



**Australian Government**  
**Department of Agriculture,  
Water and the Environment**

# Annual Report 2020–21



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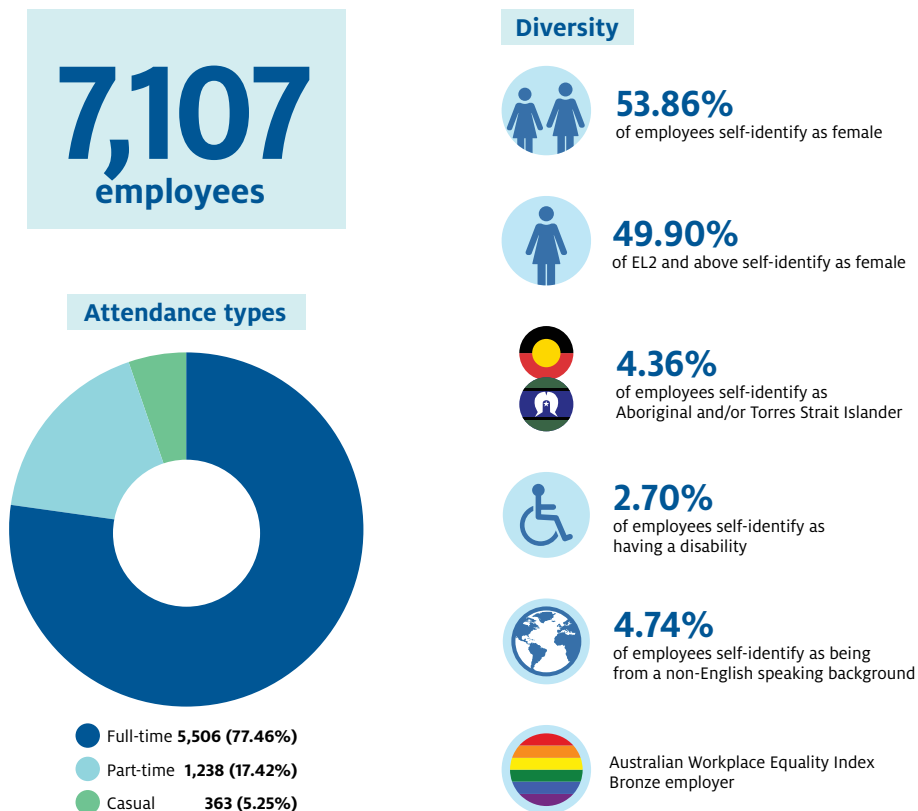
# Annual Report 2020–21



# Our department at a glance

## Who we are

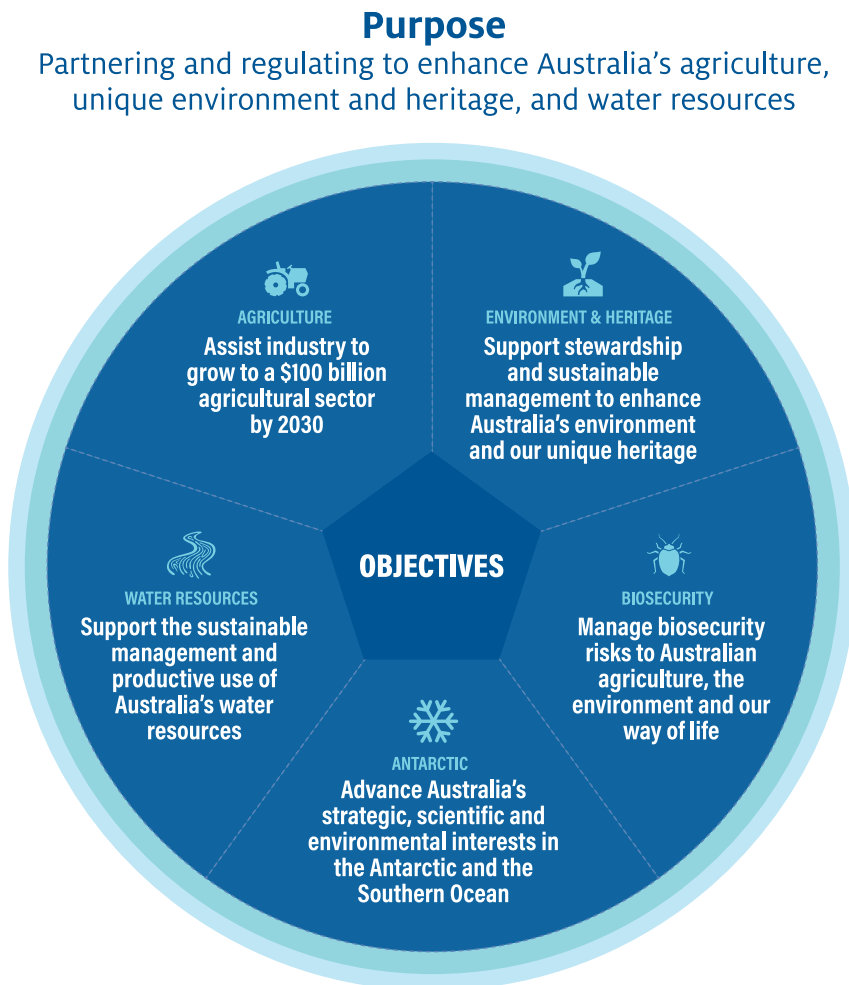
**Figure 1** Our people on 30 June 2021



Note: An employee has a non-English speaking background if they arrived in Australia after the age of 5 and their first language is a language other than English. The [Australian Workplace Equality Index](#) provides a national benchmark on lesbian, gay, bisexual, transgender and queer or questioning workplace inclusion in Australia.

## What we do

**Figure 2** Our purpose and objectives, 2020–21



## Our department

**Figure 3** Our structure on 30 June 2021



a acting in role.



**Secretary**

**Andrew Metcalfe**

**Environment and Heritage Group**

Deputy Secretary  
**Chris Locke a**

**Biodiversity Conservation**

**Cass Kennedy**

**Commonwealth Environmental Water Holder**

**Hilton Taylor a**

**Environment Approvals**

**Melissa Brown**

**Heritage, Reef and Wildlife Trade**

**Simon Banks**

**Parks Australia**

Director  
National Parks  
**Jody Swirepik a**  
First Assistant  
Secretary  
**Jason Mundy a**

**Major Environment Reforms Group**

Deputy Secretary  
**James Tregurtha a**

**Environment Protection**

**Kate Lynch**

**Environmental Protection Reform**

**Greg Manning a**

**Water, Climate Adaptation, Natural Disasters and Antarctic Group**

Deputy Secretary  
**Lyn O'Connell**

**Australian Antarctic Division**

**Kim Ellis**

**Climate Adaptation and Resilience**

**Maya Stuart-Fox a**

**Drought and Bushfire Response**

**Kerren Crosthwaite**

**Water**

**Rachel Connell**

**Enabling Services Group**

Deputy Secretary  
**Cindy Briscoe**

**Corporate and Business Services**

**Lionel Riley**

**Finance**

Chief Finance  
Officer  
**Paul Pak Poy a**

**Information Services**

Chief Information  
Officer  
**Mark Sawade**

**Legal**

Chief Counsel  
**Alice Linacre**

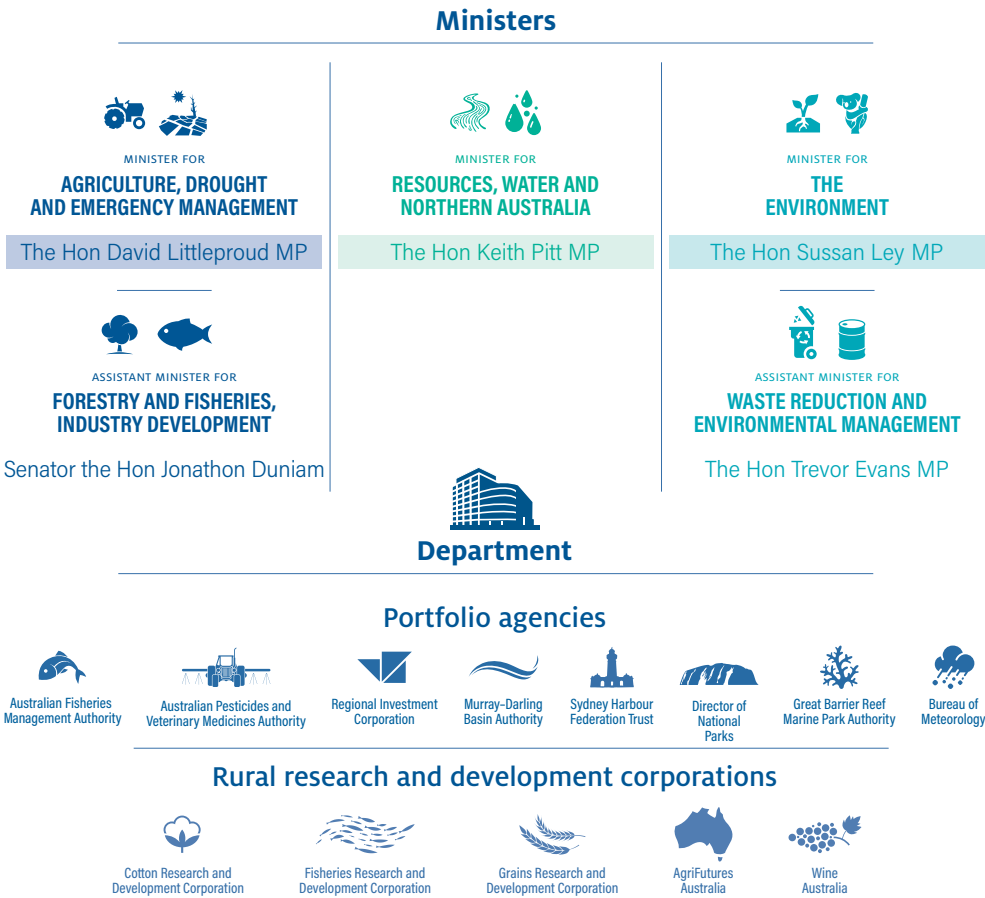
**People**

Chief People  
Officer  
**Jasna Blackwell a**

**a** acting in role.

# Our portfolio

Figure 4 Our portfolio, 2020–21





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# Letter of transmittal



Australian Government  
Department of Agriculture,  
Water and the Environment

ANDREW METCALFE AO  
SECRETARY

16 September 2021

The Hon David Littleproud MP  
Minister for Agriculture and Northern Australia  
Parliament House  
Canberra ACT 2600

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

The Hon Keith Pitt MP  
Minister for Resources and Water  
Parliament House  
Canberra ACT 2600

Dear Ministers

I am pleased to present the annual report for the Department of Agriculture, Water and the Environment for the year ended 30 June 2021.

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which requires that I give you an annual report for presentation to the Parliament.

The report includes the department's annual performance statements in accordance with section 39(1)(a) of the PGPA Act. The report has been prepared in accordance with the Public Governance, Performance and Accountability Rule 2014.

I am pleased to acknowledge the continued efforts of our staff to achieve our purpose, objectives and priorities.

Best wishes

Andrew Metcalfe AO

# Secretary's review

I am pleased to introduce the second annual report for the Department of Agriculture, Water and the Environment. This report provides our performance results for 2020–21. It also highlights our key activities for the year.

In my last review, I reported that our department entered 2020–21 with a new purpose: partnering and regulating to enhance Australia's agriculture, unique environment and heritage, and water resources. This year I can report that we are making progress to achieve that purpose. This is despite the extraordinary challenges of bushfire and natural disaster recovery, global trade tensions and the COVID-19 pandemic.

The Australian Government established our department to bring an integrated focus to the policy areas of agriculture, water and the environment. We have been working to bring that focus to bear on challenges and opportunities across our portfolio.

Our world-class science capabilities are advancing our objectives for agriculture, water and the environment in a warming climate. Our scientists are improving knowledge about climate and the atmosphere through the Australian Antarctic Division's million-year ice core mission. Our climate science expertise helps farmers to adapt to changing conditions and apply new processes and technology, which will help the sector to grow. Research through the National Environmental Science Program has increased our understanding of climate change and provided information to help businesses, communities and governments make decisions about climate risks. The new Australian Climate Service, hosted by the Bureau of Meteorology, represents a milestone in our 'science to users' reform agenda that will support communities in adapting to climate change.

We are protecting our farmers, agricultural businesses and the natural environment from the increasing risk of exotic pests and diseases. By working smarter to meet biosecurity risks, we are applying innovation across our work. We are using 3D X-rays to combat illegal trade in wildlife. Body-mounted cameras and smart glasses technology are showing potential for a range of inspections and audits.

We are adopting an integrated approach to our wide-ranging work as a regulator. We are working to build maturity as a professional, trusted and transparent regulator across our 12 regulatory systems. In 2020–21 we have been implementing regulatory reforms and streamlining our processes and systems. The changes are reducing the regulatory burden for those who do business with us.

After the 2019–20 Black Summer bushfires we had 810 species and ecological communities in need of urgent action. We continue to deliver support for wildlife and habitat recovery and for those whose livelihoods were devastated by fire.

These are just some of the examples where our unified focus is making a difference across policy areas.

The COVID-19 pandemic continues to be a dominating factor. In 2020–21 we worked on the frontline and supported industries to keep working. We kept Australian exports moving through initiatives like the International Freight Assistance Mechanism. We continued to support

economic recovery by implementing programs under the government's \$1 billion Relief and Recovery Fund. We collaborated with other agencies and state and territory governments to meet the pressing need for agricultural workers.

COVID-19 has changed the way we work. It accelerated the use of new technologies, such as QR codes to validate exports, virtual inspections and audits, and remote animal welfare monitoring. These helped us maintain regulatory oversight and reduce health risks. We continued to promote trade through electronic certification. These initiatives have made it easier for industries and trading partners to meet regulatory requirements.

In 2020–21 the gross value of agricultural production reached \$68 billion for the first time. This rises to \$73 billion when we include the fisheries and forestry sectors. We support the vision of an agricultural sector worth \$100 billion by 2030 and work is well underway on implementing the government's *Delivering Ag2030* plan.

Exports, which are key to achieving the Ag2030 plan, continued to face challenges. Agricultural exports remained relatively stable, up 1% in 2020–21 to \$48.6 billion. We continue to work with industries through the Agri-Business Expansion Initiative to help them adapt to trade conditions and find new export markets. We are working with trading partners to expand Australian agricultural trade opportunities. We are delivering regulatory reforms through the Busting Congestion for Agricultural Exporters package, reshaping the way we do business and the regulatory services we provide for producers and exporters.

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) continued to provide evidence to support policy and industry decision-making to enhance the contribution the sector makes to the Australian economy. In 2020–21 ABARES worked with CSIRO to take stock of the key global megatrends influencing the sector, providing a platform for future-leaning conversations across government and industry. In 2021–22 ABARES will further explore the implications of these trends for the sector and continue to evaluate sector performance and sustainability reporting.

The National Soil Strategy is being implemented to protect the health of the soil that is essential to agricultural productivity, environmental sustainability and economic growth. The Food Waste for Healthy Soils Fund will benefit both the environment and agriculture. The Agriculture Biodiversity Stewardship Package is piloting new market-based approaches to deliver additional income to farmers for environmental outcomes.

Biosecurity matters not only to our farmers, but to all Australians. Our biosecurity system protects human health, regional communities, agriculture, the environment and the economy. We are vigilant in regulating new pests, new pathways and new hosts, but the challenges are increasing. We are faced with changing and complex global risk pathways, shifting climate and environmental conditions, and higher volumes of all types of imported goods.

There are imminent threats on our doorstep. Worryingly, we found fragments of African swine fever and foot and mouth disease viruses in pork products seized at the border. During the year we worked closely with our state and territory colleagues and with industries to address border and post-border detections, most notably khapra beetle.

*Commonwealth Biosecurity 2030* is our roadmap to build a stronger, smarter biosecurity system. We know the value of biosecurity in dollar terms. The Australian economy receives a \$30 return on investment from each dollar we spend on biosecurity. But there is also value in terms of social amenity. A strong biosecurity system helps protect our environment and our way of life – and we want to keep it that way.

We will continue to strengthen biosecurity, promote biodiversity stewardship and deliver the National Soil Strategy.

In the last annual report, I noted we were at a pivotal point in our environmental protection efforts. The final report of the independent review of the *Environment Protection and Biodiversity Conservation Act 1999* was released in January 2021. The government has committed to a staged approach to reform in response to the review. We have developed a pathway for reforming national environmental law and an accompanying timeline.

In the first stage of reform we are focussed on supporting the National Cabinet's commitment to single-touch environmental approvals, underpinned by national environmental standards and strong assurance monitoring. The government has introduced 2 Bills into parliament to deliver these commitments, and we are working with the states and territories to support development of the single-touch approvals system.

Australia's unique environment continues to be a focus for biodiversity conservation and protection. The Great Barrier Reef is a global icon that has been subject to intensive research and international scrutiny. Our work on the *Reef 2050 Long-Term Sustainability Plan* was recently recognised by the World Heritage Committee as evidence of Australia's leadership in Reef management. The 5-yearly review is largely complete, showing some positive results and opportunities to do more. It will guide future investments in supporting a healthy and resilient Great Barrier Reef.

We are strengthening our leadership in oceans conservation through the government's \$100 million package. The package aims to restore blue carbon ecosystems, expand and strengthen our marine park estate and establish new Indigenous Protected Areas over sea Country. We will continue to enhance natural assets in the sea and on land by tackling the threats posed by invasive pest animals and weeds.

We will improve our monitoring systems so that we can assess the effectiveness of government investments in the environment. Regional Land Partnerships projects have reported on their achievements in their first 3 years. We will use these reports to assess the outcomes of investments and to inform future initiatives through the National Landcare Program.

We are refreshing the *National Climate Resilience and Adaptation Strategy*. The updated strategy will provide a pathway to build the resilience of our communities and the economy in a changing climate. It will include a vision for successful adaptation in accordance with the Paris Agreement. The strategy will be submitted to the United Nations Framework Convention on Climate Change in November 2021. In the year ahead we will also release our department's first climate risk strategy. This will build our capabilities to consider climate risk and resilience.

In 2021 we will deliver the first 5-year action plan under the *Threatened Species Strategy 2021–2031*. We will continue to implement reforms to environmental protection laws and regulations. We will take the next steps in the *National Waste Policy Action Plan 2019* and continue to support the transformation of Australia's waste and recycling industry.

We are working with the Director of National Parks to support an expanding program of work in our Commonwealth Marine Parks, island parks and the iconic jointly-managed Kakadu, Uluru-Kata Tjuta and Booderee national parks. The successful transfer of Jabiru township to the Mirrar people in June 2021 was a major step in empowering Traditional Owners. A program of major capital works is underway to fix aging infrastructure and address legacy remediation issues. A review by the senior advisory group will guide future approaches to joint management with Traditional Owners.

In 2020 the Parliament of Australia passed unprecedented waste and recycling laws. These laws ban waste export and create new economic opportunities and jobs in the waste and recycling sector. We are implementing the Recycling Modernisation Fund, which will help to develop Australia's waste and recycling capacity.

We have delivered the first milestones of the *National Waste Policy Action Plan 2019*. The export ban on waste glass came into effect on 1 January 2021, with the ban on mixed waste plastics taking effect from 1 July 2021. We also established a new regulatory regime for legitimate waste exports.

Some parts of Australia had good rainfall in 2020–21, but not all regions and primary producers have benefited. We continue to implement the *Drought Response, Resilience and Preparedness Plan*. This year we implemented the first 8 programs under the Future Drought Fund and launched drought resilience adoption and innovation hubs around Australia. These will help Australian farms, farm businesses and communities to prepare for drought.

Over the past 5 years, we have delivered Commonwealth environmental water that has inundated more than 25,000 kilometres of rivers, 28,000 hectares of lakes, 158,000 hectares of wetlands and 100,000 hectares of floodplain ecosystem. In the 50th year of the Ramsar Convention on Wetlands, I am proud to note that our efforts have helped maintain 11 of the 16 Ramsar sites in the Murray–Darling Basin.

