20, 72, 76, 77, 271–273

see also *Greenhouse and Energy Minimum Standards Act 2012*

APS Values, Code of Conduct and Employment Principles, 106

assessments and approvals, EPBC Act *see* referrals, assessments and approvals, environmental, 41–42, 240, 248, 251

assets management, 113–114, 294

Atlantic Fellows for Social Equity Program, 99

Atlas of Living Australia, 28, 30–31, 85

audit

 external, 5, 116, 121, 135–138, 210–211

 internal, 109, 111–112

Auditor-General reports, 121

AusTender, 114, 115, 295

Australia–European Union Free Trade Agreement, 124

Australian Alps National Parks Strategic Plan, 32

Australian Antarctic Division, 8, 68, 70, 98, 105, 109, 131

Australian Antarctic Science Council, 67

Australian Antarctic Science Program, 68

Australian Antarctic Science Strategic Plan, 67–68

Australian Antarctic Strategy and 20 Year Action Plan, 4, 20, 66, 67, 68, 129

Australian Biological Resources Study, 82, 84

Australian Building Codes Board, 72

Australian Competition and Consumer Commission, 74

Australian Convict Sites: Strategic Management Framework, 44

Australian Energy Market Operator, 65, 74, 75, 300

Australian Government Disaster and Climate Resilience Reference Group, 4, 57, 63–64, 111

Australian Government Regulatory Performance Framework, 126

Australian Heritage Council, 246–247, 249, 261

Australian Heritage Grants Program, 3, 16, 24, 30–32, 44

Australian Information Commissioner decisions, 121, 293

Australian Local Government Association, 25, 56, 129

Australian National Audit Office, 5, 116, 121, 135–138, 210–211, 295

Australian Network on Disability, 106, 107

Australian Renewable Energy Agency, 6, 7, 58, 62, 172

Australian Research Council, 66

Australian workplace agreements, 100, 294

awards and recognition, 100, 107, 110

B

Barmah Forest, 3, 25, 37, 289

baseline assessment reports, 22, 89

Basin Plan *see* Murray–Darling Basin Plan

biodiversity protection, 2, 3, 24, 25, 26

 Great Barrier Reef, 2, 24, 27

see also threatened species, ecological communities and heritage places

biological and chemical monitoring programs, 46–49, 263–268

biological resources and benefit sharing, 241, 254

birds, native, 3, 25, 30, 37, 38, 288

Broken Hill, 32

buildings, energy efficiency in, 4, 20, 72, 76, 77, 303

Bureau of Meteorology, 7, 65

Bush Blitz, 82, 84

Business Grants Hub, 27, 31, 116

C

carbon abatement contracts, 60

Centre for Antarctic, Remote and Maritime
Medicine, 66

cetacean permits, 241

China Council for International Cooperation on
Environment and Development, 124

Christmas Island, 251

Clean Energy Finance Corporation, 7, 58, 62,

clean energy innovation, research and
development, 3, 57, 58, 61, 62

Clean Energy Regulator, 7, 61

climate and extreme weather information, 64–65

climate change (Purpose), 15, 19, 57–65

performance overview, 57

performance snapshot, 58

risk management activities, 57, 63, 111, 128

see also performance results

climate change adaptation, 63–65, 111

Climate Change Authority, 7

*Climate compass: a climate risk management
framework for Commonwealth agencies,*
4, 57, 63, 111, 128

climate risk masterclasses, 63

climate science research, 64

Climate Solutions Package, 4, 57, 59, 60, 269

coal mining, 82, 89, 249

climate risk masterclasses, 57, 63,

coal seam gas, 82, 89, 249–250

coastal ecosystems, 2, 24, 26

colonial buildings, 3, 24, 32

Comcare, 109

Comcover Award for Excellence in
Risk Management, 110

Comcover Risk Management Benchmarking
Survey, 110

Commercial Building Disclosure Program,
4, 72, 76, 77, 129

commercial buildings, energy efficiency in,
4, 72, 76, 77

Commission for the Conservation of
Antarctic Marine Living Resources, 4, 66

committees, senior management, 109–110

common law agreements, workplace, 100

Commonwealth Director of
Public Prosecutions, 45, 113

Commonwealth Environmental Water Holder,
33, 285–291

Commonwealth Heritage List, 246, 247, 249, 261

Commonwealth Ombudsman, 121

Commonwealth Scientific and Industrial Research
Organisation (CSIRO), 4, 57, 65, 89, 128

compliance tools and activities,
3, 25, 45–46, 248–249

Conference of the Parties to the United Nations
Framework Convention on Climate
Change, 57, 59

conservation advices, 43, 44, 242–243, 250

conservation seed banks, 30

consultancies, 114–115, 295

controlled chemicals, 18, 51

*Convention on International Trade in Endangered
Species of Wild Fauna and Flora (CITES),*
25, 40, 244

*Convention on Wetlands of International Importance
(Ramsar Convention),* 17, 33, 39

convict sites, 44–45

Coorong, 3, 25, 35–36, 37, 286, 288, 290

Coral Triangle Initiative on Coral Reefs, Fisheries
and Food Security, 125

corporate governance, 109–110, 293, 301

Corporate Plan 2018–19, 5, 14–15, 110

corrections to errors in previous annual report, 297

Council of Australian Governments Energy
Council, 74, 301

court and tribunal decisions, 118–121

crown-of-thorns starfish, 2, 24, 28

Commonwealth Scientific and Industrial Research
Organisation (CSIRO), 4, 57, 65, 89

cultural landscape atlas and heritage
management plan, 32

cumulative ecological risk assessment, Ranger
uranium mine, 46–49, 263

D

data collection and use, 5, 29, 82–83, 86
 climate information and awareness, 65
 Great Barrier Reef, 28–29
 National Pollutant Inventory, 50, 52
 Ranger uranium mine, 46–49, 263–268
 Southern Ocean nutrient availability, 70
 taxonomy, 84–85
 water dependent ecosystems, 35
 dataset register, 86
 Davis research station runway, 68
 default market offer price cap, electricity,
 4, 72, 74–75
 Department of Agriculture and Water
 Resources, 3, 24
 Department of Foreign Affairs, 124
 Department of Industry, Innovation and
 Science, 3, 66
 Director of National Parks, 5–7, 108
 disability reporting, 107, 296
 diversity, employee, 106
 drought, 37–38, 285–291
 Due Diligence Master Class, 108

E

ecological communities, threatened
 see threatened species, ecological
 communities and heritage PLC
 ecologically sustainable development,
 departmental, 127–131, 296
 electricity prices, 4, 72, 74, 75
 Electricity Retail Code, 4, 72
 electricity sector, 64–65
 Electricity Sector Climate Information
 project, 64–65
 emissions projections 2018, 58, 59
 Emissions Reduction Assurance Committee, 60
 Emissions Reduction Fund, 3, 57, 60
 emissions reduction targets, 3–4, 57, 58–60
 emissions standards, 53
 employees
 with disability, 106–107
 diversity, 106
 Indigenous, 5, 92, 98, 106–107
 learning and development, 99, 112
 from non-English-speaking
 backgrounds, 106–107
 remuneration, 105
 retention and turnover, 98
 statistics, 92–98
 women, 106–107