We have entered a new phase in managing the Murray–Darling Basin Plan. This follows the government's announcement of the Murray–Darling Communities Investment Package in September 2020. The package continues to support the Basin plan through practical measures that will end water buybacks and focus on water recovery through off-farm efficiencies. The measures will deliver environmental benefits, jobs and economic activity to regional communities.

Our work in the Murray–Darling Basin benefited from increased rainfall during the year, after dry conditions in the preceding 3 years. Heavy autumn rainfall in 2021 in the northern catchments made it all the way to Menindee Lakes in western New South Wales, building on the 2020 spring environmental flow.

As I reported last year, the COVID-19 pandemic affected our work in the Antarctic and the Southern Ocean. We successfully prevented COVID-19 reaching the Australian Antarctic Program on Macquarie Island, but the pandemic delayed the return home for some expeditioners by up to 4 months.

While the pandemic caused delays to our work, we continued to deliver Year 5 of the *Australian Antarctic Strategy and 20-Year Action Plan*. This included taking delivery of our new icebreaker, the RSV *Nuyina*.

This year we have faced extraordinary challenges, affecting our people, our families and the way that we work, but we have kept working towards becoming the department we want to be.

In February 2021, on the anniversary of the department being established, we launched our Core 4 values. These are Working together, Courage, Diversity and Excellence. The principles of Safety and Integrity underpin the Core 4 values. Our purpose, objectives and priorities set the direction for what we do and why we do it; our Core 4 guide how we work together and with others to achieve our outcomes.

Partnerships with stakeholders, communities, industries and other government agencies are at the heart of our work. We have appointed PwC Australia as a strategic consulting services partner. They will help us transform into an organisation that is future ready. We have opened partnerships with the CSIRO, Charles Sturt University and other organisations to share information and expertise. This will help us achieve the best possible outcomes in agricultural, water and environmental policy and practice.

Good policy, regulation and decision-making relies on scientific evidence. We appointed Dr Geoff Garrett AO, former chief executive officer of the CSIRO and former Queensland Chief Scientist, as the department's first Science Convenor. Dr Garrett worked with our science colleagues to develop our new *Science Strategy Action Plan*. This plan will improve the use of science across our activities.

We have a significant agenda going forward. The government, through the Budget, has recognised the important role of the agriculture, water and environment portfolio. We will continue to contribute to economic recovery from the pandemic. We will continue to implement bushfire measures, water reforms and regulatory congestion-busting activities.

I end this review with appreciation for my deputy secretaries, my wider leadership team and all our staff working across Australia and around the world. Our people are the department's great strength. Together, we will continue to bring a unified focus on working as one portfolio, one agency and one team to care for our country.

**Andrew Metcalfe AO**

Secretary

16 September 2021





Part 1:

# Annual performance statements



# Introduction

## Accountable authority statement

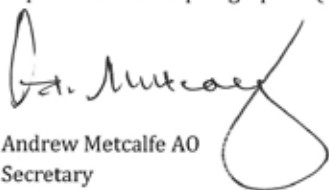
I, as the accountable authority for the Department of Agriculture, Water and the Environment, present the department's annual performance statements for 2020–21. The statements are prepared in accordance with paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these performance statements accurately present the department's performance in the year ending 30 June 2021 and comply with subsection 39(2) of the PGPA Act.

As required by sections 10 and 17AG of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), I certify that:

- the department has prepared fraud risk assessments and a fraud control plan
- the department has appropriate mechanisms to prevent, detect, investigate, record and confidentially report suspected fraud and corruption
- I have taken all reasonable measures to deal with fraud relating to the department.

In 2020–21 we did not report to the minister any significant issue that has affected the department under paragraph 19(1)(e) of the PGPA Act.



Andrew Metcalfe AO  
Secretary

16 September 2021

## Purpose

In 2020–21 our purpose was partnering and regulating to enhance Australia’s agriculture, unique environment and heritage, and water resources.

## Objectives and programs

Our *Corporate plan 2020–21* had 5 objectives. These are listed in [Table 1](#), which shows how these objectives align with the outcomes in our *Portfolio Budget Statements 2020–21* ([PBS 2020–21](#)).

**Table 1** Department outcomes and objectives, 2020–21

PBS 2020–21 outcome	Corporate plan 2020–21 objective
<b>Outcome 1</b> 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, and coordination of climate change adaptation strategy and climate change science activities.	<b>Environment and heritage</b> Support stewardship and sustainable management to enhance Australia’s environment and our unique heritage.
<b>Outcome 2</b> Advance Australia’s strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.	<b>Antarctic</b> Advance Australia’s strategic, scientific and environmental interests in the Antarctic and the Southern Ocean.
<b>Outcome 3</b> More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.	<b>Agriculture</b> Assist industry to grow to a \$100 billion agricultural sector by 2030.
<b>Outcome 4</b> Safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.	<b>Biosecurity</b> Manage biosecurity risks to Australian agriculture, the environment and our way of life.
<b>Outcome 5</b> Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.	<b>Water resources</b> Support the sustainable management and productive use of Australia’s water resources. <b>a</b>

**a** The water resources objective also aligns to Outcome 1.

[Table 2](#) lists the programs that contribute to our PBS outcomes.

**Table 2** Programs by PBS outcome, 2020–21

PBS 2020–21 outcome	Program
<b>Outcome 1</b> 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, and coordination of climate change adaptation strategy and climate change science activities.	<b>1.1</b> Sustainable management of natural resources and the environment <b>1.2</b> Science, information and research <b>1.3</b> Commonwealth environmental water <b>1.4</b> Conservation of Australia's heritage and the environment <b>1.5</b> Environmental regulation <b>1.6</b> Management of hazardous wastes, substances and pollutants
<b>Outcome 2</b> Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.	<b>2.1</b> Antarctic science, policy and presence
<b>Outcome 3</b> More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.	<b>3.2</b> Sustainable management – natural resources <b>3.3</b> Forest industry <b>3.4</b> Fishing industry <b>3.5</b> Horticulture industry <b>3.6</b> Wool industry <b>3.7</b> Grains industry <b>3.8</b> Dairy industry <b>3.9</b> Meat and livestock industry <b>3.10</b> Agricultural resources <b>3.11</b> Drought programs <b>3.12</b> Rural programs <b>3.13</b> International market access
<b>Outcome 4</b> Safeguard Australia's animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.	<b>4.1</b> Biosecurity and export services <b>4.2</b> Plant and animal health
<b>Outcome 5</b> Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.	<b>5.1</b> Water reform

## Summary of performance results

[Table 3](#) shows the results against each of our performance measures. Based on these results, in 2020–21 we were on track to achieve our purpose.

**Table 3** Summary of results against performance measures, 2020–21

Measure	Result
Growth in agricultural commodity exports in markets for which the department has negotiated improved market access exceeds average export growth.	Partially achieved
Number of disruptions to existing export markets resolved through the department's negotiation and advocacy work.	Achieved
Average annual productivity growth for the past 10 years is equal to or exceeds average annual market sector productivity growth over the same period.	Not achieved
Outcomes are consistent with forecasts, allowing for unforeseeable events.	Achieved
Levy collection processes cost no more than 1.2% of levies disbursed.	Achieved
Inspections of levy agent records cover at least 20% of levy revenue over a 3-year rolling average.	Achieved
A reduction in nutrient, sediment and pesticide loads consistent with meeting targets in the <i>Reef 2050 Water Quality Improvement Plan</i> .	Partially achieved
Habitat condition within major vegetation groups improves relative to baseline.	Partially achieved
Habitat connection within major vegetation groups improves relative to baseline.	Partially achieved
Extent of major vegetation groups is maintained.	Partially achieved
Terrestrial and inland water in protected areas – targets to be specified following agreement of the post-2020 agenda under the Convention on Biological Diversity.	Achieved
Threatened Bird Index improves relative to 2019–20 baseline.	Unable to report
Percentage of threatened species identified as priorities for action and investment showing improvements in their trajectory (100%).	Partially achieved
Percentage of natural resource management projects that demonstrate an improvement in environmental outcomes relative to the established project baseline (100%).	Partially achieved
Percentage of World Heritage listed properties being managed under management plans that are consistent with the management principles in the Environment Protection and Biodiversity Conservation (EPBC) Regulations (100%).	Not achieved

**Table 3** Summary of results against performance measures, 2020–21 (continued)

Measure	Result
Increase in percentage from previous year of National Heritage listed properties being managed under management plans that are consistent with the management principles in the EPBC Regulations.	Achieved
Number of times water quality in the Alligator Rivers Region exceeds statutory limits (0).	Achieved
Track changes against baseline dissimilarity values for biological communities in the Alligator Rivers Region.	Achieved
Reduction against baseline of non-compliant projects causing environmental harm.	Not achieved
Number of departments mapping climate risks and implementing climate risk strategies.	Partially achieved
Statutory time frames are met 100% of the time for EPBC Act referral, assessment and approval decisions and the backlog of decisions is cleared.	Achieved
Annual radiation dose [in the Alligator Rivers Region] to the public remains below 1 mSv.	Achieved
Completed National Environmental Science Program (NESP) projects inform policy, adaptation, or management action, with a target of at least one user in all cases (100%).	Achieved
First phase national land and waste accounts and experimental ecosystem accounts are reviewed and refined based on consultation and testing for policy suitability. Scoping, design and development of second phase accounts has commenced.	Achieved
Impact and risk analysis reports for Geological Bioregional Assessment regions published.	Substantially achieved
Add to the list of priority chemicals and waste for which baselines are established.	Achieved
Australian targets for Montreal protocol.	Achieved
The National Television Computer and Recycling Scheme's (NTCRS) annual target for recycling is met (68%).	Partially achieved
Unprocessed waste glass in a whole or broken state banned from waste export from 1 January 2021.	Achieved
Deliver department-led actions [in the National Waste Action Plan] (17 actions).	Partially achieved
National Standard framework [for industrial chemicals environmental management] established in Commonwealth legislation.	Achieved
National Pollutant Inventory data published by 31 March each year.	Achieved



**Table 3** Summary of results against performance measures, 2020–21 (continued)

Measure	Result
Performance measures are developed to assess the effectiveness of the national biosecurity system.	Partially achieved
Rates of compliance with regulations administered by the department are maintained or improved.	Partially achieved
Agreed regulatory performance time frames are met.	Partially achieved
Number of water resource plans accredited under Commonwealth law (33 of 33).	Partially achieved
Maintaining Murray–Darling Basin jurisdiction cooperation and coordination to implement the Basin Plan.	Achieved
Track engagement with key stakeholders (industry, environment, local government).	Partially achieved
Improved progress towards delivering the Murray–Darling Basin Plan (Bridging the Gap, Water Efficiency Program, Supply and constraint measures).	Partially achieved
Undertake statutory review of Water Efficiency Labelling and Standards scheme and track implementation of review recommendations.	Partially achieved
Release Ministerial Forum response to the Lake Eyre Basin Intergovernmental Agreement review.	Achieved
Progress high-priority areas of water for cities and towns, water for Indigenous Australians and climate change with jurisdictions.	Partially achieved
Establishment of the Great Artesian Basin Stakeholder Advisory Committee and track participation and number of meetings.	Partially achieved
The restoration of the hydrological regime which includes relevant flow components set out in the Basin Plan (section 8.51(1)(b)).	Achieved
Hydrological connectivity between the river and floodplain and between hydrologically connected valleys.	Achieved
Murray–Darling Basin salt export: volume of flow and salt load (tonnes) over the Lower Lakes barrages.	Achieved
Ramsar Information Sheet updates completed for 8 additional Ramsar sites.	Achieved
Measure progress against the <i>Australian Antarctic Strategy and 20 Year Action Plan</i> .	Achieved
Number of institutions collaborating in the Australian Antarctic Program (target: average of at least 100 over previous 5 years).	Achieved
Number of scientific publications published in peer-reviewed journals (target: average of at least 100 over previous 5 years).	Substantially achieved

# Key activities

## COVID-19 response and support for economic recovery

This year we continued to be at the forefront of the Australian Government response to the COVID-19 pandemic. Our frontline biosecurity staff delivered regulatory services at seaports, airports and mail centres. Our role at airports in managing human biosecurity continued. As agreed with the Department of Health, our officers provided COVID-19 information to all arriving travellers and assisted with health exit screening of travellers who were travelling from Australia to select Pacific countries.

The pandemic changed consumer behaviour, global logistics and supply chains. In turn, these affected import volumes, pathways and risk profiles for biosecurity and food imports. For example, while there was a 96.5% decrease in international traveller arrivals, there was a 54% increase in air cargo self-assessed clearances, a 52% increase in mail screening, and a 35% increase in cargo inspections.

We redeployed our staff to meet these areas of higher workload. From September 2020, we began a phased increase of biosecurity officers at international airports after the commencement of quarantine-free travel with New Zealand. Biosecurity officers continued to undertake airport traveller clearances, wearing full personal protective equipment and undergoing regular COVID-19 testing. Some jurisdictions required our officers to be fully vaccinated to work at an international airport.

We continued to work with other government departments to plan the re-opening of borders, expand quarantine-free travel and bring Australians home through government-facilitated flights.

We changed our practices to better manage human health risks associated with arriving aircraft and vessels. We worked with the aviation and maritime industries, as well as other border agencies, to ensure COVID-19 measures are understood. In the maritime environment we established local jurisdiction meetings at all first points of entry. These bring together Commonwealth, state and territory governments and local authorities to coordinate responses to vessels reporting potential human health diseases on board.

We adapted operations and used technology to reduce in-person biosecurity operations. For example:

- carrying out import inspections by video
- providing remote virtual training and on-the-job staff verifications
- using data and intelligence to target operations and inspections for high-risk imports
- enabling clients to lodge documents electronically or by courier.

We supported economic recovery efforts through the Australian Government's COVID-19 Relief and Recovery Fund. This included:

- levy relief for Commonwealth fisheries and support to promote the domestic seafood market
- support for agricultural shows, field days, rural financial counselling and forestry
- a temporary increase in benefits for oil recyclers
- support for employment and tourism by conserving and protecting the Great Barrier Reef, supporting restoration of natural shellfish reefs through funding Reef Builder, and infrastructure upgrades across 23 national and world heritage-listed sites.

We continued to work with Austrade on delivering the Australian Government's International Freight Assistance Mechanism (IFAM). This \$782 million program is a temporary measure to keep airfreight routes operating in and out of Australia. IFAM maintains connections to export markets and supports export of high-value and time-sensitive perishable agricultural products. This helps Australian businesses meet supply contracts with international customers. IFAM also supports the import of critical medical supplies, equipment and other goods of national importance.

Travel restrictions meant we could not deploy independent observers on livestock export vessels. We implemented additional reporting for some voyages to check animal welfare. We supported exports by negotiating alternatives to in-country inspections, promoting electronic certificates, talking to foreign regulators about modernising audit processes and building stronger relationships with trading partners.

## Supporting bushfire recovery

The 2019–20 Black Summer bushfires burnt more than 8 million hectares of forest across southern and eastern Australia. In 2020–21 we delivered funding to land managers, natural resource management regions, government agencies, Traditional Owners, non-government organisations, zoos and scientists. This funding is supporting projects including:

- revegetation, regeneration, seed banks and genetic stores of native plants
- captive breeding of 17 native animal species in new or expanded conservation facilities
- rescue, treatment or rehabilitation of almost 14,000 animals
- koala conservation program, health initiative and monitoring program
- 7,000 hectares of weed control and 700 hectares of erosion control
- fire management, planning, surveying and monitoring.

We assessed fire-affected species for protection under the *Environment Protection and Biodiversity Conservation Act 1999*. We added 11 species to the list of threatened species. Another 116 fire-affected species and 7 fire-affected ecological communities remain under assessment.

We delivered the Salvage Storage Fund and Forestry Transport Assistance. We also delivered the Forestry Recovery Development Fund Program, which supported 14 projects across New South Wales, Victoria and South Australia. These projects support jobs and regional communities.

In December 2020 the Australian and Victorian governments announced a major review to assess the effect of the bushfires on the Victorian regional forest agreements. We worked with the Victorian Government to establish an independent panel for the review. We commenced public consultation in June 2021.

Other support for economic recovery included:

- helping 2,927 primary producers with clean-up and emergency response
- funding 27 apple growers to re-establish their apple orchards
- funding recovery and business resilience activities for 69 wine grape producers with crop loss due to smoke taint
- providing an additional \$15 million for the Rural Financial Counselling Service to help primary producers in bushfire-affected regions.

## Agriculture

### Drought response, resilience and preparedness

We continued to implement the Australian Government's Drought Response, Resilience and Preparedness Plan. The Future Drought Fund Consultative Committee met 21 times to engage with stakeholders, discuss future directions and provide expert advice. We launched 8 programs under the \$5 billion Future Drought Fund to help farmers and communities manage future droughts.

In April 2021 Minister Littleproud launched 8 drought resilience adoption and innovation hubs. These hubs connect farmers, industry, agribusiness and communities with drought resilience expertise for their region. The hubs are funded under the Future Drought Fund with co-contributions from partner organisations.

The On-farm Emergency Water Infrastructure Rebate Scheme helped 1,300 primary producers and horticulture farmers buy and install water infrastructure. Since it began, the scheme has helped more than 7,800 applicants, providing rebates totalling \$42.5 million.

We supported pest animal and weed management across 33 local government areas by delivering \$7 million under round 2 of the Communities Combating Pest and Weed Impacts During Drought Program. Funded projects included trapping and baiting wild dogs and feral pigs, controlling priority weeds and improved training for land managers.

### Delivering Ag2030

*Delivering Ag2030* outlines the government's commitment to support the Australian agriculture sector to reach its goal of \$100 billion in farm-gate returns by 2030. During the year we continued to implement Ag2030 initiatives. Achievements included:

- faster containerised cargo inspections and increased biosecurity surveillance
- the Australian Farm Biodiversity Certification Scheme, which allows farmers to showcase best practice natural resource management to restore and promote biodiversity
- support for agriculture exporters to maintain and diversify export markets.

The 2021–22 Budget included new funding to drive the competitiveness, growth and resilience of the Australian agriculture industry. This included \$96.7 million to support exporters and market diversification, \$400 million to further safeguard Australian agriculture from exotic pests and diseases, and \$246 million to support agriculture stewardship and to improve biodiversity and soil management. The additional funding for *Delivering Ag2030* will support sustainable long-term industry development and build community resilience.

### Support for rural communities

The Rural Financial Counselling Service (RFCS) provided free counselling to 5,500 primary producers and agriculture-related small businesses experiencing or at risk of financial hardship. We implemented recommendations from a departmental review in 2019–20 to prepare for the next round of the RFCS. The Australian Government transferred responsibility for the RFCS to the National Recovery and Resilience Agency from 1 July 2021.

We piloted the Drought Communities Small Business Support Program. This program employed 44 full-time equivalent financial counsellors and 10 support staff. In 2020–21 the program supported more than 1,000 small regional businesses employing more than 2,400 people.

We improved information materials about the Farm Household Allowance to ensure they are useful to farmers who need assistance. We continued to work with Services Australia on improving case management for farmers receiving the allowance.

We evaluated the Farm Management Deposits Scheme. The government is considering the evaluation findings.

## Agriculture workforce

The pandemic created pressing agricultural labour needs. We collaborated with the Northern Territory Government on a pilot to recruit seasonal workers for the mango industry. This pilot laid the groundwork for resumption of the Seasonal Worker Programme and the Pacific Labour Scheme.

We worked with other departments to provide incentives for people to take up farm work. Incentives included relocation assistance, changes to ABSTUDY Living Allowance and Youth Allowance eligibility criteria, visa extensions and flexibility for temporary visa holders.

In March 2021 the Australian Government released the National Agricultural Labour Advisory Committee's *National Agricultural Workforce Strategy: Learning to excel*. This was accompanied by the *Australian Government roadmap to attract, retain, upskill and modernise the agricultural workforce*.