energy (Purpose), 15, 20–22, 72–89
 performance overview, 72–73
 performance snapshot, 73
 see also performance results
 energy efficiency initiatives,
 4, 60, 72, 73–77, 271–273
 energy generation, 57
 energy markets, reforms in, 4, 6, 73–77, 74–75
 energy performance standards and labelling, 4, 72,
 76, 77, 271–273
 Energy Rating Labels, 271
 energy security, 21, 73, 78
 Energy Security Board, 74, 75
 ENRICH voyage 2019, 70
 enterprise agreement, 100, 105, 294
 entity resource statement, 231–232
 environment and heritage (Purpose),
 6, 15–18, 24–56
 performance overview, 24–26
 performance snapshot, 26
 see also performance results
*Environment Protection (Alligator Rivers
 Region) Act 1978*
 annual report on operation, 263–268
*Environment Protection and Biodiversity
 Conservation Act 1999*, 25, 40
 annual report on operation, 240–262
 compliance activities, 45–46
 decision timeliness benchmarks, 40–41, 248
 decisions and legal actions, 248–249
 fraud cases, 46
 statistics, 251–261
 strategic assessments, 241
 environmental health, 18, 25, 50–56
 analysis, 50
 compliance activities, 51–52
 environmental investment, 26–32
 analysis, 26–27
 performance results, 27–31
 Environmental Justice Australia, 52
 environmental performance,
 departmental, 127–131
 environmental watering, 6, 15, 17–18, 25, 33–39,
 113, 285–291
 analysis, 33
 performance results, 34–39
 see also watering actions
 Environmental Watering Strategy, 33
 Environmental-Economic Accounting
 Strategy, 87, 88–89
 equal employment opportunity, 106–107
 Equipment Energy Efficiency program, 271
 ethical standards, 106

executive remuneration, 101, 296
 exempt contracts, 115
 expenses, 6
 expenses for outcomes, 233–239
 external scrutiny, 118–122
 Eye on the Reef program, 28

F

feral animals, 26, 30, 32
 finance law, non-compliance with, 113
 financial performance overview, 5–7
 financial statements, 134–227
 financial sustainability, 6
 fish, native, 3, 25, 34, 37, 38, 285–291
 fisheries assessments and approvals, 247, 260
 fraud control and anti-corruption, 112–113
 certificate of compliance, 230
 freedom of information, 122
Fuel Quality Standards Act 2000, 50
 annual report on, 269–270
 compliance activities, 54
 remade legislative instruments, 52
 fuel security, 77, 80
 fuel supplies, disruption to, 73
 fuel supply chains, 73

G

G20 Ministerial Meeting on Energy Transitions and
 Global Environment for Sustainable
 Growth, 124
 gas markets, reforms in, 74, 75
 Geological and Bioregional Assessments
 Program, 5, 82
 glossary, 300–305
 Gondwana Rainforests management plan, 44
 graduates, 99, 106, 107
 grant programs, 115–116
 Great Barrier Reef, 2, 16, 24, 27, 28, 29
 engagement with traditional owners, 29
 local action projects, 29
 modelling and monitoring programs, 28
 projects, 26–28
 restoration and adaption science, 2, 24
 water quality, 29
 Great Barrier Reef Foundation, 2, 24, 27, 29
 Great Barrier Reef Marine Park Authority, 7, 24, 28
 Great Barrier Reef Marine Park outlook report, 28
 Greater Blue Mountains Area
 management plan, 44
 Green Star design ratings, 72

*Greenhouse and Energy Minimum Standards Act
 2012*, 4, 72
 annual report on, 271–273
 Greenhouse and Energy Minimum Standards
 registrations, 20, 76, 77
 greenhouse gas emissions, 15, 19, 58–62, 60, 130,
 236–237, 271
 analysis, 58
 performance results, 59–62
 see also emissions projections 2018;
 emissions reduction targets;
 emissions standards

H

*Hazardous Waste (Regulation of Exports and
 Imports) Act 1989*, 50
 annual report on, 274–275
 statutory time frames, 53
 hazardous waste, substances and pollutants,
 3, 6, 25, 50–56, 234, 274–275
 illegal export, 54, 274
 Heard Island and McDonald Islands
 management voyage, 67
 heritage places, threatened *see* threatened
 species, ecological communities and
 heritage places, 3, 16, 17, 25, 30, 32, 40, 41,
 43, 44, 45, 129, 240, 246, 247, 262, 277
 heritage programs, 24, 32
 High Level Panel for a Sustainable Ocean
 Economy, 126
 highly paid staff, remuneration for other, 101, 104
 human resources management, 92–109
 hydrochlorofluorocarbons (HCFCs) and
 hydrofluorocarbons (HFCs), 51, 54, 278–281

I

ice core drilling, 68
 icebreaker, Antarctic, 6, 68
 Improving Your Local Parks and Environment
 Program, 16, 30–31
 income, administered from activities on behalf of
 the Government, 6
 Independent Expert Scientific Committee on Coal
 Seam Gas and Large Coal Mining
 Development (IESC), 22, 82, 89, 249–250
 Independent Review into the Future Security of
 the National Electricity Market, 75
 Indigenous Advisory Committee, 250
 Indigenous employment, 98, 107
 Indigenous-owned businesses,
 engagement with, 115
 Indigenous Protected Areas, 277, 303
 individual flexibility arrangements, 100
 information and communications technology, 108

Information Publication Scheme, 122
 Integrated System Plan, 74, 75
International Convention for the Regulation of Whaling, 125
 International Energy Agency, 21, 73, 79, 80
 international engagement, 4, 58, 123–126
 Antarctica, 67, 68–69
 International Union for Conservation of Nature (IUCN), 44–45
 International Whaling Commission, 125
 Invasive species, 244, 277
 irrigation water, 33

J

Jawun, 99
 Joint Committee of Public Accounts and Audit, 109
 judicial decisions, 118–121

K

Kakadu National Park, 25, 40, 46–47, 263–268
 Kevin McLeod Awards, 107
 key management personnel, 101
 remuneration, 102
 key threatening processes, 43, 243, 256–257
 Kosciuszko National Park, 32
 krill, Antarctic, 70
 Kyoto Protocol, 301

L

Large-scale Renewable Energy Target, 58, 61
 leadership development, 99
 Leadership Strategy 2019–2023, 5, 99
 Learning and Development Strategy, 99
 Learning Management System, 99
 Legal actions, 241, 248
 see also courts and tribunals
 legislative amendments, 250, 283–4
 legislative reporting, 10, 51, 53
 legislative framework, 10
 letter of transmittal, iii, 292
 Ley, the Hon Sussan MP (Minister for the Environment), 10
 licences and permits, 40
 limited merits review, 303, 307
 liquefied natural gas export, 58
 Liquid Fuel Emergency Act 1984, 73
 Liquid Fuel Security Review, 78
 List of exempt native specimens, 128
 live import list, 44, 245
 long term intervention monitoring project, 35, 287
 Lower Lakes, 34–37, 286–290

M

Macquarie Island Research Station, 68
 Macquarie Marshes, 38, 288–89
 management and accountability, 92–131
 Marine Debris Project, 27
 marine environmental management, 125
 marine mammals, 70
 matters of national environmental significance, 3, 25, 40, 240, 253
 methyl bromide, 51, 279
 migratory species, 16, 17, 30, 40–44
 Minamata Convention on Mercury, 129, 241, 253, 288
 Minimum Energy Performance Standards, 4, 72, 271
 mining, 25, 40, 55, 82, 89, 121
 ministers, 10
 Mission Innovation, 3, 57, 61
 Mitchell River, 87
 Montreal Protocol on Substances that Deplete the Ozone Layer, 304
 Murray Mouth, 25, 34–37, 290
 Murray River, 3, 25, 35–37, 285–86
 salt flushing, 35–36
 Murray–Darling Basin, 3, 33
 environmental watering, 25, 33–37, 286–291
 salt export, 3, 17, 25, 35–36, 37
 Murray–Darling Basin Plan, 33
 Murray–Darling Basin Authority, 34–35, 286