## Agri-Business Expansion Initiative

We implemented the Agri-Business Expansion Initiative. This builds on existing efforts to expand and diversify export markets. It involves partnering with Austrade, the Department of Foreign Affairs and Trade (DFAT), agricultural exporters and peak bodies. We also worked with industries to develop grant proposals under the Agriculture Trade and Market Access Cooperation program.

## Trade with Indonesia

We worked with Australian industries and our counterparts in Indonesia to implement the Indonesia–Australia Comprehensive Economic Partnership Agreement, which came into force on 5 July 2020. We began work with DFAT on the Katalis program, which will help Indonesian and Australian stakeholders reap the benefits of the economic partnership.

So far, new tariff rate quotas have secured access to trade volumes at reduced tariffs. This increases the competitiveness of Australian exports of carrots, lemons, limes, mandarins, oranges and live male cattle.

A new software platform has allowed the direct electronic exchange of quota certificates between Australia and Indonesia. This creates efficiencies for agricultural importers and exporters.

## Negotiating free trade

We contributed to free trade agreement negotiations with the United Kingdom and the European Union. In June 2021 the Australian Government achieved in principle agreement with the United Kingdom. When finalised, the agreement will contain commercially significant outcomes for Australian agriculture. Examples are tariff-free quotas for commodities such as beef, sheep meat, dairy and sugar; and duty-free entry for almost 99% of Australian goods exports such as wine, short- and medium-grain rice, honey, nuts and olive oil.

The key areas for free trade negotiations with the European Union are geographical indications and managing sensitivities with their domestic agriculture stakeholders, particularly around trade in beef, sheep meat, dairy, rice and sugar.

## Market access achievements

In November 2020 we signed a new export plan with New Zealand. New Zealand now accepts Australian export certification for fresh produce. This removes duplication in processes. The plan provides a template to streamline arrangements with other trading partners.

We continued to seek constructive dialogue with China about disrupted trade in agricultural commodities. We supported Australian industries by facilitating resolution of trade disruptions, raising awareness of heightened trade risks and supporting access to other markets.

We improved market access for meat and meat products across the Middle East. This included securing approval from Saudi Arabia to extend the shelf life for vacuum-packed chilled beef to 120 days, and for sheep meat to 90 days. This helps shipment by sea and sets a precedent for similar arrangements across the region.

Other market access achievements included:

- restoring access to multiple markets after the end of Australia's highly pathogenic avian influenza outbreak
- reopening a market for green runners to Turkey after exports were suspended in July 2020
- access for frozen whole, farmed abalone to Canada
- an arrangement with Japan for organic products, including organic livestock products.

## Fisheries and forestry

We released the *Commonwealth fisheries resource sharing framework* in December 2020. This followed consultation with the commercial, recreational and Indigenous fishing sectors. The framework improves transparency in decision-making and provides greater certainty for each sector. Other achievements included:

- consultation to develop a national fisheries plan
- delivering the Fisheries Habitat Restoration Program and the Recreational Fishing and Camping Facilities Program
- capacity building for fishing sector representatives
- collaboration with the Department of Health on mental health initiatives to support Australia's seafood community.

We continued to deliver on commitments in the National Forestry Industries Plan. This included support to the regional forestry hubs and the National Institute for Forest Products Innovation centres in Launceston, Mount Gambier and Gippsland. We met with the forestry sector about regional forest agreements, changes to water rule requirements, and access to the Emissions Reduction Fund for plantations.

## Implementing the Export Control Act

The *Export Control Act 2020* came into force on 28 March 2021. This new law was informed by the Agricultural Export Regulation Review 2015 and by consultation with exporters, farmers, other primary producers, governments and trading partners.

The transition to the new law followed work through the year to:

- develop supporting rules
- update the export cost recovery framework
- communicate with stakeholders to enable a smooth transition to the new legislation
- train our staff on roles and responsibilities under the new export legislation.

We continue to consult on implementing the legislation.

## Live animal exports

In November 2020 we released the updated [Australian Standards for the Export of Livestock](#) (ASEL). This is the first update of the standards since 2011. The changes aim to improve animal welfare across the supply chain.

We prohibited the export of sheep to the Middle East from June to late September (the hottest part of the Northern Hemisphere summer). This reduced the overall risk of heat stress to a very low level and, along with the ASEL update, has reduced sheep mortality rates while supporting a sustainable live sheep export trade.

We are working with industry on implementing different ways to demonstrate compliance with the Exporter Supply Chain Assurance System.

## Regulatory reform

We are taking a co-design approach to regulatory reform, working with the people and businesses we regulate to improve processes and reduce red tape.

The Busting Congestion for Agricultural Exporters package is central to our agricultural trade reform agenda. A significant component is modernising Australia's agricultural export systems and taking our services online. We have built strong foundations to deliver 24/7, safe and secure services. Our digital reforms included NEXDOC, which is a web-based system for digital export documentation.

We worked with the meat industry on a \$10.9 million modernisation program. This is expected to deliver a \$57 million annual benefit to the industry. We also partnered with Dairy Australia on the Dairy Export Assurance Program. This \$14.8 million program will raise export awareness, reduce red tape and streamline audit arrangements. These trade reform initiatives support the Australian Government's commitment to reduce regulatory burden for exporters while continuing to maintain the integrity of our regulatory systems.



We continued to harmonise Commonwealth, state and territory regulatory processes for plant and plant product exporters. We trialled real-time monitoring and reporting technology for plant export assurance. We also explored alternative assurance pathways, such as third-party auditing. We enabled electronic applications, payments, scheduling and appointments in the Plant Exports Management System. This simplifies application and management processes.

As we unwind our cost-recovery deficit, our reforms will increase the efficiency of regulatory processes. They will continue to reduce operational costs by at least \$21.4 million by 2023–24. Our updated Cost Recovery Implementation Statements take into account the impact of reforms on the costs of government regulation.

We supported the independent panel that reviewed the regulatory framework for agricultural and veterinary (agvet) chemicals. The panel consulted more than 190 stakeholder groups and delivered its final report in May 2021. The report proposes reforms to improve efficiency and reduce red tape in the agvet chemicals regulatory system while continuing to protect human health, animal health and welfare, the environment and trade.

## Innovating to do business better

We made great advances in the way we use technology to improve the way we work. This included trials to test:

- surveillance technology on live animal export vessels as an alternative or supplement to the independent observer program
- real-time monitoring and reporting technology for assurance for plant and meat exports
- remote auditing for seafood facilities
- body-mounted cameras and smart glasses for remote inspections of containers entering Australia.

We initiated a project under the government's Business Research and Innovation Initiative. This project seeks technology to improve monitoring of animal welfare on vessels and at critical points in the supply chain.

In a year of lockdowns and physical distancing, we led the way in paperless electronic trade to support no-contact business transactions. We conducted user research with 32 agricultural businesses before launching a new digital service that eliminated paper forms, saved time and reduced errors. We introduced QR codes to validate export documentation. This improved movement of goods and helped prevent the fraudulent trade of agricultural commodities.

The COVID-19 pandemic disrupted international courier and face-to-face services. This was an opportunity to improve acceptance of paperless certification. We expanded acceptance of electronic certification (eCert) with Canada, Japan, New Zealand, the Philippines and the United States. Where acceptance is on a temporary basis, we are leveraging familiarity with eCert to encourage permanent use.

For Australian exports, 4 countries now accept fully paperless trade through eCert for a variety of commodities, and 5 countries accept eCert for pre-clearance of Australian exports in advance of the receipt of traditional certification. Notable achievements were:

- In August 2020 Australia and New Zealand entered the most comprehensive eCert arrangement in the world. Australia and New Zealand will move all agricultural certificates to eCert, primarily focusing on sanitary and phytosanitary certificates.
- In November 2020 we added dairy certificates to the list of paperless exchanges with Japan, reinforcing our longstanding eCert relationship for Australian exports.

This year our new export certification system, NEXDOC, went live for the dairy sector. NEXDOC provides a self-service function for exporters, trading partners and the department. It enables the exchange of digital certificates. It improves product integrity, traceability and implementation of market requirements across the export supply chain.

## Environment and heritage

### Review of the *Environment Protection and Biodiversity Conservation Act*

In 2020 Professor Graeme Samuel AC conducted an independent review of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). The final report was released in January 2021.

Professor Samuel made 38 recommendations to address his conclusion that the EPBC Act is not delivering for the environment, for business or for the community. He recommended national environmental standards, accreditation of state and territory environmental approvals processes, and oversight by an Environment Assurance Commissioner. He also recommended improvements to Indigenous heritage protection laws; actions to support environmental restoration; and integrated data, monitoring and evaluation systems.

The government has committed to a staged program of reforms in response to the review. In June 2021 the government released a pathway for reforming national environmental law with a proposed timeline. Together these describe the reforms underway, the next steps and when the government will engage further with stakeholders on the full recommendations of the review.

During the year the government introduced 2 Bills into the Australian Parliament to underpin delivery of the first phase of reform:

- The Environment Protection and Biodiversity Conservation Amendment (Streamlining Environmental Approvals) Bill 2020 supports the efficient, effective and enduring operation of bilateral agreements.
- The Environment Protection and Biodiversity Conservation Amendment (Standards and Assurance) Bill 2021 establishes a framework for legally enforceable national environmental standards and establishes the Environment Assurance Commissioner.

These Bills support the National Cabinet's commitment to deliver single-touch environment approvals underpinned by national environmental standards. We also began work on the transition to single-touch approvals. This involves the establishment of approval bilateral agreements under the EPBC Act, and requires accreditation of state and territory environmental assessment and approval processes to make decisions in relation to Commonwealth matters. Negotiations are ongoing.

## Major projects

In October 2020 the government committed \$21.2 million to continue congestion busting and to fast-track the environmental assessment of 15 major projects. These projects are estimated to be worth more than \$72 billion to the economy. They support 66,000 direct and indirect jobs.

We established project assessment plans and joint assessment arrangements with states and territories. These provide for timely assessment of projects while maintaining strong environmental safeguards. Of the 43 proposals associated with the major projects, 12 have been approved. Most of the other proposals are on track to be considered by the end of 2022.

## Timely and efficient environmental approvals

We continued to improve the delivery of environmental approvals under the EPBC Act. During the year 98% of key decisions were made within statutory time frames and we substantially cleared the backlog of overdue key decisions from the previous year.

In 2021 we developed a program to accelerate progress and improve administration under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984*. This resulted in the resolution of several legacy cases.

## Regulatory reform

We continued work on the Digital Environmental Assessment Program. The program aims to improve regulatory administration. It will make it easier for proponents to engage with the EPBC Act assessment process. It should also reduce the time to make decisions.

We partnered with the Western Australian Government for the first phase of the program. We piloted integrated end-to-end digital systems, common processes and a biodiversity data repository to store and share information. The benefits of the program will increase as the new capabilities are adopted by other jurisdictions.

During the year we responded to recommendations from the Auditor-General to improve the efficiency and effectiveness of EPBC Act approvals. We delivered:

- a new conflict of interest register and mandatory declarations for all environmental approvals staff
- mandatory training for new delegates and assessment officers
- mandatory refresher training for experienced staff
- a compliance risk review to focus our regulatory approach on the areas of greatest risk
- a new quality assurance framework to provide ongoing confidence in the quality and integrity of decisions
- a new online portal and workflow system to streamline assessment processes.

We are developing a new performance framework. This will provide transparency on our progress in improving the efficiency and effectiveness of our administration of the EPBC Act.

We engaged KPMG Australia to conduct an independent review into the regulation of the export of native birds. The review found that decision-makers followed the usual practice, but we did not have adequate policies, procedures and guidelines to inform and document decisions. We accepted all review recommendations to strengthen our regulation of the wildlife trade. Work is underway, including scoping work for a registration scheme for the export of birds.

## A new Threatened Species Strategy

In May 2021 the Minister for the Environment released the *Threatened Species Strategy 2021–2031*. We developed the strategy after consultation with governments, environmental organisations and scientists, First Nations organisations, landholders and the public. The new strategy provides a focus for policy and action plans. We will develop the first action plan in 2021–22.

During the year the government released an assessment of the 2015–20 *Threatened Species Strategy*. Despite the effects of severe drought and the Black Summer bushfires, the assessment found there was good progress against many of the ambitious targets. Feral cat control occurred across more than 18 million hectares and recovery action is underway at more than 60 threatened ecological community sites. Overall the strategy contributed to improving the trajectories of 24 threatened bird, mammal and plant species.

## Reef 2050 Plan

In 2020–21 the Australian and Queensland governments conducted a review of the *Reef 2050 Long-Term Sustainability Plan*. The review built on the mid-term review completed in 2018. We consulted governments, industries, scientists, land managers, First Nations and the wider community to ensure the plan continues to identify threats and drive action to support a healthy and resilient reef.

We commenced new projects under the plan with a value of \$63 million. These projects are for the restoration of islands and coastal ecosystems, the protection of coastal and marine species, and work with farmers in Great Barrier Reef catchments to improve land management practices for water quality.

## Rehabilitating the Ranger mine

In January 2021 Energy Resources of Australia (ERA) ceased processing operations at the Ranger mine in the Northern Territory. The mine operated for 40 years and was the longest continually producing uranium mine in Australia.

Under the supervision of our Supervising Scientist, ERA completed mining and processing operations with no impact to the offsite environment of Kakadu National Park. The Ranger mine will transition into full-scale rehabilitation. Major rehabilitation works are to be completed by January 2026.

## Environmental biosecurity

In November 2020 the Chief Environmental Biosecurity Officer released the [National Priority List of Exotic Environmental Pests, Weeds and Diseases](#). The release delivered on a recommendation from the 2017 independent review of the capacity of Australia's biosecurity system and the underpinning Intergovernmental Agreement on Biosecurity.

The list covers 168 exotic pests, weeds and diseases across 8 biological groups. Of these, 42 have been identified as higher-risk exotic species that pose the greatest risk to Australia's environmental biosecurity.

We continued to collaborate with industries, government, research and community partners on projects under the Environmental Biosecurity Project Fund. This fund supports projects that strengthen the capacity to prevent, prepare for, detect and respond to exotic environmental pests, weeds and diseases.

Since 2018 more than \$2.8 million has been invested in 39 projects, leveraging co-investment of more than \$6 million from other parties. Key projects include:

- developing world-first 3D X-ray algorithms to detect seeds and illegally traded wildlife
- environmental biosecurity risk mitigation plans for acacia species, mangroves and associated communities, and native bees
- research positions to improve our understanding of wildlife diseases
- a new biosecurity virtual laboratory that provides decision-making support tools.

## National Environmental Science Program

The National Environmental Science Program funds environment and climate research to provide evidence for the design and delivery of environmental programs. It supports projects to help decision-makers, including from First Nations communities, deliver positive environmental, social and economic outcomes.

Since 2014–15 the Australian Government has delivered \$145 million to fund research. The research hubs funded in Phase 1 were the Clean Air and Urban Landscapes Hub, Marine Biodiversity Hub, Threatened Species Recovery Hub, Earth Systems and Climate Change Hub, Northern Australia Environmental Resources Hub, and the Tropical Water Quality Hub.

During the year the government announced \$149 million in funding for Phase 2 of the program. This will fund the Resilience Landscapes Hub, Sustainable Communities and Waste Hub, Marine and Coastal Hub, and the Earth Systems and Climate Change Hub.

## Geological and bioregional assessments

The final stage of the Geological and Bioregional Assessment Program ended on 30 June 2021. The program provided publicly available science, decision support tools, data and information. This improved understanding about the regional effects of shale, tight and deep coal gas extraction on the environment and water resources.

This program supported our commitment to consistent, rigorous and transparent environmental decision-making backed by science.

## Climate adaptation, science and services

Climate science provides the information needed to understand and plan for climate impacts, increasing resilience and reducing the cost of climate impacts. The Earth Systems and Climate Change Hub is part of the \$149 million National Environmental Science Program. The hub keeps Australian climate scientists at the forefront of global efforts to understand the science of climate change. The hub also leads climate research in the southern hemisphere.

We actively support climate science efforts at the foundational and applied levels and through the development of climate science services. We aim to ensure foundational climate knowledge is accessible and can be applied through resilience building and adaptation actions.

We continue to coordinate the national climate science effort, engaging with programs in the states and territories, the National Research Infrastructure and the Australian Research Council Centre for Excellence for Climate Extremes. These efforts ensure Australian scientists continue to engage in key national and international leadership roles, with our science directly supporting the global effort to combat climate change.

With world-leading climate science as the foundation, the Australian Government is ensuring Australians have the information they need to reduce risks. The new Australian Climate Service is a \$210 million investment to bring together Australia's world-leading expertise and information to help local communities build resilience to climate change. Our Climate Services for Agriculture program under the Future Drought Fund will also deliver agriculture commodity-specific information on current and future climate, climate impacts and future adaptation options for farmers through an interactive digital platform.

## Leading climate risk management

We co-chair the Australian Government Disaster and Climate Resilience Reference Group. This group of senior officials is driving a whole-of-government approach to disaster and climate resilience, risk reduction and adaptation. The group is also leading work by Australian Government agencies to embed disaster and climate considerations in their planning, policies, programs, asset management and risk management frameworks.

In 2021 we established an inter-agency Assistant Secretaries Working Group to support the work program. The group worked to implement standardised reporting of climate risks and opportunities across departments and agencies. We also established a departmental Climate Resilience Committee and are working on the department's first climate risk and opportunity strategy.

We are working with the Department of Industry, Science, Energy and Resources to develop a Climate Risk Disclosure Framework. This framework will standardise climate risk disclosure practices and enable robust and comparable data. Our first disclosure, against the preliminary framework, is reported in the [management and accountability section](#) of this report.

## National Soil Strategy

The *National Soil Strategy* was released in May 2021. The Australian Government developed the strategy in collaboration with state and territory governments, the National Soils Advocate and the soil community to secure and protect Australia's soil into the future. The Australian Government has committed to a \$214.9 million soil package to implement the National Soil Strategy.

The soil package includes funding for a 2-year National Soil Monitoring and Incentives Pilot Program. This will improve our understanding of Australia's soil condition and how to better manage it, assess the impact of land management practices on soil, assist farmers to improve their productivity and profitability, and better support farmers to participate in other programs such as the Emissions Reduction Fund. The soil package includes the Soil Science Challenge Grants Program, which will support researchers to address fundamental gaps in soil science and improve our understanding of how to better manage soil.

## Recycling and waste reduction

The Australian Government is leading work through the *National Waste Policy Action Plan 2019* to reduce waste, increase recycling rates, find alternatives to the plastics we don't need, and stop plastic litter. In December 2020 the *Recycling and Waste Reduction Act 2020* commenced to provide the legislative framework for this work.

In March 2021 we released the *National Plastics Plan 2021*. It sets out actions that governments, industry and households can take to reduce the impact of plastics on our environment. The plan provides milestones to help reduce Australia's plastics problem.

The Australian Government signed funding agreements with 6 states and territories under the National Partnership on Recycling Infrastructure. The agreements enable delivery of the Recycling Modernisation Fund. The fund will invest in infrastructure projects for sorting, processing and remanufacturing waste materials covered by the ban on unsorted mixed plastics. The ban takes effect from 1 July 2021.

We continued work under the National Food Waste Strategy to halve Australia's food waste by 2030. We delivered \$4 million in government funding to establish Stop Food Waste Australia. Stop Food Waste Australia is led by Fight Food Waste Limited and is supported by a consortium representing the entire food supply chain and all levels of government.

## Creating demand for recycled content

The Australian Government is committed to using its purchasing power to build demand and markets for products containing recycled content. During the year we established the Commonwealth Sustainable Procurement Advocacy and Resource Centre and released the *Sustainable Procurement Guide*. These will help government procurement officers support the Australian market for goods made from recycled content.

## Product stewardship

We established the Product Stewardship Centre of Excellence. This will drive industry-led product stewardship through mentoring, education and support.

We accredited 2 new industry-led product stewardship schemes. Accredited schemes now cover mobile phones, tyres and agricultural plastics. Accreditation gives the public confidence that environmental and human health outcomes have been verified in accordance with Australia's recycling and waste management objectives.

We delivered \$1 million in funding to the Battery Stewardship Council. This will help build a network of battery collection points in supermarkets, libraries and office suppliers. These collection points will enable people to dispose of their used batteries safely. It will provide confidence that batteries will be recycled.