N

NAIDOC Week, 107
 National Australian Built Environment Rating System (NABERS), 4, 72, 76, 77
 National Carbon Offset Standard, 3, 57
 National Climate Change Adaptation Research Facility
 National Climate Science Advisory Committee, 64
 National Climate Science Strategy, 63, 64
 National Construction Code, 72
 National Disability Strategy 2010–2020, 107
 National Electricity Law amendments, 75
 National Electricity Market, 65, 74–75
 National Electricity Market Emergency Management Forum, 303
 National Energy Productivity Plan, 303
 National Energy Security Assessment, 21, 73, 78
National Environment Protection Measures (Implementation) Act 1998, 50
 National Environmental Science Program, 5, 82, 86, 87
 online publications, 87
 research hubs and projects, 86

- National Gas Emergency Response Advisory Committee, 303
 - National Greenhouse Accounts, 59
 - National Heritage List, 3, 24, 30, 31, 32, 246–247
 - National Heritage Trust, 24
 - National Landcare Program, 3, 7, 24, 30–31, 276–277
 - National Oil Supplies Emergency Committee, 304
 - National Pollutant Inventory, 50, 52
 - National Pollutant Inventory Review Steering Committee, 50, 52
 - National Reconciliation Week, 107
 - National Species List, 85
 - National Taxonomy Research Grant Program, 84
 - National Trust Partnership Program, 32
 - National Waste Policy, 3, 25, 56, 282
 - native species, 25, 38, 243–245
 - Natural Heritage Trust of Australia Act 1997*, 276
 - Financial statements, 214
 - natural resource management, 24, 26, 263, 276
 - new buildings, energy efficiency in, 72
 - new product determinations, 20, 76
 - non-salary benefits, 105, 294
 - non-compliance with finance law, 113, 293
 - notifiable incidents, 108
 - nutrient recycling, Antarctica, 70
 - Nuyina icebreaker, 68
- O**
- Office of compliance, 45–46, 54, 113, 248, 274
 - ocean resources, sustainable use of, 126
 - oil security, 73, 80
 - oil stock tickets, 21, 73, 79, 80
 - operating result, 5–6
 - Organisation for Economic Co-operation and Development (OECD), 124
 - organisational structure, 7–9, 292
 - outcomes, 14–15
 - overview, 2018–19, 2–10
 - Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, 50–51
 - annual report on, 278–281
 - infringement notices, 54
 - ozone-depleting substances, 54
 - see also Montreal Protocol on Substances that Deplete the Ozone Layer, 304
- P**
- Pacific Regional Action Plan: Marine Litter, 125
 - Pacific Regional Environment Programme, 125
 - Paddock to Reef Integrated Monitoring, Modelling and Reporting Program, 28
 - Paris Agreement, 58, 59
 - Paris Rulebook, 19, 59
 - parks, local, 30
 - Parks Australia, 7, 98, 106–108, 246
 - parliamentary committee reports, 121–122
 - partnerships, 3, 16, 24, 26, 27, 30–31, 37, 67, 83, 86, 123, 276
 - Pat Turner Scholarship, 99
 - People Strategy 2018–2022, 5, 99–100
 - per- and poly-fluoroalkyl substances (PFAS), 55, 122, 248
 - perfluoro-octane sulfonic acid (PFOS), 307
 - performance agreements, 99
 - performance criteria and targets, 14
 - Performance Framework, departmental, 99
 - Performance Framework, employee, 99, 126
 - performance measures, 14–15, 16–22, 23, 110
 - performance overview, 23
 - performance pay, 105, 294
 - performance results,
 - Antarctic science, policy and presence, 67–71
 - climate change adaptation, 63–65
 - energy market reform and energy efficiency, 74–77
 - energy security, 78–81
 - environmental health, 51–56
 - environmental investment, 27–31
 - environmental watering, 34–39
 - greenhouse gas emissions reduction, 59–62
 - regulatory activities, environment and heritage, 41–48
 - science, information and research, 84–89
 - performance snapshot, overall, 23
 - petroleum see fuel quality; fuel supply and security, 269–270, 73, 304
 - pigs, feral, 258
 - pollutants see hazardous wastes, substances and pollutants, 3, 15, 18, 25, 50–54, 233–235, 263
 - portfolio and department structure, 7–9
 - Portfolio Additional Estimates Statements 2018–19, 14–15
 - Portfolio Budget Statements 2018–19, 14–15
 - portfolio ministers, 10
 - Pratt, Finn AO PSM (Secretary)
 - review 2018–19, 2–10
 - Price, the Hon Melissa MP, 10
 - procurement, 114–118
 - Product Emissions Standards Act 2017*, 50, 53
 - exemptions and certifications under, 53
 - Product Stewardship (Oil) Act 2011*, 50
 - annual report on, 284