## Managing industrial chemicals

We are leading work to strengthen chemicals management through a new Industrial Chemicals Environmental Management Standard (IChEMS).

The *Industrial Chemicals Environmental Management (Register) Act 2021* commenced in March 2021. This enables nationally consistent standards and establishes the IChEMS Register. Chemical users, importers and manufacturers will be able to access the register for up-to-date information and advice on how to manage the introduction, use and disposal of industrial chemicals. The next stage is to incorporate the register into the laws of each state and territory.

## Stronger national air quality standards

In April 2021 Australia's environment ministers agreed on stronger national air quality standards for ozone, nitrogen dioxide and sulphur dioxide. The change to the National Environment Protection (Ambient Air Quality) Measure means Australia now has some of the strongest standards in the world. This will help inform actions by communities and governments to protect people's health.

The Product Emissions Standards are reducing air pollution from small petrol engines throughout Australia. The standards apply to all spark-ignition non-road and marine engines imported, manufactured and, since 1 July 2020, supplied in Australia. With the standards fully in place, we have been working to:

- ensure the regulated community understands and is supported to comply with its obligations
- closely monitor the compliance of imports
- raise consumer awareness of the health benefits of low-emissions products, with a campaign asking consumers to 'Check Before You Buy'.

## Compliance activities

During the year we advanced our environment intelligence capability. We partnered with the law enforcement and intelligence community to increase our understanding of organised environmental crime and to enhance community education on environmental crime threats. We used this work to establish new intelligence collection streams. As a result, we:

- assessed 207 environmental crime and serious non-compliance threats
- identified 191 previously unknown targets
- opened 25 new intelligence cases
- referred 16 environmental crime threats for disruption.

Significant compliance actions this year involved infringements notices against 3 companies for contravening conditions of EPBC legislation. We signed a remediation determination with a Victorian landowner who contravened EPBC legislation. We also reached a mediated agreement with one company for contravening the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*.

The courts determined 5 matters with sentences for individuals. These matters dealt with exporting regulated native specimens, dealing in protected animals, possessing regulated live specimens, and possessing or importing specimens listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

## Water resources

### National Water Initiative

We progressed work on renewing the Intergovernmental Agreement on a National Water Initiative. The work is addressing the key issues of climate change, Indigenous water interests, infrastructure and urban water.

Following consultation during 2020, the Productivity Commission delivered its final report on the 3-yearly review of water reform to the Treasurer. The commission's findings and recommendations will inform the renewal of the National Water Initiative.

### Murray–Darling Basin Plan

In September 2020 Minister Pitt announced the [Murray–Darling Communities Investment Package](#). The package marks a new approach to implementing the Murray–Darling Basin Plan. It supports jobs and economic recovery in Basin communities. It will also ensure communities realise greater benefits.

The investment package includes 11 measures to end water buybacks and focus recovery on off-farm water efficiencies. It provides a program of work for our department. The Australian Government has committed to work with Basin governments to accelerate the planning and delivery of supply and constraints measures.

The Australian Competition and Consumer Commission (ACCC) released the *Murray–Darling Basin water markets inquiry – final report*. The report makes recommendations to improve the way water markets operate to better deliver for water users, rural communities and the environment.

The ACCC's recommendations are wide-ranging. Implementation needs careful consideration so reforms can be implemented with Basin governments, which are primarily responsible for water markets, and stakeholders. The 2021–22 Budget includes funding of \$3.5 million to establish an independent expert panel to work with Basin governments and stakeholders to develop a roadmap for water market reform.

### Delivering Commonwealth environmental water

In the northern Murray–Darling Basin, our Commonwealth Environmental Water Office delivered water to reconnect and improve water quality in refuge habitats. This is helping native plants and animals to recover from drought. Following good rainfall, Commonwealth environmental water contributed more than 100 GL to natural flows. This water replenished important refuge habitats across the Border rivers, the Gwydir, Macintyre, Warrego and Barwon–Darling.

In the Macquarie Marshes we delivered more than 140 GL to support recovery following extreme drought conditions. This water supported:

- Murray cod nesting in the Macquarie River
- wetland vegetation such as water couch, reeds and mixed marsh
- breeding and recruitment of frogs
- foraging and nesting habitat for a range of waterbird species, including Australasian bittern and Latham's snipe
- increased connectivity, refreshing and reconnecting refuges for native fish.

In the Central Basin, we used Commonwealth environmental water to maintain in-stream and off-channel refuge habitat and improve water quality in the Lachlan and Murrumbidgee river systems. The flow contributed to inundation of areas in the lower Lachlan floodplain, including the Great Cumbung Swamp. More than 200 GL of Commonwealth environmental water was delivered to the lower Murrumbidgee floodplain and wetland sites across the Murrumbidgee catchment.

In the Southern Basin, the Southern Spring Flow delivered more than 360 GL. It achieved multiple ecological outcomes along more than 5,000 river kilometres, including:

- providing movement and breeding opportunities for native fish such as Murray cod, silver and golden perch
- supporting habitat and food for the endangered Murray hardyhead
- supporting colonial waterbird nesting habitat in the Barmah and Millewa forests
- improving food web health by flushing food and nutrients from the floodplain into the river.

Delivery of Commonwealth environmental water achieved multiple ecological outcomes in the Lower Lakes and Coorong. It maintained connectivity between the Murray River and its estuary to support the movement of migratory fish species. It also provided favourable conditions in the Coorong for estuarine fish spawning opportunities.

We estimate the use of Commonwealth environmental water from 2017 to 2020 has stopped about 5.5 million tonnes of salt entering the Coorong. This is preventing catastrophic impacts on native plants and wildlife.

## 50 years of the Ramsar Convention

This year we celebrated the 50th anniversary of the Ramsar Convention on Wetlands. We produced posters, postcards, maps and a factsheet to promote Australia's precious wetlands. These went to wetland education centres, the states and territories, and Ramsar site managers. We also made the materials available to the public through our website. We worked with Australia Post to produce commemorative postage stamps.

To advance our management of wetlands, we developed the Australian Wetland Inventory. This provides a consistent way to identify and categorise our wetlands and their diverse ecosystems.

## On-farm water infrastructure

Demand for the On-farm Emergency Water Infrastructure Rebate Scheme surpassed expectations. The government committed an additional \$50 million in 2020–21. This will be matched dollar-for-dollar by state and territory governments.

The scheme has been extended to 30 June 2022 to continue providing rebates for on-farm water infrastructure projects that reduce the impacts of drought and improve drought resilience.

## Great Artesian Basin

Funding from the Improving Great Artesian Basin Drought Resilience Program continued to support water-saving projects in New South Wales, the Northern Territory, Queensland and South Australia. During the year 31 projects worth \$2.82 million in Australian Government funding were completed. This saves about 2.6 GL of water per year.

These projects, combined with other management activities, are having a positive effect on increasing water pressure, leading to the re-emergence of springs in the Great Artesian Basin. This basin includes some of the most ecologically diverse and endangered groundwater-dependent ecosystems in Australia.

## Lake Eyre Basin

In December 2020 the Lake Eyre Basin Ministerial Forum released its response to the Second Review of the Lake Eyre Basin Intergovernmental Agreement. The review found the purpose and objectives of the agreement have been achieved and remain relevant. It found that government activities adequately manage threats and pressures within the Lake Eyre Basin Agreement Area.

We are working collaboratively with the basin governments to address recommendations from the Lake Eyre Basin Ministerial Forum response. This includes development of a strategic plan for the Basin and revised options for governance.

The Lake Eyre Basin Ministerial Forum was disbanded in February 2021 following recommendations from Peter Conran AM's *Review of COAG councils and ministerial forums – Report to National Cabinet*.

## Water efficiency labelling and standards

In 2020–21 independent reviewers commenced the review of the Water Efficiency Labelling and Standards (WELS) scheme. The review is in 2 parts:

- the third statutory review of the WELS scheme, examining its design, effectiveness and efficiency in helping Australians choose water-efficient washing machines, dishwashers, taps, toilets and showers
- a review of the 2004 Intergovernmental Agreement on a National Water Initiative, which is the agreement that underpins the WELS scheme.

The review should be delivered in early 2021–22.

# Biosecurity

## Commonwealth Biosecurity 2030

In May 2021 the Australian Government released *Commonwealth Biosecurity 2030*. This is our roadmap to build a stronger, smarter biosecurity system. The roadmap will focus on 5 enablers:

- Governance: a strong, ongoing commitment by governments, industry and the community to carry out their evolving roles and responsibilities as part of the biosecurity system.
- Technology: an integrated, secure, data-driven and technology-enabled biosecurity system overseas, at our border and within Australia.
- People: a workforce that has the capacity, skills and flexibility to prepare for and respond to emerging biosecurity risks, challenges and opportunities.
- Regulation: a regulatory environment that supports us to respond to current and future biosecurity challenges and opportunities.
- Funding: a funding and investment model that is sustainable for the long term.

In 2021–22 we will start engaging stakeholders to develop annual action plans towards delivering our roadmap and implementing the government's \$400 million biosecurity investment.

## Biosecurity innovation – working smarter

As part of our 5-year innovation roadmap, we launched [The Seed](#). This innovation hub will embed a strong innovation culture.

This year we funded 24 projects under the Biosecurity Innovation Program. Projects included diagnostic tests for emerging plant viruses, modelling post-border spread and control of African swine fever, and developing environmental DNA technology to enhance the identification of ornamental fish.

We created the world's first auto-detection algorithms for biosecurity risk material. This won the Digital and Data category at the 2020 Public Sector Innovation Awards. We also worked with industries to improve regulation practice. This included:

- piloting remote visual inspection to confirm biosecurity compliance with imported foods visual label requirements
- expanding our pilot of smart glasses to remotely monitor tailgate container cargo verification and country action list container inspections
- trialling 3D X-ray and auto-detection technologies to identify biosecurity risk material in the traveller and mail import pathways
- implementing a workforce management system that aligns scheduling and deployment with workload demand
- introducing document assessment automation to reduce manual and resource-intensive work.

These changes reduce departmental interventions and increase our capacity to meet increasing workload demands. They also save time and money for industry.

## Biosecurity grants

We are implementing biosecurity business grants under the Indigenous Ranger Biosecurity Program. These grants will build the biosecurity capability of First Nations rangers and businesses. This will help to minimise the spread of exotic pests and diseases through northern Australia.

We are enhancing ranger capability through a \$1.78 million third-party procurement. This will deliver equipment, goods and services to First Nations ranger groups over 3 years.

We delivered 19 grants under the \$13 million Advancing Pest Animal and Weed Control Solutions Competitive Grant Round. Projects aim to deliver innovations and tools to improve established pest animal and weed management. They include a machine learning-based platform for invasive ant detection and recognition, remote detection technologies for weeds in heterogeneous landscapes, autonomous machinery for under-vine weed control, and improving the efficiency of rabbit haemorrhagic disease virus.

We delivered grants totalling \$3.74 million under the Plant Biosecurity and Response Reform program and the Priority Pest and Disease Planning and Response program. These programs support the early detection of priority pests and a timely response to plant pest incursions, minimising the cost and impact to growers, industries and the environment. This maintains and enhances Australia's plant health status and facilitates trade, providing benefits at the farm-gate and contributing towards the Australian agricultural sector's \$100 billion vision.

Under the Priority Pest and Disease Planning and Response program, we have committed \$1 million annually through a national partnership agreement to enhance the National Plant Health Surveillance Program. The program provides early warning of high-priority exotic plant pest incursions. We have contributed \$270,000 to the National Bee Biosecurity Program and the National Bee Pest Surveillance Program. The funding will meet a reduction in levy contributions following the Black Summer bushfires. These programs assist to maintain and improve bee biosecurity status by protecting Australia from the impacts of exotic bee pests and diseases and informing the community about the national bee pest status.

We have contributed to work to enhance the AUSPestCheck™ system. This is a national repository of plant health surveillance data administered by Plant Health Australia. The system aggregates national surveillance data to facilitate pest status determination and support market access.

## African swine fever

African swine fever (ASF) continues its global spread. To prevent its entry into Australia, we continued to monitor border controls, strengthen awareness of import requirements and on-farm biosecurity, and deliver technical workshops on ASF preparedness. We conducted surveillance, including in the Torres Strait and northern Australia. We deployed additional resources to screen and inspect international mail, as the growth in online purchasing has increased mail volume from high-risk countries.

We continued to engage the states and territories, Animal Health Australia, the pig industry, laboratories and international observers to identify vulnerabilities and practise ASF response arrangements using hypothetical disease outbreak scenarios.

An incursion of ASF in Australia would have a significant effect on our exports. In recognition of this, we formalised a pre-emptive zoning arrangement with Singapore to facilitate the trade of Australian pig meat in the event of an ASF outbreak.

We provided support to Papua New Guinea and Timor-Leste to help them contain ASF outbreaks. We also gave technical support, including in-field epidemiology, geographic information system mapping, and biosecurity and laboratory support.

## Avian influenza

We provided support and advice after an outbreak of highly pathogenic avian influenza on 3 commercial egg farms in Victoria in 2020. Our staff also assisted Victoria's biosecurity response team with on-farm surveillance. Australia declared freedom from notifiable avian influenza in February 2021.

The outbreak affected the export of poultry and poultry products. In most cases trade continued with commodities sourced from other Australian producers. However, the only Australian facility producing specific pathogen-free eggs was in Victoria, although it was outside the outbreak control zone. This facility exports specific pathogen-free eggs to the United States to manufacture vaccines for Australian poultry.

We provided technical advice to re-establish trade from this facility. While Australian-specific pathogen-free eggs were unavailable, we invoked a contingency policy to allow limited use of eggs from the United States to produce vaccines as it was a case of critical national need.

## Plant pests

Managing contaminant pests along complex supply chains requires innovative solutions. We collaborated with the Plant Biosecurity Research Initiative, local and international researchers, government and industries on new risk assessment, detection, treatment and management solutions.

## Khapra beetle

A marked increase in interceptions of khapra beetle posed a major threat to Australia's billion-dollar grain industry and stored food commodities. During the year we investigated and managed several interceptions where beetles were found in imported goods and in empty containers.

We phased in measures to safeguard Australia from khapra beetle, including changed import conditions for high-risk goods. We implemented mandatory offshore treatment conditions for sea containers where high-risk plant products are packed in risk areas.

The government invested an additional \$14.5 million for dealing with khapra beetle. This includes expanding offshore treatment, revising treatment and phytosanitary requirements, enhancing electronic systems and developing an assurance program for overseas treatment providers.

### **Brown marmorated stink bug**

We maintained seasonal measures to protect Australia during the brown marmorated stink bug (BMSB) risk season. More than 30,000 consignments were referred for BMSB intervention. Half were treated offshore and required no BMSB-related intervention on arrival.

During the season BMSBs were detected on more than 150 occasions. This was a decrease from the previous season. More than 95% of the bugs detected were on known risk pathways and more than 90% were dead.

Industry is adapting to our import requirements and there was no need to direct vessels to leave Australia because of unmanageable numbers of live bugs. We continue to work with trading partners and industry on new ways to detect, treat and prevent BMSBs from infesting goods.

### **Fall armyworm**

The fall armyworm can migrate long distances on wind currents and by flight. After spreading across southeast Asia in 2019, the fall armyworm arrived naturally in the Torres Strait Islands in January 2020. It was detected in the Northern Territory and in the north of Western Australia shortly afterwards.

The fall armyworm has since spread across Queensland, Western Australia, Northern Territory, New South Wales, Victoria, Tasmania and Norfolk Island. It is not eradicable because of its reproductive capacity, ability to fly long distances and wide host range.

We are working with national and international forums, the states and territories, industry groups and research organisations on the management of this pest. Activities this year included:

- boosting Plant Health Australia's research and development with a grant of \$600,000
- funding a review to identify areas where ecological modelling can assist pest management
- grants to the CSIRO and Murdoch University to develop biopesticides and non-toxic pest controls
- support to Timor-Leste, Papua New Guinea and Solomon Islands
- support for activities by the Food and Agriculture Organization of the United Nations and the Association of Southeast Asian Nations.

### **International Year of Plant Health**

The 2020 International Year of Plant Health was extended to June 2021 because of disruptions caused by the COVID-19 pandemic. We celebrated the international year with a dedicated website, promotional products and sponsoring plant health-related events.

We continue to support international efforts to have an annual International Day of Plant Health to promote the importance of plant health across the world.



## Independent prawn review

In September 2020 we released the draft 'Review of the biosecurity risks of prawns imported from all countries for human consumption report' for stakeholder comment. Submissions highlighted significant differences in stakeholder positions.

We sought independent expert advice from members of the Scientific Advisory Group on whether we had properly considered relevant matters and made appropriate conclusions in the draft report. We are considering the expert advice and submissions.

## Animal health

Our Australian Chief Veterinary Officer, Dr Mark Schipp, completed a 3-year term as president of the World Organisation for Animal Health (OIE). Dr Schipp guided development of the OIE strategic plan for 2021–25 and the first *OIE Aquatic Animal Health Strategy 2021–2025*. The OIE provided expert advice during the COVID-19 pandemic. During Dr Schipp's term, the OIE launched the OIE Wildlife Health Framework. This framework will reduce the risk of future pandemics emerging from animals.

Dr Schipp will continue to be part of the OIE Council for another 3 years. This continues our contribution to leading international animal health and welfare.

This year there were new initiatives in international zoonotic disease management. Our advocacy and funding aimed to decrease high-risk interactions between wildlife and people. We supported the strengthening of international bodies to work on pandemic prevention and a global approach to international zoonotic disease management.

## Antimicrobial resistance

The responsible stewardship and use of antimicrobials for human health and animal health and welfare remain a priority. This year Minister Ley began a 2-year appointment to the One Health Global Leaders Group on Antimicrobial Resistance.

We are contributing to the international effort in line with *Australia's National Antimicrobial Resistance Strategy – 2020 and beyond*. During the year we:

- contributed to international standards for trade in food products
- worked with the Department of Health to release the *One Health Master Action Plan for Australia's National Antimicrobial Resistance Strategy – 2020 and beyond* in February 2021
- continued antimicrobial resistance surveillance in food-producing animals in partnership with industry
- continued preparing a draft antimicrobial resistance action plan for animal health for consultation with animal sector stakeholders.

## Strengthening compliance and administration of the Biosecurity Act

The Australian Government implemented a suite of legislation and regulatory changes to increase compliance with biosecurity requirements and improve the administration of the *Biosecurity Act 2015*.

Since 1 October 2019 international visitors who breach the Biosecurity Act by not declaring high-risk biosecurity items may have their visitor visa cancelled immediately under biosecurity provisions in the Migration Regulations 1994. In January 2021 international students and holders of temporary work visas also became liable to have their visas cancelled under the regulations. If a person's visa is cancelled, they are refused entry into Australia and are unlikely to be eligible to apply for another Australian visa for up to 3 years. Since October 2019, fourteen visitors have had their visas cancelled under the regulations.

The *Biosecurity Amendment (Traveller Declarations and Other Measures) Act 2020* commenced in January 2021. Biosecurity officers can now issue infringement notices up to the maximum amount of 12 penalty units to travellers who fail to declare goods, or classes of goods, determined by the Director of Biosecurity to pose a high level of risk. These include animals, live plant material, certain meat and meat products, seeds and fresh horticultural produce.

The Australian Government also enacted the *Biosecurity Amendment (Strengthening Penalties) Act 2021*. This legislation allows for Australian citizens or residents to face civil litigation or criminal prosecution for serious breaches of the Biosecurity Act. The new laws took effect on 30 June 2021, with potential penalties of up to \$1.1 million and/or imprisonment for up to 10 years.

## Better regulation

Successful regulation depends on ensuring compliance by businesses and individuals. We released our [Regulatory Practice Statement](#), which describes how we approach our work and what our stakeholders and the community can expect when they interact with us. The statement will be backed by:

- a compliance policy to provide guidance on our regulatory approach, promote compliance and increase awareness of enforcement action when we detect non-compliance
- a professional regulator capability framework, which will guide the professional development of regulatory staff, starting with biosecurity officers.