Product Stewardship Act 2011, 50
 annual report on, 282–283
 programs, 14–15
 Protecting National Historic Sites Program, 32
 Protocol on Environmental Protection to the
 Antarctic Treaty, 4, 66
 publications, scientific, 5, 20, 82, 262
 Antarctica, 68–69
*Public Governance, Performance and Accountability
 Act 2013*, 14, 81, 110, 111
 compliance, 113
 publications, 262
 purchasing, 114
 purposes, 14–15

R

Ramsar Information Sheets for Wetlands of
 International Importance, 39
 Ramsar Sites Information Service, 39
 Ramsar wetlands, 30, 33, 38, 39
 Ranger uranium mine, 46–49, 263–268
 Reconciliation Action Plan, 5
 recovery plans, threatened species, 43, 44,
 242–243, 257
 recruitment panels, 107
 recycling, 3, 25, 56, 282, 284
 Reef 2050 Long-Term Sustainability Plan, 24,
 27–28, 277
 Reef 2050 Water Quality Improvement Plan, 28
 Reef Islands Initiative, 27
 Reef Trust, 16, 24, 27–28, 29, 277
 Reef Trust — Great Barrier Reef Foundation
 Partnership, 2, 24, 27–29
 Reef Water Quality Report Cards, 28
 referrals, assessments and approvals,
 environmental, 25, 40, 240, 248, 251
 new permit application system, 40
 statistics, 251–253
 timeliness benchmarks, 40–41
 training, 42
 Regional Land Partnerships Program, 3, 7, 24,
 26–27, 30–31
 regulation, environmental, 25, 40–49
 analysis, 40
 compliance tools and activities, 3, 25,
 45–46, 248–249
 new permit application system, 40
 performance results, 41–48
 Regulator Evaluation Framework, 126
 Regulator Performance Self-assessment Report
 2017–18, 126
 renewable energy projects, 58, 61, 62
 Renewable Energy Target, 3, 57, 58
 reporting framework, 14
 research *see* science, information and research
 resource management framework,
 compliance with, 113
 resource recovery, 3, 25, 56, 283
 resource statement 2018–19, 7, 231
 responsible ministers, 10
 Retail Electricity Pricing Inquiry, 74
 Retailer Reliability Obligation, 73, 75
 revenue, 272
 Reward and Recognition Policy,
 departmental, 99–100
 risk management, 110–111
 climate change, 4, 57, 63, 111
 rock art, 3, 24, 32
 role, 7
 Royal Exhibition Building, Melbourne, 44
 RSV Nuyina, 68
 RV Investigator, 70