## Antarctic and the Southern Ocean

### Modernising our research stations

We commenced a program to modernise the Australian Antarctic Program's research station network. This will increase access to Antarctica, support our continuing work and enable greater Australian science leadership.

We finalised the 5-year review of the *Australian Antarctic Strategy* and *20 Year Action Plan*. We are preparing to implement the review's recommendations in 2021–22. We also completed the first phase of the master plan for the Davis research station.

In April 2021 we formed a Centre for Antarctic and Southern Ocean Technology with the CSIRO and the University of Tasmania. This fulfils the priority in the Strategy and Action Plan to build Tasmania's status as a global polar research hub. The pooling of expertise will enhance collaboration and innovation in technology and engineering. It will also provide education and training opportunities in science, technology, engineering and mathematics.

## RSV *Nuyina*

In November 2020 we commenced testing of systems aboard our new research vessel, RSV *Nuyina*. Australia's new icebreaker will provide world-class science capability to support our research in the Antarctic and the Southern Ocean. *Nuyina* will become the main lifeline to get people and supplies to our research stations. We are undertaking further trials before *Nuyina* is put into service. The icebreaker is expected to arrive in Australia in the second half of 2021.

## Antarctic science

We continued research and international collaboration through the Australian Antarctic Science Program. In 2020–21 researchers from 65 institutions in 21 countries were chief or co-investigators in more than half of the 57 approved science projects. The COVID-19 pandemic limited most field work to automated data collection.

Research informed our environmental policy and conservation management. It contributed to our work with the:

- Committee for Environmental Protection, established under the Protocol on Environmental Protection to the Antarctic
- Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)
- Intergovernmental Panel on Climate Change
- International Whaling Commission
- Agreement on the Conservation of Albatrosses and Petrels.

Our Australian Antarctic Division led a marine science voyage. As part of the TEMPO (Trends in Euphausiids off Mawson, Predators and Oceanography) voyage, RV *Investigator* operated off the Mawson Coast between January and March 2021. The primary aim of the voyage was to estimate the biomass of krill, enabling CCAMLR to set precautionary catch limits for the region.

Dr Meredith Nash joined the Australian Antarctic Science Program. Dr Nash is from the University of Tasmania's School of Social Sciences. Dr Nash is researching individual attitudes and expectations of organisational culture at the Australian Antarctic Division. This study is providing empirical data that will help make the Australian Antarctic Program diverse and inclusive.

In April 2021 the government appointed Philip Clark AO as chair of the Australian Antarctic Science Council. The council provides independent advice to the government.

# Performance results

This section provides results against the performance measures in our *Portfolio Budget Statements 2020–21* and *Corporate plan 2020–21*.

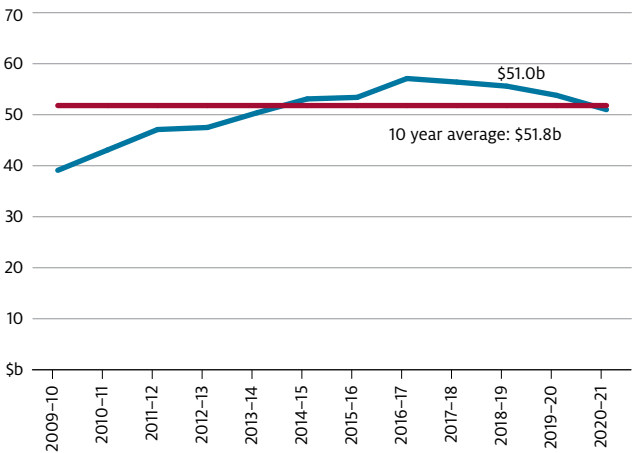
## Agriculture

### Performance criterion: Increase, improve and maintain markets

<b>Measure</b>	Growth in agricultural commodity exports in markets for which the department has negotiated improved market access exceeds average export growth.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 42; <i>Corporate plan 2020–21</i> , page 29.
<b>Result</b>	Partially achieved.

In 2020–21 the value of agricultural, fisheries and forestry exports is forecast to be \$51.0 billion. This is below the 10-year average to 2019–20 of \$51.8 billion (see [Figure 5](#)). The 10-year average is based on data from the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and the Australian Bureau of Statistics (ABS). It is reported in real (2020–21 constant dollar) terms.

**Figure 5** Value of exports in real terms



Source: ABARES, based on ABS data.

Fisheries products include edible fish, crustaceans and molluscs, and non-edible manufactured fisheries products. Forest products include wood and wood-based products, paper and paperboard, paper manufactures, pulp and woodchips. Agricultural exports include crops, livestock, wool, horticulture and processed products. Processed products include meat, dairy products, beverages (such as wine and spirits), and processed fruit and vegetables.

Agricultural exports remained relatively stable, up 1% in 2020–21. The value of crop exports increased sharply in line with record production, up 12% to \$24 billion.

The Australian Government is negotiating free trade agreements (FTAs) with the European Union and United Kingdom. These negotiations have the potential to open lucrative, premium markets for our farmers. This will drive increased exports, economic growth and jobs in rural and regional Australia.

The key areas for market access negotiations with the European Union are geographical indications and managing sensitivities with their domestic agriculture stakeholders, particularly around beef, sheep meat, dairy, rice and sugar. A key area in negotiations with the United Kingdom is managing market access around the country's departure from the European Union (Brexit).

Tariff improvements under FTAs support Australian exporters by reducing tariffs and other barriers that affect competitiveness in international markets. Continued tariff improvements under Australian FTAs will further add to export growth in the coming year and beyond. The Australian Government is improving the uptake of Australia's current FTAs. For example, the Indonesia–Australia Comprehensive Partnership came into force in July 2020 and there were further tariff improvements on 1 January 2021.

Australia is an active member of the Cairns Group, which is a coalition of 19 agricultural exporting countries that support liberalisation of global trade in agricultural exports. Australia and other Cairns Group members have sought deep cuts to all tariffs, removal of tariff escalation and removal of trade distorting domestic subsidies.

In 2020–21 China introduced trade measures on several Australian exports, including the suspension of several meat establishments and log trade; enhanced measures for other commodities, including lobster, grains and horticulture; and introduction of both anti-dumping and countervailing measures on Australian barley and wine. We supported exporters to manage the disruptions. This included action in the World Trade Organization on wine and barley, and finding alternative markets.

Supported by record production, grain exports in 2020–21 have grown sharply across countries in the Association of Southeast Asian Nations and in Latin America.

ABARES reports on agricultural, fisheries and forestry exports in the [quarterly agricultural commodities report](#) and [annual agricultural commodity statistics](#).

## Snapshot 1 Co-designing regulatory reform – an industry perspective

While the COVID-19 pandemic presented challenges for the meat processing sector, it was a catalyst for modernising the regulation of the export meat sector. It also provided an opportunity for better and deeper cooperation and collaboration with the department.

The Australian Meat Industry Council was pleased to co-chair the Meat Modernisation Working Group (MMWG). Set up under the minister’s vision, the MMWG formed the principal forum for the modernisation work.

The MMWG reflects a successful collaboration of senior departmental executives and industry representatives. It met on more than 10 occasions in as many months to develop a comprehensive modernisation plan. The MMWG embodies shared responsibility, decision-making based on science and risk, and a spirit of cooperation.

Some shared successes in this last year included:

- capturing the full benefits of the Australian Authorised Officer model, which means departmental meat inspectors are provided to export establishments only where required to meet importing country requirements
- implementing review findings into the post-mortem inspection process, involving a change to the Australian Standard that will increase total carcass value, reduce wastage and improve food safety
- developing a technology road map, developed with assistance from the Australian Meat Processing Corporation, to provide a 5-year strategic pathway for co-investment to modernise digital platforms and capability in the department and industry.

As a result of the joint approach to regulatory reform, the meat processing sector can move towards the shared goal of helping Australian agriculture meet its \$100 billion target of farm-gate output by 2030.

Written with contribution by Terry Nolan, Australian Meat Industry Council.

<b>Measure</b>	Number of disruptions to existing export markets resolved through the department’s negotiation and advocacy work.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 29.
<b>Result</b>	Achieved.

The 56 market access achievements in 2020–21 were consistent with results from the previous reporting period. While the COVID-19 pandemic affected the early part of the reporting period, this was moderated later in the period. Market access remains robust considering the challenges associated with COVID-19.

In August 2020 an outbreak of highly pathogenic avian influenza disrupted export trade to more than 25 markets for live birds, hatching eggs and certain reproductive materials containing egg by-products. Australia regained its previous animal health status for avian influenza on 26 February 2021 and trade has been successfully restored to most markets.

In 2019 New Zealand suspended cucurbit exports from Australia because of cucumber green mottle mosaic virus in Australian melons. In early 2021 market access for cucurbit exports resumed following a revised area freedom arrangement co-managed by the Australian and Queensland governments.

## Performance criterion: Encourage and reduce risks to agricultural productivity

<b>Measure</b>	Average annual productivity growth for the past 10 years is equal to or exceeds average annual market sector productivity growth over the same period.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 42; <i>Corporate plan 2020–21</i> , page 30.
<b>Result</b>	Not achieved.

Over the 10 years to 2020–21 average annual productivity growth for agriculture, forestry and fishing was –1.4%. This was lower than annual market sector productivity growth, which averaged 0.25% over the same period. Drought conditions influenced the result.

Total factor productivity is our measure of productivity. It is calculated on a value-added basis. Agricultural productivity is susceptible to seasonal conditions. We used average total factor productivity growth at the beginning of the 10-year period to mitigate seasonal volatility.

Based on ABS data, we forecast trend growth for 2020–21.

## Performance criterion: Forecasting and strategic intelligence

<b>Measure</b>	Outcomes are consistent with forecasts, allowing for unforeseeable events.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 30.
<b>Result</b>	Achieved.

ABARES publishes quarterly agricultural forecasts in the *Australian crop report* and *Agricultural commodities*. These forecast domestic production and exports. They also provide information on global production, consumption and prices of agricultural commodities.

In April 2021 we released the [historical agriculture forecast database](#). Users can now assess predicted outcomes against actual outcomes since 2000–01. Our *Introducing ABARES historical agricultural forecast database* technical report accompanied the release. The database and report aim to improve awareness about the accuracy of ABARES forecasts.

The database and report show that forecast accuracy improves as more information becomes available. For example:

- Production volumes. Forecast errors average 12% in March and fall to 7% by December.
- Export volumes. Forecast errors average 19% in March and fall to 11% by December.

The report compares ABARES and international forecasts for Australian agriculture. We found that ABARES forecasts were generally more accurate than forecasts from the Organisation for Economic Co-operation and Development, the Food and Agriculture Organization of the United Nations, and the United States Department of Agriculture.

We continue to improve our modelling capacity and forecasting methods. ABARES publishes near-term scenario-based outlooks for water prices in the Murray–Darling Basin using its water markets model, as well as longer-term scenario outlooks. ABARES has developed the *farmpredict* model to assess issues for broadacre farming. We are also working with the CSIRO on improvements to the Global Trade and Environmental Model food extension, which focuses on analysing global agricultural production and trade.

## Snapshot 2 Responding to unforeseeable events – a virtual ABARES Outlook conference

ABARES is our science and economics research division. Its Outlook conference is an annual national forum. Industry leaders get to hear the latest economic and policy research and analysis, which informs and strengthens Australia's agricultural sector. For the first time in its 50-year history, the conference was held virtually in 2021 to deal with the challenges of the COVID-19 pandemic.

The 4-day program featured 5 ministerial addresses and 50 Australian and international speakers and chairs. It focussed on the theme of 'Growing Australian agriculture in an uncertain world'.

The virtual format replicated a full conference experience. Delegates could watch live sessions, participate in Q&A, download presentations, re-watch sessions on demand, join the 1:1 networking, and visit the exhibition that showcased the 12 conference partners.

Feedback from delegates reinforced the conference's relevance to industry and policy, and the value of evidence-based research across a breadth of agriculture topics. Benefits were:

- the largest audience so far, with more than 2,130 registrations, of which 1,260 were new to Outlook
- increased representation, with delegates from more than 740 organisations from Australia, China, the European Union, Indonesia, Japan, Malaysia, New Zealand, South Korea, the United States, the United Kingdom and Vietnam
- high levels of engagement, with 5,040 live session viewings, 3,100 resource downloads, 900 exhibitor page visits and 154 new connections from virtual networking
- media dissemination of ABARES research and analysis, with 504 media mentions of the conference and ABARES publications between 22 February and 19 March 2021.

The Outlook conference has always focused on the future of Australia's primary industries and promoting dialogue among private and public sector stakeholders. The virtual conference was no exception. We now have a way to complement in-person attendance, which enhances communication with stakeholders.



## Performance criterion: Efficient collection and distribution of levies to fund rural research and development

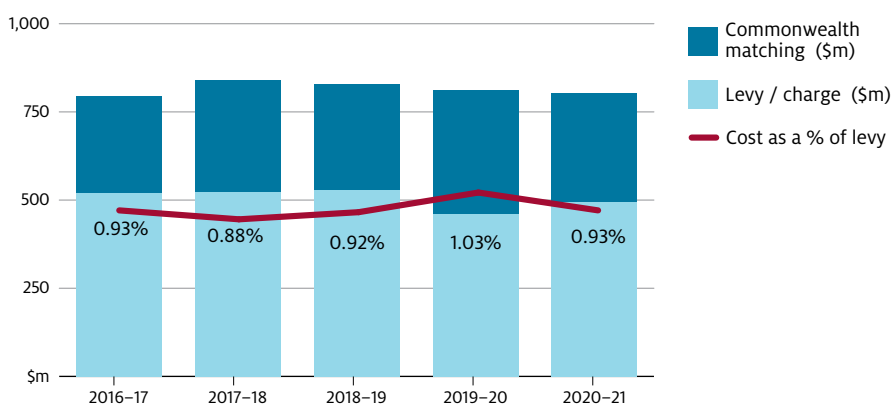
<b>Measure</b>	Levy collection processes cost no more than 1.2% of levies disbursed.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 42; <i>Corporate plan 2020–21</i> , page 31.
<b>Result</b>	Achieved.

In 2020–21 we disbursed \$494.556 million at a cost of \$4.617 million. This cost is 0.93% of levies disbursed. It is a 9.71% decrease in cost from 2019–20, when \$461.505 million was disbursed at a cost of \$4.758 million, or 1.03% of levies disbursed.

The decrease is mainly attributed to a reduction in costs for the national compliance program, as the COVID-19 pandemic restricted face-to-face interactions with levy agents.

[Figure 6](#) depicts the levy administration costs as a percentage of levies disbursed from 2016–17 to 2020–21. The associated data is in the [aids to access section](#) of this report.

**Figure 6** Levy administration costs as a percentage of levy disbursed over 5 years



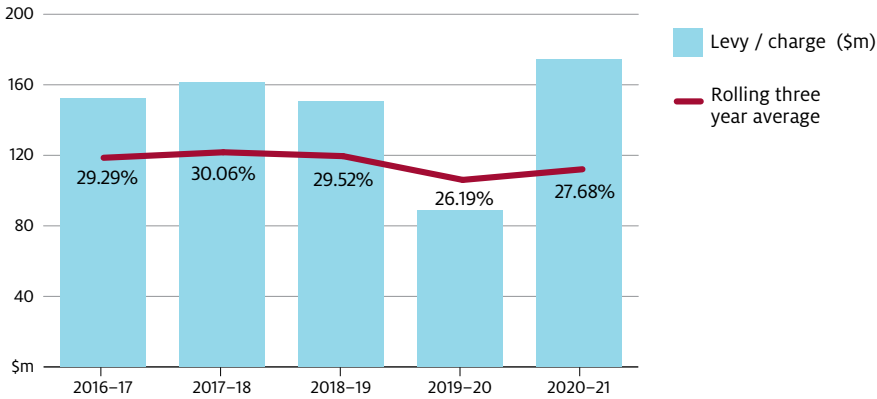
Notes: Calculated by dividing total cost recovery charge by total levy/charge disbursed for financial year. Does not include costs for administration of Commonwealth matching payments. The result for 2019–20 was reported incorrectly as 1.01% in last year's annual report. The 2019–20 result is correctly stated as 1.03% in the above figure.

<b>Measure</b>	Inspections of levy agent records cover at least 20% of levy revenue over a 3-year rolling average.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 42; <i>Corporate plan 2020–21</i> , page 31.
<b>Result</b>	Achieved.

The agents who were inspected under our national compliance program collectively contributed \$174.6 million. This is 35.3% of all levies and charges collected in 2020–21.

As shown in [Figure 7](#), we achieved a rolling 3-year average of 27.68% coverage for levies and charges collected from 2018–19 to 2020–21. The associated data is in the [aids to access section](#) of this report.

**Figure 7** National compliance program levy coverage over 5 years



Note: The levy coverage for the national compliance program is made up of the annual levy revenue of agents inspected from the operation compliance program and targeted compliance assessment program.

## Environment and heritage

### Performance criterion: Ecosystem diversity, extent and function are maintained or improved

<b>Measure</b>	A reduction in nutrient, sediment and pesticide loads consistent with meeting targets in the <i>Reef 2050 Water Quality Improvement Plan</i> .
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 32.
<b>Result</b>	Partially achieved.

The Australian and Queensland governments are investing \$667 million to deliver actions in the *Reef 2050 Water Quality Improvement Plan 2017–2022* (WQIP). The WQIP sits under the joint *Reef 2050 Long-Term Sustainability Plan*. Progress is a result of the combined efforts of the investments, including projects funded through the \$201 million water quality component of the Reef Trust Partnership with the Great Barrier Reef Foundation.

The WQIP specifies water quality targets for reduction at a range of scales from individual river basins, through natural resource management regions, to whole-of-Reef catchment. Reef report cards document the annual and cumulative progress towards the targets.

In February 2021 we released Reef Water Quality Report Card 2019. The report card does not include contributions from the Reef Trust Partnership. These will be included in future report cards.

The 2019 report card measures progress towards the WQIP targets up to June 2019. The report card uses data reported to the Paddock to Reef Integrated Monitoring, Modelling and Reporting Program. This program provides a framework for evaluating and reporting progress. It integrates monitoring and modelling across attributes and at a range of scales including paddock, sub-catchment, catchment, regional and Great Barrier Reef-wide. The complexity of the program results in a time lag of 12 months from data capture to reporting.

## Great Barrier Reef-wide

Across the whole Great Barrier Reef catchment, in June 2019 we were almost halfway to the dissolved inorganic nitrogen target, with 25.5% progress reported towards the 60% target. The dissolved inorganic nitrogen load leaving catchments showed a modelled average annual reduction of 4.3% (about 226 tonnes) from July 2018 to June 2019.

We were more than halfway to the fine sediment target, with 14.6% progress reported towards the 25% target. The fine sediment load leaving catchments showed a modelled average annual reduction of 0.2% (about 14,000 tonnes) from July 2018 to June 2019. The 2025 water quality target was met in the Cape York region and the Mulgrave–Russell catchment of the Wet Tropics region.

For pesticides our aim is to protect at least 99% of aquatic species at end-of-catchments. The 2019 pesticide risk assessment indicated 97.2% of aquatic species were unlikely to experience harmful effects from pesticides. The 99% target was met in the Kolan catchment of the Burnett Mary region.

## Achievements of Reef Trust projects

Good progress has been made in the landscape-scale changes required to improve water quality entering the Reef. These changes encompass management practice improvements on agricultural lands, remediation of erosion features such as gullies and unstable streambanks, and protection of vital coastal ecosystems such as wetlands.

Contributions from projects under the Australian Government's Reef Trust (up to March 2021) included:

- Repeat tenders in the Wet Tropics and Burdekin regions supported farmers of more than 56,000 hectares of sugarcane land to reduce the application of nitrogen fertiliser to crops.
- Great Barrier Reef Gully and Streambank Joint Program prevented more than 40,000 tonnes per year in fine sediment from entering the Reef.
- Project Uplift Farming Systems Initiative, which is under the leadership of MSF Sugar, included work with sugar growers to improve soil health and reduce operational time and cost while improving Reef water quality outcomes. In March 2021 the project reported practice change over more than 18,000 hectares. This resulted in an end-of-farm reduction of more than 245,912 kilograms in dissolved inorganic nitrogen load, 9 kilograms in pesticide load and 35,317 tonnes in fine sediment load.

## Achievements of Reef Trust Partnership

The Reef Trust Partnership is a partnership between the Australian Government and the Great Barrier Reef Foundation. From July 2018 to June 2021 the estimated water quality project contributions were an end-of-catchment reduction of:

- 122 tonnes of dissolved inorganic nitrogen (partnership target is 457 tonnes)
- 20 kilotons of fine sediment (partnership target is 463 kilotons)
- 224 kilograms of pesticides (partnership target is 250 kilograms).

These have been achieved through the implementation of more than 60 projects involving more than 200 partner organisations and 1,200 landholders. Projects are underway across 17 of the 35 Reef catchments.

## Ongoing work

Further progress towards meeting the targets will be delivered through:

- ongoing delivery of the \$200.6 million water quality investments under the \$443.3 million Reef Trust Partnership
- 6 new Reef Trust water quality projects (commenced in January 2021) to support growers and graziers in preventing more than 36,699 tonnes of fine sediment runoff and 175 tonnes of dissolved inorganic nitrogen from entering the Reef lagoon
- Project Uplift Farming Systems Initiative
- Trialling and Uptake of Enhanced Efficiency Fertilisers project
- Complete Nutrient Management Planning for Cane Farming project
- Reef Trust Gully and Stream Bank Erosion Control Program.

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<b>Measure</b>	Habitat condition within major vegetation groups improves relative to baseline.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 32.
<b>Result</b>	Partially achieved.

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Our Habitat Condition Assessment System (HCAS) combines environmental data, remote sensing data and intact condition reference sites to provide a consistent estimate of habitat condition. HCAS 2.1 is at 250-metre resolution. The major vegetation groups spatial layer is a product in the [National Vegetation Information System](#) that describes vegetation type.

Relative to the pre-1750 baseline, 17 of 24 terrestrial major vegetation groups have a condition score of more than 75%. Indicative trend information predicts 20 of 24 groups have improving trends, and the 4 in decline have approximate annual losses of well under 0.5% of the areas remaining.

We continue to improve our assessment method and systems. This has resulted in differences in data and values between years.

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<b>Measure</b>	Habitat connection within major vegetation groups improves relative to baseline.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 32.
<b>Result</b>	Partially achieved.

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The National Connectivity Index is a multiscale index of the amount of Australia's remaining natural area, its condition, and spatial separation. It is based largely on information in the extant major vegetation groups spatial layer in the [National Vegetation Information System](#).

This year we revised the method for determining native habitat connectivity. The connectivity scores for 2019–20 used the National Connectivity Index. In 2020–21 we used the connectivity metric in HCAS 2.1. This means that differences between years are a result of the changed methodology and do not represent changes in actual condition.

Relative to the pre-1750 baseline:

- 5 terrestrial groups have more than 75% of their original connectivity
- indicative trend modelling predicts 18 terrestrial groups are stable or slightly improving in connectivity
- 6 groups have marginal declining trends.

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<b>Measure</b>	Extent of major vegetation groups is maintained.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 32.
<b>Result</b>	Partially achieved.

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Of 24 major vegetation groups, 18 have more than 70% of their pre-1750 extent remaining.

Indicative trend information shows that, of those with less than 70% remaining, only one group, Eucalypt open forests, has a potentially declining trend between 2017 and 2021. Trend information for the condition of habitat indicates this group is one of 20 with a predicted improving trend in condition.

During the year we changed our method for this measure. In 2020–21 we used data from version 6.0 of the National Vegetation Information System as a percentage of estimated pre-1750 values. This method does not report on changes in extent, but the values complement the HCAS-derived information for condition and connectivity.

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<b>Measure</b>	Terrestrial and inland water in protected areas – targets to be specified following agreement of the post-2020 agenda under the Convention on Biological Diversity.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 32.
<b>Result</b>	Achieved.

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The 2030 target is protection of 17% of Australia’s terrestrial and inland water.

Every 2 years the Australian Government collects information on protected areas from state and territory governments and other protected area managers. We publish this information in the [Collaborative Australian Protected Areas Database](#). At 30 June 2020 the database included 13,540 terrestrial protected areas, covering 151.88 million hectares of the Australian landmass. This represented 19.74% of the Australian landmass.

During the year 2 Indigenous Protected Areas were declared. This increased the total area of terrestrial protected areas to 159.24 million hectares. This is 20.71% of the Australian landmass.

### Snapshot 3 Agriculture biodiversity stewardship

The Agriculture Biodiversity Stewardship Package aims to develop arrangements to reward farmers for the delivery of biodiversity services and encourage on-farm biodiversity. The Australian Government has committed \$34 million over 4 years (from 2018–19 to 2022–23). Under the package:

- We are testing the concept of a market mechanism for buying and selling biodiversity services, where interested businesses and investors can purchase biodiversity services.
- We are working with the Australian National University to develop agriculture stewardship pilots and a farm biodiversity certification scheme. The first pilot, Carbon + Biodiversity, is providing biodiversity payments for farmers who plant trees under new Emissions Reduction Fund projects using biodiversity protocols.
- We are working with the National Farmers’ Federation to develop a sustainability framework for Australian agriculture. This is due for consultation in late 2021.

Our work on this stewardship package is a great example of our new department in action – delivering both environmental and agricultural outcomes.



Australian cattle property, Jen Watson, Shutterstock.

### Performance criterion: Species diversity, range and abundance are maintained or improved

<b>Measure</b>	Threatened Bird Index improves relative to 2019–20 baseline.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 33.
<b>Result</b>	Unable to report.

The Threatened Bird Index has been moved to the Terrestrial Ecosystems Research Network (TERN), after National Environmental Science Program funding for the Threatened Species Hub ended in June 2021.

TERN measures key terrestrial ecosystem attributes over time from continental scale to field sites at hundreds of representative locations. It openly provides model-ready data that enable researchers to detect and interpret changes in ecosystems. The Australian Government supports TERN through the National Collaborative Research Infrastructure Strategy.

A baseline measure was established in 2019–20 for the Threatened Bird Index. Because of the change in hosting arrangements, the index was not updated in 2021. As result, we were unable to report on changes against the baseline. The change in hosting arrangements is expected to be completed by the end of 2021. We expect to be able to report against this measure in 2022.

<b>Measure</b>	Percentage of threatened species identified as priorities for action and investment showing improvements in their trajectory (100%).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 33.
<b>Result</b>	Partially achieved.

The 2015 *Threatened Species Strategy 5-year Action Plan* aimed to improve the trajectories of 71 priority species by 2020, including 20 mammals, 21 birds and 30 plants. The strategy included measurable targets for Year 1, Year 3 and Year 5. The [Threatened Species Strategy website](#) reports on progress against the targets.

The Year 5 final report was released in June 2021. The results showed that 24 of 71 priority species (or 34%) had an improved population trajectory from 2015 to 2020, compared to the 10 years preceding the strategy (2005–15). This included 8 mammal species, 6 birds and 10 plants.

During the reporting period:

- 14 species moved from a trajectory of decline in 2005–15 to a trajectory of increase in 2015–20 (that is, they were recovering)
- 7 species were found to be declining but at a significantly slower rate
- 3 species were found to be recovering at a significantly faster rate.

Highlights included a doubling of the Norfolk Island Green Parrot (*Cyanoramphus cookii*) population, which responded well to recovery activities such as pest and weed control. We also recorded an improved population trajectory for the Chuditch (or Western Quoll, *Dasyurus geoffroii*) following long-term feral predator control and successful translocations.

Many species did not have improved trajectories by 2020. This reflects the challenges associated with stopping or reversing a long-term decline within a relatively short period. Threatened species face pervasive threats that can be difficult to remove in the short term. For some species, benefits from actions taken through the strategy may have been outweighed by the effects of prolonged drought and the 2019–20 Black Summer bushfires.

Some actions, such as habitat restoration and seed banking, may not have yielded immediate benefits. However, they are expected to improve threatened species populations in the long term. This highlights the importance of ongoing efforts to prevent species declining to extinction.

Lessons learned from the 2015 strategy have been incorporated into the new [Threatened Species Strategy 2021–2031](#), which was launched in May 2021. The Year 5 findings will inform our work to design and implement the first 5-year action plan for the new strategy.



## Snapshot 4 The greater glider – a priority for action

The 2019–20 Black Summer bushfires severely burned areas of habitat for greater gliders. This unique and threatened marsupial needs tree hollows to shelter in and eucalyptus leaves to eat. Fires affected about 29% of the greater glider range, which stretches from northern Queensland to southern Victoria.

In February 2020 the Wildlife and Threatened Species Bushfire Recovery Expert Panel identified the greater glider as a high priority for urgent management intervention.

There are now 20 projects helping greater gliders as part of the Australian Government's \$200 million investment in bushfire recovery of native wildlife and their habitat. Projects are creating hollows or nesting boxes around Taree, East Gippsland and the edges of the alps in Victoria. Other projects are identifying where greater gliders are surviving after the fires and providing on-ground works to help habitat recovery.

Greater gliders are benefitting from a \$10 million program to help the long-term recovery of the species. This requires a cross-jurisdictional bushfire recovery effort. A national species coordinator is managing state and local efforts. This will optimise the mix of recovery activities.

Greater gliders are listed as vulnerable under the *Environment Protection and Biodiversity Conservation Act 1999*. However, the Threatened Species Scientific Committee is re-assessing whether they should transfer to the endangered category because of the extent of bushfire damage to habitat. The assessment is due to the Minister for the Environment in October 2021.



Greater glider, Carly Starr



<b>Measure</b>	Percentage of natural resource management projects that demonstrate an improvement in environmental outcomes relative to the established project baseline (100%).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 33.
<b>Result</b>	Partially achieved.

The Regional Land Partnerships (RLP) program aims to achieve benefits across 6 priority areas:

- Ramsar wetlands
- threatened species
- threatened ecological communities
- World Heritage properties
- improved land management practices
- increased resilience in agriculture systems.

RLP projects commenced in 2018–19 and will report on their progress at the end of July 2021 and in July 2023.

Each service provider will collect baseline information against which changes can be tracked over the life of the project. Indicators vary but include factors such as vegetation condition or changes in the trajectory of a threatened species.

Based on reporting by RLP providers, 91% of RLP projects were able to demonstrate an improvement in environmental outcomes relative to their established project baselines. This represents substantial progress towards the RLP program achieving against its 6 primary outcomes.

## Performance criterion: Heritage is recognised and protected

<b>Measure</b>	Percentage of World Heritage listed properties being managed under management plans that are consistent with the management principles in the EPBC Regulations (100%).
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 34.
<b>Result</b>	Not achieved.

The World Heritage management principles in the Environment Protection and Biodiversity Conservation Regulations (EPBC Regulations) require review of World Heritage management plans at least every 7 years. During the year we completed a stocktake of management plans for Australia's 20 World Heritage properties. We found:

- 16 have management plans consistent with the World Heritage management principles in the EPBC Regulations
- one was newly listed in 2019 and has a management plan in development: Budj Bim Cultural Landscape
- 3 are due for review: K'gari (Fraser Island), Macquarie Island and Purnululu National Park.

We are working with property managers to clarify the due date for their review of the management plans. When the plans are reviewed and updated, we expect all management plans to be fully consistent with the World Heritage management principles.

<b>Measure</b>	Increase in percentage from previous year of National Heritage listed properties being managed under management plans that are consistent with the management principles in the EPBC Regulations.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 34.
<b>Result</b>	Achieved.

In 2020–21 the minister added 2 places to the National Heritage List. These were Parkes Observatory and the Governors' Domain and Civic Precinct. Both are in New South Wales. The National Heritage List had 119 places at 30 June 2021. Of these, 34 are part of a World Heritage property. Some World Heritage properties have more than one National Heritage place.

During the year there was a 2.5% increase in National Heritage places with management plans consistent with the National Heritage management principles. The following plans were finalised and are now in place:

- Wet Tropics of Queensland World Heritage Area (and National Heritage place)
- Australian Cornish Mining Sites: Burra
- Australian Cornish Mining Sites: Moonta.

The following plans are consistent with the National Heritage management principles, but are not yet in place:

- Old Parliament House and Curtilage: plan approved but not yet in place
- High Court and National Gallery Precinct: plan not yet approved
- Point Cook Air Base: plan not yet approved
- HMS *Sirius*: plan not yet approved
- Australian War Memorial and the Memorial Parade: plan not yet approved
- *Batavia* Shipwreck Site and Survivor Camps Area 1629 – Houtman Abrolhos: plan not yet approved.

In our 2020–21 stocktake of World Heritage management plans we found 9 World Heritage properties have plans that are consistent with the National Heritage management principles. Plans for 2 Australian Convict Sites (Old Government House and Domain and Old Great North Road) are consistent with the National Heritage management principles but are yet to be approved. When the management plan for each World Heritage property is reviewed, it will be assessed for consistency with both the World Heritage management principles and the National Heritage management principles. We expect increasing consistency with the National Heritage management principles as the plans are reviewed.

We are preparing our next 5-year report to the Australian Parliament on the National Heritage List and Commonwealth Heritage List, which is due in 2023. To enable this we are improving our oversight and records of National Heritage management plans.

We are increasing awareness about the requirements for heritage management plans among National Heritage place managers. Managers can also apply for funding under the Australian Heritage Grants program to support the conservation of the listed values of the place, which may include the preparation or review of a management plan.

<b>Measure</b>	Number of times water quality in the Alligator Rivers Region exceeds statutory limits (0).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 34.
<b>Result</b>	Achieved.

We work to protect the environment and heritage of the Alligator Rivers Region, including Kakadu National Park, from the effects of uranium mining activities.

The Supervising Scientist collects water quality monitoring data at sites upstream and downstream of Ranger mine in the adjacent Magela and Gulungul Creeks. This water chemistry program showed zero exceedances of statutory limits over the 2020–21 wet season. This indicates that the aquatic environment downstream of Ranger mine remains protected.

Regular collection and analyses of water samples confirmed there were no exceedances of limits for any of the key contaminants from the mine (uranium, magnesium, manganese, ammonia and radium-226) in 2020–21. For example, samples of surface water downstream of the Ranger mine showed concentrations of uranium ranged from 0.03 to 0.2 µg/L. This is well below the limit of 2.8 µg/L. Results are similar to previous years.

We used industry standard quality assurance and quality control practices to validate results. Reports for the surface water chemistry monitoring program are on our [Supervising Scientist publications website](#).

<b>Measure</b>	Track changes against baseline dissimilarity values for biological communities in the Alligator Rivers Region.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 34.
<b>Result</b>	Achieved.

The Supervising Scientist conducts annual biological community monitoring on fish and macroinvertebrate communities downstream of Ranger mine. This year's results show that data were statistically similar to previous years' data and control sites. This indicates there was no impact on biological communities as a result of mining activities at Ranger mine.

Detailed data analysis for biological monitoring results is on our [Supervising Scientist publications website](#).

## Performance criterion: Development is ecologically sustainable and impacts to the environment and human health are managed

<b>Measure</b>	Reduction against baseline of non-compliant projects causing environmental harm.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 35.
<b>Result</b>	Not achieved.

Compared to 2019–20, there was a 15% increase in the identification of non-compliant projects causing environmental harm. This appears likely to be the result of a strengthening in the risk-based approach to using compliance monitoring to target monitoring and auditing activities.

<b>Measure</b>	Number of departments mapping climate risks and implementing climate risk strategies.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 35.
<b>Result</b>	Partially achieved.

We continue to work with other Australian Government agencies to promote and implement climate risk management.

Of the 20 agencies we have engaged with on climate risk concerns:

- 2 agencies completed a Climate Compass scan during 2020–21.
- 10 agencies have completed a Climate Compass scan since its publication in 2018.
- 9 agencies have commenced or completed another process or activity to understand and/or respond to their agency's climate risks and opportunities. For some agencies this is additional to a Climate Compass scan; for others this is a separate process or activity.

We continued to co-chair the Australian Government Disaster and Climate Resilience Reference Group with the Department of Home Affairs. This group of senior officials is driving a whole-of-government approach to disaster and climate resilience, risk reduction and adaptation. This includes embedding disaster and climate considerations into planning, policies, programs, asset management and risk management frameworks. Achievements included:

- engaging with the CSIRO to provide a whole-of-government perspective to the *CSIRO Report on Climate and Disaster Resilience*
- contributing to the consideration and evaluation of national initiatives for the Disaster Risk Reduction Funding Package
- supporting implementation of the National Disaster Risk Reduction Framework by informing the development of the First National Action Plan
- establishing an Assistant Secretaries Working Group to support the work program, with 2 meetings of the group in 2020–21.

We are working with the Department of Industry, Science, Energy and Resources to develop a Climate Risk Disclosure Framework. This framework will standardise reporting of climate risks and opportunities across departments and agencies. This will enable robust and comparable data. A draft of the framework has been developed and is expected to be finalised in 2022.

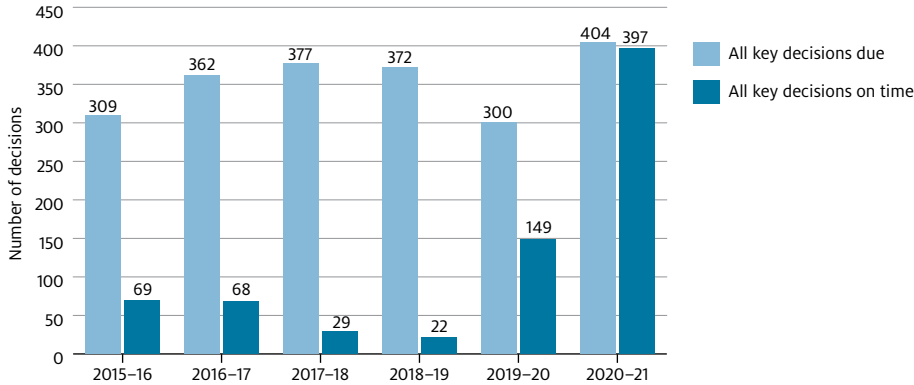
In 2020–21 we stepped up efforts to manage our own climate risks and opportunities. We established a Climate Resilience Committee to oversee our climate risk management. We are working to identify, prioritise and manage the department's climate risks and opportunities.

<b>Measure</b>	Statutory time frames are met 100% of the time for EPBC Act referral, assessment and approval decisions, and the backlog of decisions is cleared.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 35.
<b>Result</b>	Achieved.

During the year 98% of key decisions (referral, assessment and approval decisions) under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) were made within statutory time frames. Of the 404 key decisions due, 397 were on time and 7 were late. This is an improvement on 2019–20, when 50% of the 300 key decisions due were made within statutory time frames.

Figure 8 shows the key project decisions due and made on time from 2015–16 to 2020–21. It also shows the impact of having more assessment officers as a result of congestion-busting funding in 2019–20 and 2020–21. The associated data is in aids to access section of this report.

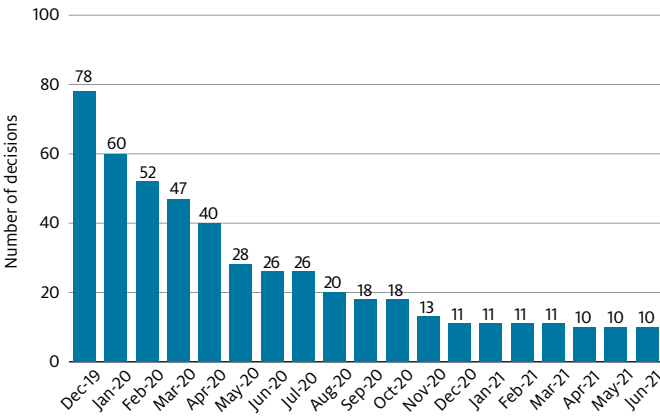
Figure 8 Timeliness of key decisions under EPBC Act



We substantially cleared the backlog of overdue key decisions. In December 2019 there was a backlog of 78 key decisions across 57 projects. By 30 June 2021 we reduced this to 10 key decisions across 10 projects. We cannot action the 10 remaining decisions until each proponent takes action.