S

salary ranges, 105
 salt flushing, 3, 17, 25, 35–36
 science, information and research, 82–89
 grant funding, 84
 performance snapshot, 83
 Secretary *see* Pratt, Finn AO PSM (Secretary)
 Secretary's Awards, 100
 seabirds (bycatch), 243, 257,
 sea dumping permits, 189
 senior executive service, 99
 remuneration, 101, 103
 senior management committees, 109
 single use plastic, 125
 Sir Roland Wilson PhD Scholarship, 99
 small business procurement, 116–117
 Snowy Hydro Limited, 6, 7, 21, 81
 social media, 20, 71
 solar photovoltaic systems, 58
 special accounts, 182–185, 223–235
 Special Research Initiative in Excellence in
 Antarctic Science, 66
 Species Profile and Threats Database, 243
 species discovery programs, 82, 84
 species, threatened *see* threatened species,
 ecological communities and heritage places
 staff *see* workforce
 stakeholder engagement, 29, 45, 50, 65, 74, 84, 86,
 89, 113, 261, 272, 273
 statutory time frames, 248
 Stepping Into program, 107
 strategic assessments *see* *Environment Protection
 and Biodiversity Conservation Act 1999*
 Strategic Workforce Plan, 98–99

structure, organisational, 7–9
 Supervising Scientist, 25, 46–49, 263–268
 Supply Nation, 106
 sustainable development, 123
 Sustainable Development Goals,
 United Nations, 123
 synthetic greenhouse gases, 186, 278–280, 304
 Sydney Harbour Federation Trust, 7

T

Talent Management Strategy, 99
 Taskforce on Climate Related Financial
 Disclosures, 111
 taxa, newly discovered, 21, 84, 85
 taxonomy, 84–85
 Taylor, the Hon Angus MP (Minister for Energy and
 Emissions Reduction), 10
 tertiary study, 99
 The Living Murray Program, 287, 34–35
 threat abatement plans, 43, 243
 Threatened Species Commissioner, 24, 26
 Threatened Species Scientific Committee,
 43, 242, 243, 250, 256
 Threatened Species Strategy, 16, 26, 128,
 targets under, 30
 Year Three Report, 24
 threatened species, ecological communities and
 heritage places, 3, 24–25, 26–27, 30, 37,
 40, 242–243
 licences and permits, 40
 listing of, 40, 43, 242, 254–258
 three-phase cage electric motors, 76
 toxic substances and pollutants, 52
 traditional owners, engagement with, 29,
 33, 37, 263
 2030 Agenda for Sustainable Development, 123

U

UN Environment Programme, 124–125
 unconventional gas, 82
 Underwriting New Generation Investments
 program, 75
 United Nations Framework Convention on
 Climate Change, 57
 uranium mining, 25, 40, 46–49, 128, 263–265

V

vegetation, native, 25, 37, 38

W

waste management, 3, 25, 55, 56, 88, 124, 252
 water *see* environmental watering; water quality;
 watering actions
Water Act 2007, 33
 annual report on, 285–291
 waterbirds, 37–38, 288
 water dependent ecosystems, 3, 17, 33–35
 water quality, 26
 Great Barrier Reef, 2, 24, 26, 28, 29
 Ranger uranium mine area, 18,
 46–49, 264, 267
 Murray–Darling Basin, 286, 287, 289
 watering actions, 3, 25, 34–35, 37–38, 285–290, 291
 weed control activities, 32
 Wet Tropics of Queensland World Heritage
 Area, 44
 wetlands, 33, 38, 39
 whales and whaling, 125, 241
 WHS Risk Roadmap 2018–2019, 108
 wildlife conservation plans, 243
 wildlife crime, 45, 244
 wildlife products, import and export of, 244,
 245–246, 259–260
 wildlife trade, 40, 43, 123, 128, 244–246, 259–260
 decisions on permits, 43
 permit application processing system, 40
 workforce, 5, 92
 work health and safety, 108
 investigations, 109
 Work Health and Safety Strategic Blueprint
 2020, 5, 108
 workforce *see* employees
 workforce planning, 98–99
 World Heritage Committee, 126
 World Heritage List, 126, 246
 World Heritage listed properties, 44
 World Heritage Management Plans, 44
 World Heritage Management Principles, 44
 World Heritage Outlook report, 44
 world heritage sites, 30

Y

Yirrganydji cultural landscape, 32