Figure 9 depicts the monthly backlog of overdue key decisions since December 2019. The associated data is in [aids to access section](#) of this report.

Figure 9 Backlog of key decisions since December 2019



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<b>Measure</b>	Annual radiation dose to the public remains below 1 mSv.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 35.
<b>Result</b>	Achieved.

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The Ranger mine operator monitored levels of radon radioactivity in air near the mine in 2020. The monitoring results, reviewed by our Supervising Scientist, demonstrated that any mine-derived radiation dose to the public was well below the statutory annual limit of 1 mSv. The result is consistent with that of previous years.

The Supervising Scientist monitors freshwater mussels for bioaccumulation of radium-226 radioactivity downstream of the Ranger mine. The 2020 monitoring results demonstrated no detectable increase in radium-226 radioactivity in mussels compared to previous years and no mine-derived radiation dose to the public from eating mussels.

### Performance criterion: Produce scientific research on the environment and resource development

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<b>Measure</b>	Completed National Environmental Science Program projects inform policy adaptation, or management action, with a target of at least one user in all cases (100%). Note: Projects include those from all 6 hubs and emerging priorities funding.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 36.
<b>Result</b>	Achieved.

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The primary purpose of the National Environmental Science Program is to deliver collaborative, practical and applied research to inform decision-making and on-ground action.

The program has approved 317 projects across 6 hubs. Of these, 185 were complete by 30 June 2021. An additional 18 projects were approved under emerging priorities funding, and 15 of these are complete.

All of the projects have at least one research user, and many of the projects have multiple research users. The outputs are already being considered in decisions about environmental policy and on-ground action.

<b>Measure</b>	First phase national land and waste accounts and experimental ecosystem accounts are reviewed and refined based on consultation and testing for policy suitability. Scoping, design and development of second phase accounts has commenced.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 36.
<b>Result</b>	Achieved.

During 2020–21 we progressed several environmental–economic accounts. These include:

- National Land Account (in partnership with the Australian Bureau of Statistics), released on 22 June 2021
- Second National Waste Account (in partnership with the Australian Bureau of Statistics), released on 6 November 2020
- ocean accounting pilot project for the Geopraphe Marine Park (in collaboration with Parks Australia) completed in November 2020
- ocean waste accounting pilot project in Samoa (in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific and the Government of Samoa)
- experimental ecosystem accounting pilot for the Gunbower–Koondrook–Perricoota Forest Icon Site (in collaboration with the Murray–Darling Basin Authority).

Fit-for-purpose land and ecosystem accounts are fundamental to establishing a core set of national environmental–economic accounts. In 2020–21 we commenced work on scoping and analysing user needs to improve the utility and application of the National Land Account components. The identification of ecosystem services that are relevant to natural resource management is informing the design and future compilation of the National Ecosystem Account.

## Snapshot 5 Science sprints – safe and compliant use of drones

Drones are a great example of new technology supporting resource management projects. We use drones for a range of purposes, and they are likely to become a key scientific capability for our work.

Drones help us survey the health of vegetation and fauna in national parks, monitor and manage water usage, manage feral animals and disease, support Antarctic science and monitor biosecurity compliance.

To support this work, we have appointed a Chief Remote Pilot and a Drone Compliance and Policy Officer.

One of our science sprints focussed on the legislative and operational framework required to enable safe and compliant use of drones. Our objective is to improve the effectiveness and efficiency of drone use to support departmental science and policy outcomes.

Phoowanit Jeenawong, Shutterstock.



<b>Measure</b>	Impact and risk analysis reports for Geological Bioregional Assessment regions published.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 36.
<b>Result</b>	Substantially achieved.

The Geological and Bioregional Assessment (GBA) Program assesses the potential impacts of shale and tight gas development on water and the environment. This \$35.4 million program is informing decision-making and enabling the coordinated management of potential impacts. The program will produce geological and environmental knowledge, data and tools to help governments, industry, landowners and the community.

Stage 3 of the GBA Program occurred between December 2019 and June 2021. It assessed 2 regions: the Beetaloo GBA region in Northern Territory and the Cooper GBA region in Queensland and South Australia.

While the impact and risk analysis reports for these regions were not published by 30 June 2021, this measure has been substantially achieved. The GBA Program products will be published by September 2021. The following products are complete and pending final approval for publication:

- 2 of 2 assessment synthesis reports
- 2 of 2 technical assessment summaries
- 260 of 260 components of the Beetaloo GBA region interactive impact risk analysis and assessment
- 318 of 343 components of the Cooper GBA region interactive impact risk analysis and assessment, with minor editorial amendments needed for the remaining 25 components.

During the year the GBA Program also completed methodology reports, user guides, ecological surveys and user panel evaluations. It prepared 33 fact sheets, 813 maps and 1,186 datasets. It published 6 user panel communiques, 4 scientific journal articles and 32,000 km<sup>2</sup> of light detection and ranging (LiDAR) data. The program installed 10 temporary seismic monitors, collected 17 months of data and received 7 of 10 approvals for the installation of semi-permanent seismic monitoring stations.

The COVID-19 pandemic made it difficult to access remote field locations. This delayed the collection of site-specific information needed for the program's risk and impact analyses. We worked closely with state and territory governments, industry and Traditional Owner groups to enable the safe collection of required data.



## Performance criterion: Provide national leadership to effectively manage Australia's waste

<b>Measure</b>	Add to the list of priority chemicals and waste for which baselines are established.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 37.
<b>Result</b>	Achieved.

Measuring amounts of substances in the environment helps us to establish the effectiveness of regulatory interventions and standards-setting related to chemicals and waste.

In 2020–21 we commissioned analysis of priority chemicals in air and wastewater. The selection of chemicals of interest was based on considerations such as international restrictions and persistence in the environment. We will publish the results in 2022.

### Chemicals in air

We have baseline datasets on per- and poly-fluoroalkyl substances, brominated flame retardants, polychlorinated biphenyls, pesticides and short-chain chlorinated paraffins. We are generating new baseline data for the following priority chemicals in air:

- polychlorinated naphthalene
- polyaromatic hydrocarbon
- medium-chain chlorinated paraffin
- organophosphate flame retardant.

### Chemicals in wastewater

The priorities for measuring chemicals in wastewater in 2020–21 were per- and poly-fluoroalkyl substances, plasticisers, flame retardants, personal care products and pesticides.

<b>Measure</b>	Australian targets for Montreal protocol: <ul style="list-style-type: none"> <li>• 2020 hydrofluorocarbon limits: 7.25 million tonnes CO<sub>2</sub>e</li> <li>• 2020 hydrochlorofluorocarbon limits: 2.5 ODP tonnes</li> <li>• 2020 methyl bromide import limits: 28.98 metric tonnes.</li> </ul>
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 37.
<b>Result</b>	Achieved.

We achieved the annual targets. The results are in our report on the operation of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, which is in the [annual reports on the operation of legislation section](#) of this report.

<b>Measure</b>	The National Television Computer and Recycling Scheme's (NTCRS) annual target for recycling is met (68%).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 38.
<b>Result</b>	Partially achieved.

The NTCRS was established in 2011. It provides Australian households and small businesses with free access to collection and recycling services for end-of-life television and computer products. There are co-regulatory arrangements for day-to-day operation of the scheme. This includes organising collection and recycling of e-waste on behalf of companies that import or produce television and computer products.

Under the co-regulatory arrangements, reports are due by 31 October 2021. These reports will inform us of progress against recycling targets. We expect the annual targets will be partially met as 2 of the 4 co-regulatory arrangements were cancelled in April and June 2021. However, with the appointment of 2 new co-regulatory arrangements in July 2021 and implementation of increased reporting and enhanced departmental oversight, we do not expect any impact on the targets in future years.

<b>Measure</b>	Unprocessed waste glass in a whole or broken state is banned from waste export from 1 January 2021.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 41; <i>Corporate plan 2020–21</i> , page 38.
<b>Result</b>	Achieved.

The *Recycling and Waste Reduction Act 2020* commenced on 16 December 2020. It provides a national framework to manage waste and recycling across Australia, now and into the future.

The Act establishes the legislative framework to implement the agreement by Commonwealth, state, territory and local governments to ban the export of waste plastic, paper, glass and tyres through an export licensing and declaration scheme.

The Recycling and Waste Reduction (Export—Waste Glass) Rules 2020 came into effect on 1 January 2021. The rules regulate the export of waste glass. An export licence is now needed to export waste glass.

We granted 6 licences to export processed waste glass in 2020–21.

<b>Measure</b>	Deliver department-led actions [in the National Waste Action Plan] (17 actions).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 38.
<b>Result</b>	Partially achieved.

We provide national leadership and coordination to deliver actions under the *National Waste Policy Action Plan 2019*. The plan provides a framework for collective, national action on waste management, recycling and resource recovery to 2030. The plan has ambitious waste management targets to drive transformation.

In 2020–21 we continued to work with state and territory governments and other actors to improve waste management and recycling. We delivered 92% of the Australian Government-led action items due in 2020–21. One action, delivery of the Australian Government response to the review on the *Product Stewardship Act 2011*, is 80% complete. We are waiting for assessment of institutional and governance arrangements in stewardship, including consideration of overseas examples of clearing house mechanisms.

A key achievement in 2020–21 was passage of the *Recycling and Waste Reduction Act 2020*. This Act provides a national framework to ban the export of waste streams as agreed by all Australian governments. It will reduce pollution and create 6.4 new Australian jobs for every 10,000 tonnes of waste that is recycled. Implementation is on track, including:

- the ban on the export of waste glass, which took effect on 1 January 2021
- the ban on the export of waste plastic (mixed plastic), which took effect on 1 July 2021.

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<b>Measure</b>	National Standard framework [for industrial chemicals environmental management] established in Commonwealth legislation.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 38.
<b>Result</b>	Achieved.

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We have established the legislative framework for the new Industrial Chemicals Environmental Management Standard (IChEMS). The *Industrial Chemicals Environment Management (Register) Act 2021* took effect in March 2021.

IChEMS provides a national approach to the management of environmental risks from industrial chemicals. It will deliver a streamlined, nationally consistent, efficient regulation, which will lead to stronger environmental protection.

Industrial chemicals will be scheduled according to their level of concern to the environment. Chemical users, importers and manufacturers can access the IChEMS register for up-to-date information and advice on managing the introduction, use and disposal of industrial chemicals.

These reforms complement our work to increase recycling and improve resource recovery by reducing chemical contamination in waste streams. The reforms will reduce impacts on the environment, protect Australia's people, and safeguard the value of our land and water.

All Australian jurisdictions are working to adopt and implement IChEMS into their own regulatory frameworks.

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<b>Measure</b>	National Pollutant Inventory data is published by 31 March each year.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 37.
<b>Result</b>	Achieved.

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The [National Pollutant Inventory](#) provides free information about emission estimates for 93 toxic substances and the source and location of these emissions.

In March 2021 we published data from 2019–20 into the National Pollutant Inventory. The data, collected by state and territory governments, provides emissions from 4,261 industry facilities.

This was the 22nd year of publishing emissions from industry.

## Biosecurity

### Performance criterion: National biosecurity system meets the agreed national goals and objectives of the Intergovernmental Agreement on Biosecurity

<b>Measure</b>	Performance measures are developed to assess the effectiveness of the national biosecurity system.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 43; <i>Corporate plan 2020–21</i> , page 39.
<b>Result</b>	Partially achieved.

We are working with the National Biosecurity Committee and state and territory biosecurity agencies to develop a performance framework for the national biosecurity system.

Performance evaluation is a commitment under the [Intergovernmental Agreement on Biosecurity](#), which provides for annual reporting by jurisdictions on performance indicators and benchmarks to identify options for remedying areas of unsatisfactory progress.

In September 2020 the National Biosecurity Committee endorsed a concept for performance evaluation of the national biosecurity system. The performance evaluation working group will provide the fully developed framework in late 2021.

### Performance criterion: Regulation, partnerships and service delivery manage biosecurity risk

<b>Measure</b>	Rates of compliance with regulations administered by the department are maintained or improved.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 43; <i>Corporate plan 2020–21</i> , page 39.
<b>Result</b>	Partially achieved.

### Biosecurity screening

[Table 4](#) provides the post-intervention compliance rate for international mail and air passengers. The percentage score shows the compliance of international mail articles and air passengers after intervention. The rate of post-intervention compliance is affected by the before-intervention compliance rate (the inherent risk of the pathway) and our ability to intervene with non-compliant passengers or mail on arrival in Australia.

The table shows we are highly effective at promoting and enforcing compliance in these pathways.

**Table 4** Post-intervention compliance rates

Reporting period	International mail (%)	Air passengers (%)
2016–17	99.9	96.9
2017–18	99.9	97.1
2018–19	99.9	97.0
2019–20	99.9	96.8
2020–21	99.8	97.6

### Imported food safety

In 2020–21 the overall compliance rate for imported food inspections was 97.9%, compared to 98.4% for 2019–20. This minor decrease in the compliance rate indicates maintenance of rates of compliance for imported food safety.

Further information on the compliance rate is on our [imported food inspection data website](#).

### Live animal exports

The Exporter Supply Chain Assurance System aims to ensure the humane treatment and handling of Australian livestock, from arrival in an importing country up to and including the point of slaughter. Since July 2011 more than 23 million animals have been exported to 26 countries under the assurance system.

In 2020–21 we received 16 reports of alleged regulatory infringements. Of these, 10 were self-reports by exporters, and 6 were reports by third parties. We completed our investigations into 10 of the reports. Our response to investigation findings included:

- removing facilities from approved supply chains
- requiring exporters to implement management plans and provide further information about proposed exports
- applying additional conditions to export approvals
- setting further reconciliation requirements to account for animals in supply chains
- requiring exporters to provide more training to improve animal handling practices.

## Snapshot 6 Innovation – Smart glasses

We are exploring innovative ways to measure biosecurity compliance. This year we trialled smart glasses in remote rural tailgate inspections. The glasses gave us a live feed from inspections by biosecurity officers.

The trial demonstrated that biosecurity officers could use smart glasses to remotely detect biosecurity contaminants on a shipping container, particularly in areas such as twist locks and dark crevices.

Smart glasses technology has benefits for both industry and the department. Biosecurity officers do not need to travel to inspect and clear imported goods. This saves time and money, while continuing to manage biosecurity risks.

We will continue to trial innovative technologies that help us to meet the risk of increasing trade volumes and complex trade pathways to Australia's biosecurity.



Inspecting with smart glasses, Department of Agriculture, Water and the Environment.

<b>Measure</b>	Agreed regulatory performance time frames are met.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 39.
<b>Result</b>	Partially achieved.

## Service standards

In 2020–21 we met or partially met half of our service standards. Appendix E: Service standards provides the results for each of our service standards.

## Imported cargo services

In 2020–21 total imported cargo volumes increased by 31%. Our ability to fully achieve performance time frames was affected by this significant increase, which comprised:

- 54% increase in self-assessed clearances
- 35% increase in cargo inspections
- 19% increase in cargo assessments
- 12% increase in phone calls to our 1800 900 090 number.

Other factors that affected performance time frames included:

- clients lodging late documentation into the Cargo Online Lodgement System
- industrial action at the Port of Sydney, which meant cargo was diverted to other ports and strained resources in those locations
- deployment of biosecurity officers to perform offshore military inspections and to assist the Government of South Australia with a fruit fly outbreak in the Riverland region
- COVID-19 pandemic lockdowns and restrictions disrupting the workforce and adding time to inspections for COVID-19-related protocols and hygiene requirements.

During the year we implemented measures to improve performance against the standards. These included:

- data analytics to better predict workload volumes and resourcing requirements
- process automation technology to improve and simplify cargo assessments
- enhancing the Cargo Online Lodgement System and Cargo Workflow Management System to refine business rules on the prioritisation and complexity of assessment types
- improving visibility of workload in queues to reward industry participants who lodge further in advance of goods arriving
- introducing the Scheduling and Workflow Management System and partnering with industry to co-design alternative methods of delivering regulatory functions
- reviewing biosecurity risk control measures with a view to ceasing or reducing regulatory intervention where appropriate.

## Export meat participant permissions

During the year we continued to regulate the delivery of export meat participant permissions. This includes export meat licensing, the European Union Cattle Accreditation Scheme, and export meat establishment registration. We met agreed regulatory performance time frames to ensure no adverse impacts for trade.

## Live animal exports

In 2020–21 we met performance targets for the inspection of livestock at export registered establishments, approved premises, airside or vessels and for the assessment and issue of live animal export documentation. This is consistent with results from previous years.

Our performance against the service standards related to the Exporter Supply Chain Assurance System fell compared with 2019–20. Our ability to meet the performance time frames was affected by:

- the time applicants took to address unsatisfactory elements of their applications
- several particularly complex applications
- non-compliance investigations involving communication with parties on multiple occasions over extended periods, often requiring us to make numerous requests for information and deal with incomplete information or information that identified new issues for investigation.

Our performance in processing applications relating to registered establishments, accredited veterinarians and notices of intention to export improved compared with 2019–20. Our performance relating to livestock export licences and approved arrangement applications fell compared to 2019–20. Our ability to meet the performance time frames was affected by:

- implementation of the Australian Standards for the Export of Livestock and the introduction of new legislation
- increased engagement with trading partners due to COVID-19 impacts that affected service delivery.

# Water resources

## Performance criterion: Support sustainable use and maintenance of high-quality water resources

<b>Measure</b>	Number of water resource plans accredited under Commonwealth law (33 of 33).
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 43; <i>Corporate plan 2020–21</i> , page 40.
<b>Result</b>	Partially achieved.

To date, 13 of the 33 water resource plans required under the Murray–Darling Basin Plan are accredited. These are from the Victorian, Queensland, South Australian and Australian Capital Territory governments.

New South Wales (NSW) is responsible for 20 water resource plans. The NSW Government submitted 20 proposed plans to the Murray–Darling Basin Authority (MDBA) by 30 June 2020. However, it is in the process of withdrawing its plans for amendment and resubmission to ensure they are consistent with the requirements of the Murray–Darling Basin Plan.



<b>Measure</b>	Maintaining Murray–Darling Basin jurisdiction cooperation and coordination to implement the Basin Plan.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 40.
<b>Result</b>	Achieved.

We participated in all 9 scheduled meetings of the Basin Officials Committee (BOC) during 2020–21. The BOC, MDBA Board and the Basin Community Committee held a joint meeting in June 2021 to coincide with the MDBA's regional conference. At this meeting, BOC members agreed to publish a record of BOC meeting decisions and activities to improve transparency.

Minister Pitt hosted 2 Murray–Darling Basin Ministerial Council meetings in 2020–21. These were a formal meeting in November 2020 and a strategic discussion in April 2021.

<b>Measure</b>	Track engagement with key stakeholders (industry, environment, local government).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 40.
<b>Result</b>	Partially achieved.

The Murray–Darling Communities Investment Package, announced in September 2020, puts communities at the heart of the Basin Plan. To support implementation of the package we have developed the following:

- a client relationship management system to track stakeholder engagement activity
- staff stakeholder engagement training – about 90% of Water Division staff have participated in the training
- a stakeholder engagement strategy – phase 1 is focused on partnering to better meet the needs of stakeholders.

During 2020–21 we:

- attended the Murray–Darling Association conference in May 2021 as part of a government delegation comprising the MDBA, Commonwealth Environmental Water Office, National Water Grid Authority, Bureau of Meteorology, and the Office of the Interim Inspector-General of Water Compliance
- consulted publicly on the design of new programs.

In 2021–22 we will partner with the MDBA Regional Engagement Officer program. The network of 7 officers is located across communities in the Basin.

<b>Measure</b>	Improved progress towards delivering the Murray–Darling Basin Plan (Bridging the Gap, Water Efficiency Program, supply and constraint measures).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 40.
<b>Result</b>	Partially achieved.

The *Corporate plan 2020–21* had 4 elements for this measure:

- 47 GL/year water recovery remaining to bridge the gap under the Murray–Darling Basin Plan
- contracting a number of large water efficiency measure projects (greater than \$2 million) from the Water for the Environment Special Account funding
- establishing the National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin
- progressing the delivery of milestones under Phase 2 implementation of supply and constraint measures – 17 of 36 supply measures completed, another 5 projects contracted with accelerated funding schedules and 2 projects being rescoped.

## Bridging the gap

There was no increase in the volume of surface or groundwater entitlements recovered to bridge the gap in 2020–21. However, there were minor variations in volumes reported because of an update of water recovery factors for catchments in Queensland. About 2% (46 GL/year) of the total target to be recovered for surface water, and around 8% (3.2 GL/year) for groundwater remains to be achieved.

## Water efficiency program

The volume of registered water recovery through efficiency measures projects increased by less than 1 GL/year in 2020–21. However, the Goulburn–Murray Water efficiency project was contracted during the year and is expected to deliver 15.9 GL/year against the efficiency program's targets. This brings the total volume of efficiency measures, both registered and under contract, to 18.4 GL/year.

In March 2021 Minister Pitt announced the closure of the Water Efficiency Program for new applications and opened new arrangements for water recovery. The arrangements for the new Off-farm Efficiency Program were developed in consultation with Basin governments and the Australian Government's Business Grants Hub.

## Water for the Environment Special Account funding

In 2020–21 expenses totalled \$43.9 million from the Water for the Environment Special Account (WESA). This included \$39.8 million for projects funded under efficiency measures and \$4 million for constraints measures.

At 30 June 2021 a total of \$55.5 million of the allocated \$1.75 billion of WESA funding for efficiency measures had been expensed for on-farm and off-farm works and supporting administrative costs. A total of \$14.25 million of the allocated \$200 million for constraints measures had been expensed to deliver Stage 1 measures.

## Supply and constraint measures

In 2020–21 we paid a total of \$28.2 million to NSW, Victoria, South Australia and the MDBA to implement supply and constraints measures, including the Menindee Lakes Water Saving Project. New funding agreements and variations to existing agreements were signed with states in 2020–21, which increased funding by \$62.5 million to \$253.1 million overall.

We continued to work with NSW, Victoria and South Australia on funding arrangements for the implementation and construction of supply and constraints measures.

The Murray–Darling Communities Investment Package includes a commitment to work with states to accelerate the planning and delivery of supply and constraints measures.

In April 2021 the Murray–Darling Basin Ministerial Council released a status assessment of the supply and constraints measures. The status assessment identified that:

- 81% (30) of the projects have been delivered or should be able to be delivered before June 2024 without major intervention (accounting for around 73.5% or 444.7 GL/year of the offset)
- 19% (7) of the projects (accounting for around 26.5% or 160.5 GL/year of the offset) are at risk of non-delivery by 2024.

In response to the status assessment, Basin ministers agreed to support the acceleration of 5 NSW supply and constraints measures and to rescoping the Menindee Lakes Water Savings and Murrumbidgee Yanco offtake projects. Funding agreements for the 5 accelerated projects should be finalised in 2021–22.

The National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin expired on 30 June 2020. The Australian Government committed to further funding to support Basin governments to implement water reform through 2 schedules under the Federation Funding Agreement – Environment:

- \$5 million one-year agreement to provide interim funding. All Basin governments met the key performance indicators under the schedule by 30 June 2021, and the minister approved payment.
- \$60 million 3-year agreement to provide longer-term funding. We are negotiating with Basin governments to agree key performance indicators and funding arrangements. On 30 June 2021 these negotiations were close to completion.

<b>Measure</b>	Undertake a statutory review of the Water Efficiency Labelling and Standards scheme and track implementation of review recommendations.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 41.
<b>Result</b>	Partially achieved.

## Independent review

Section 76 of the *Water Efficiency Labelling and Standards Act 2005* (WELS Act) requires an independent review of the operation of the WELS scheme every 5 years. In late 2020 Allen + Clarke Consulting commenced the 2020 review to evaluate the design, effectiveness and efficiency of the WELS scheme and the WELS intergovernmental agreement. The review will be finalised in 2021–22.

## Compliance with the Water Efficiency Labelling and Standards scheme

The WELS Act requires products to be registered and labelled at all points in the supply chain. Compliance and follow-up enforcement actions occur in accordance with the WELS [Compliance and Enforcement Policy](#).

In 2020–21 compliance activities focused on responding to allegations, monitoring internet-based sales and recommencing a national education and inspection program targeting the residential building industry. When COVID-19 travel restrictions eased, we inspected bathroom and kitchen fittings selection centres and product inclusion lists in Adelaide and Perth.

This year there were significantly more online eBay sellers supplying non-compliant product. The increase in non-compliance was identified through increased department resources and collaboration with eBay. Of the other case categories, more cases were closed in 2020–21 compared to the previous year. This was partly the result of WELS inspectors resolving several historical cases.

The following tables summarise the WELS compliance activities in 2019–20 and 2020–21.

**Table 5** WELS case management

Item	2019–20	2020–21
Cases opened in reporting period	80	84
Cases carried over from previous period	30	29
Cases closed because compliance was achieved	84	106
Cases remaining open at end of reporting period	29	11

**Table 6** WELS early escalation

Item	2019–20	2020–21
Warning letters sent	7	5
Compliance achieved after warning letter sent	11	7
Notice of intent to give coercive notice sent	2	0
Compliance achieved after notice of intent sent	0	0

**Table 7** WELS escalation to statutory actions

Item	2019–20	2020–21
Remedial action notices given	0	0
Compliance achieved after remedial action notice given	0	0
Civil litigation <sup>a</sup>	0	0

<sup>a</sup> One civil litigation case has been in progress since 2018–19.

**Table 8** WELS compliance activities in online marketplaces

Item	2019–20	2020–21
Cases (sellers) opened in reporting period	121	617 <b>a</b>
Products delisted across sellers <b>b</b>	n/a	2,148
Cases carried over from previous period	56	60
Cases closed because compliance was achieved	11	641
Cases remaining open at end of reporting period	60	36

Notes: Online marketplaces are websites that facilitate shopping. In 2020–21 we focussed on eBay. Sellers may supply more than one non-compliant product. **a** 520 international sellers. **b** New reporting statistic.

Registrant businesses must register WELS products to be able to supply the Australian market. The number of registered products and variations (different colours, finishes or taps) continued to grow despite global trade disruptions. The increase was mostly market driven rather than a result of compliance actions.

During the year 39,517 products were registered. This included 27,340 products and 12,177 product variants. The products were registered by 435 manufacturers, importers and wholesalers. Of these, 239 were based in Australia. Most international businesses were based in Asia and Europe.

<b>Measure</b>	Release the Ministerial Forum response to the Lake Eyre Basin Intergovernmental Agreement review.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 41.
<b>Result</b>	Achieved.

In December 2020 the Lake Eyre Basin Ministerial Forum released its response to the second review of the Lake Eyre Basin Intergovernmental Agreement.

The second review looked at the operation of the agreement and the extent to which objectives have been achieved. It considered possible changes to improve the effectiveness of the agreement to reflect new knowledge, emerging issues and institutional frameworks. We conducted a public consultation on the review within and outside the Lake Eyre Basin area on behalf of basin jurisdictions.

A key recommendation from the response to the second review was to develop a strategic plan. We have procured consultancy services to deliver the plan by November 2021.

The Lake Eyre Basin Ministerial Forum was disbanded in February 2021 following recommendations from Peter Conran AM's *Review of COAG councils and ministerial forums – Report to National Cabinet*.

<b>Measure</b>	Progress high-priority areas of water for cities and towns, water for Indigenous Australians, and climate change with jurisdictions.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 41.
<b>Result</b>	Partially achieved.

## Water for cities and towns

This element of the measure was achieved. The Commonwealth, state and territory governments worked together through the Urban Water Reform Committee to identify the next stages of urban water reform in Australia. In 2020–21 we released 3 reports that map the way forward:

- *Advancing the urban water sector: A framework and roadmap for coordinated action* identifies a framework, principles, priorities and actions to advance the urban water sector through coordinated actions and efforts.
- *Institutional arrangements for urban water* identifies model institutional arrangements for advancing urban water reform across all jurisdictions and provides examples of existing or intended urban water institutional arrangements.
- *Town and City Water Security Definition and Diagnostic Report* proposes a common definition of water security, as well as developing and testing new tools to help address water security issues in towns and cities across Australia.

We established and progressed the renewal of the National Water Initiative following release of the Productivity Commission's issues paper in May 2020 and the National Water Reform draft report in February 2021. Australian governments are working to agree a renewed National Water Initiative by the end of 2022.

## Water and climate change

This element of the measure was achieved. The National Water Reform Committee agreed to establish an interjurisdictional interim subcommittee on climate change. The subcommittee will develop a work program to include climate change in water management. It will consider principles, methods, data information sharing and communication. The subcommittee is also contributing to the renewal of the National Water Initiative.

We also provided advice on the impact of 5 pilot regional forestry hubs on water availability under the Carbon Farming Initiative.

## Water for Indigenous Australians

This element of the measure was partially achieved. A Committee on Aboriginal Water Interests was established to provide advice to Australian governments. The committee is made up of Indigenous water experts from across Australia.

The National Agreement on Closing the Gap was amended in July 2020 to include a commitment to develop an inland water target. The National Indigenous Australians Agency leads this agreement for the Australian Government.

During 2020–21 we consulted Basin Indigenous peak organisations on delivery options for the Aboriginal Water Entitlement Program, with a focus on options to deliver practical on-ground outcomes and positive benefits for First Nations communities.

The Australian Government announced the Murray–Darling Basin Indigenous River Rangers Program in September 2020 as part of the Murray–Darling Communities Investment Package. The National Indigenous Australians Agency will deliver the program, which aims to:

- recognise connection to Country and the diversity of environmental and cultural practices across the Basin
- provide an opportunity for Indigenous people to use their knowledge and connection to Country to contribute to managing and restoring waterway health in the Basin
- employ about 20 full-time equivalent Indigenous rangers and several ranger coordinators, with funding for one year commencing on 1 July 2021.

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<b>Measure</b>	Establishment of the Great Artesian Basin Stakeholder Advisory Committee and track participation and number of meetings.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 41.
<b>Result</b>	Partially achieved.

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In 2020–21 the Commonwealth and the Great Artesian Basin governments worked to progress the establishment of the Great Artesian Basin Stakeholder Advisory Committee.

Using a merit-based process, candidates for the committee will be recommended to the minister in the first quarter of 2021–22 for agreement and further consultation with the Great Artesian Basin governments.

As this is a new Commonwealth committee, the Prime Minister’s agreement is also required. When this is achieved, the minister can formally establish the committee.

## Performance criterion: Water quality and flows, and ecosystem health, are maintained or improved

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<b>Measure</b>	Water-dependent ecosystems are protected and restored.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 43.

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Results are reported using measures from the *Corporate plan 2020–21* and provided in the following results.

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<b>Measure</b>	The restoration of the hydrological regime, which includes relevant flow components set out in the Basin Plan (section 8.51(1)(b)).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 42.
<b>Result</b>	Achieved.

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We managed Commonwealth environmental water to consolidate environmental outcomes achieved in previous years.

In 2020–21 Commonwealth environmental water contributed to the restoration of a range of flow components across the Murray–Darling Basin. This helped achieve environmental outcomes for native aquatic fauna, such as fish, and vegetation communities. The outcomes achieved are considered within the context of climate conditions across the Murray–Darling Basin in preceding years.

Across the northern Basin, inflows were at record low levels. While some flows resumed in early 2020, the volume of water allocated to the Commonwealth environmental water entitlements was very low. In the southern basin, allocations were also historically low.

During the year 1,376 GL of Commonwealth environmental water was delivered. This is based on operational reporting by state-based delivery partners. It is the best available information and subject to minor revision by the state authorities as they finalise state water accounts. Final acquitted volumes of Commonwealth environmental water are published on the [Commonwealth Environmental Water Office \(CEWO\) website](#).

The analysis of hydrological data for this measure is complex and involves multiple parties. Therefore, there is a lag of about 12 months between the end of the year and publication of results. Data from 2020–21 will be published on the CEWO website when it becomes available.

[Table 9](#) demonstrates our progress towards expected outcomes for base flows as a result of Commonwealth environmental water. It shows the percentage duration of expected outcomes for low or very low flows as reported for each valley from 2014–15 to 2019–20.

**Table 9** Progress towards target outcomes for base flows, percentage

Valley	Target a	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Barwon–Darling	60	0	0	17	0	0	0
Border Rivers	60	33	17	100	50	33	33
Condamine–Balonne	60	17	0	0	0	0	0
Warrego	60	50	33	17	33	17	67
Gwydir	60	0	33	50	83	67	33
Lachlan	60	17	67	100	100	100	83
Macquarie	60	67	17	100	100	50	33
Namoi	60	0	0	17	50	17	17
Campaspe	60	33	33	0	83	100	100
Central Murray	60	83	100	100	100	100	100
Edward/Kooley–Wakool	60	100	50	17	83	33	17
Goulburn	60	33	100	33	50	83	100
Loddon	60	100	100	50	50	100	83
Lower Darling	60	100	67	33	50	50	33
Lower Murray	60	33	67	0	100	67	33
Murrumbidgee	60	0	83	100	100	83	50
Ovens	60	100	67	67	100	83	83

Note: Does not include Broken and Wimmera. **a** Target is to maintain baseflows to at least 60% of the natural level.



[Table 10](#) depicts our progress towards target outcomes for increased freshes as a result of Commonwealth environmental water delivered from 2014–15 to 2019–20.

**Table 10** Progress towards target outcomes for increased freshes, percentage

Valley	Target <sup>a</sup>	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Barwon–Darling	15	13	13	0	26	0	0
Border Rivers	15	0	0	0	0	0	0
Condamine–Balonne	15	0	0	0	0	0	0
Warrego	15	0	0	0	0	0	40
Gwydir	15	0	6	6	13	86	6
Lachlan	15	0	26	0	46	53	100
Macquarie	15	20	0	0	13	40	0
Namoi	15	0	0	0	6	13	0
Campaspe	45	0	33	0	48	2	11
Central Murray	45	0	15	0	0	6	15
Edward/Kooley–Wakool	45	2	0	2	2	6	0
Goulburn	45	17	42	0	8	35	28
Loddon	45	28	13	0	11	17	0
Lower Darling	45	0	0	93	0	0	0
Lower Murray	45	35	100	0	75	71	100
Murrumbidgee	45	0	0	0	11	4	0
Ovens	45	0	0	0	0	0	0

<sup>a</sup> Target as a percentage increase in freshes.

Outcomes vary year by year because of:

- water resource conditions, water resource managers (rules, constraints and risk management) and management of the Commonwealth Environmental Water Holder
- seasonality (atmospheric and water temperature)
- biological response of biota to cues
- changes to land use, such as waterbird foraging flats becoming urbanised or otherwise disturbed
- changes to international and national policies and agreements.

<b>Measure</b>	Hydrological connectivity between the river and floodplain and between hydrologically connected valleys.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 42.
<b>Result</b>	Achieved.

In 2020–21 the delivery of Commonwealth environmental water contributed to lateral and longitudinal connectivity consistent with the previous year’s delivery.

The data in this section refers to results assessed in 2019–20 monitoring data. The analysis of hydrological data for this measure is complex and involves multiple parties. Therefore, there is a lag of 12 months between the end of year and when results are published. Data for 2020–21 will be published on the [CEWO website](#) when it becomes available.

In 2019–20 Commonwealth environmental water, in coordination with other sources of water, contributed to ([Table 11](#)):

- improved lateral connectivity across the Basin, inundating 177,260 hectares of lakes and wetlands and 13,844 hectares of floodplain
- watering actions (by flow component) along approximately 15,591 kilometres of waterway.

The outcomes achieved are considered within the context of the climatic conditions in the Murray–Darling Basin in preceding years.

**Table 11** Lakes, wetlands, floodplains and waterways influenced by Commonwealth environmental watering actions, 2019–20

Valley and selected area	Lakes and wetlands area (ha)	Floodplain area inundated (ha)	Length of waterways (km)
Barwon–Darling	0	0	1,858
Border Rivers	0	0	935
Condamine–Balonne	5,725	4,528	1,627
Gwydir: Gwydir River System	0	0	623
Macquarie	0	0	667
Warrego: Junction of Warrego and Darling rivers	0	0	1,176
Broken	0	0	280
Campaspe	0	0	112
Central Murray	30,171	1,157	2,143
Edward/Koety–Wakool: Edward/Koety–Wakool river systems	3	7	789
Goulburn: Goulburn River	0	0	406
Lachlan: Lachlan River System	4,134	943	1,488

**Table 11** Lakes, wetlands, floodplains and waterways influenced by Commonwealth environmental watering actions, 2019–20 (continued)

Valley and selected area	Lakes and wetlands area (ha)	Floodplain area inundated (ha)	Length of waterways (km)
Lower Darling	45	4	9
Loddon	0	0	365
Lower Murray: Lower Murray River	3,518	1,097	1,187
Lower Murray (Coorong, Lower Lakes and Murray Mouth) <b>a</b>	Fresh: 103,422 Estuarine: 23,768	65	0
Murrumbidgee: Murrumbidgee River System	6,470	6,043	1,495
Namoi	0	0	0
Ovens	4	0	252
Wimmera	0	0	179
Total	177,260	13,844	15,591

**ha** hectare. **km** kilometre. **a** Includes the Coorong, Lakes Alexandrina and Albert and the Murray Mouth.

<b>Measure</b>	Murray–Darling Basin salt export: volume of flow and salt load (tonnes) over the Lower Lakes barrages.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 42.
<b>Result</b>	Achieved.

In 2020–21 more than 807 GL of Commonwealth environmental water contributed to the export of salt from the Murray–Darling Basin.

[Table 12](#) provides the total annual flow over the Murray barrages from 2014–15 to 2019–20. It also shows the contribution by Commonwealth environmental water. The data is based on South Australian barrage dashboard accounting data.

**Table 12** Annual flow over the Murray barrages

Water	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Total volume (GL)	987	561	6,484	854	377	685
Commonwealth environmental water (GL)	454	561	802	757	377	685

Trends indicate that Commonwealth environmental water has contributed to the export of salt through the Lower Lakes barrages to the Coorong. In 2019–20 Commonwealth environmental water was the only water delivered through the Lower Lakes barrages. This contributed to the export of 623,999 tonnes of salt from the Basin.

[Table 13](#) provides the 6-year record of modelled salt export over the barrages to the Coorong estuary and through the Murray Mouth into the Southern Ocean. We changed the modelling for salt export and salinity data, as follows:

- 2014–15 to 2016–17. Data is from the large domain model, which underpredicted the salinity and salt flux at the barrages. As a result, the findings for these years are systematically lower than more recent years.
- 2017–18 to 2019–20. The data is from the new high-resolution Coorong model and has updated barrage flow specification. The predictions with the Coorong model are more accurate, which means post-2017 predictions are considered more accurate.

Further information is in the [Monitoring, Evaluation and Research Project: Lower Murray, 2019–20 Technical Report](#).

**Table 13** Modelled salt exports, tonnes

Water	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Barrages: All water	446,855	288,516	1,504,541	496,936	532,333	623,999
Barrages: No Commonwealth environmental water	161,791	36,884	1,383,674	60,088	0	0
Barrages: No environmental water	152,406	31,031	1,317,791	60,088	0	0
Murray Mouth: All water	–157,852	–1,850,028	3,679,277	–497,342	–16,807	–335,926
Murray Mouth: No Commonwealth environmental water	–3,202,552	–6,441,297	3,159,985	–2,168,279	–1,864,080	–2,332,963
Murray Mouth: environmental water	–5,048,511	–6,649,380	1,958,989	–2,168,279	–1,864,080	–2,332,963

## Snapshot 7 Water for the environment: bringing benefits to Banrock Station

### Reaching further across the floodplain

Since 2015 we have delivered environmental water to Banrock Station in South Australia. The station covers 1,000 hectares of critically endangered Mallee woodlands, with wetland lagoons on a quarter of this area. The station hosts working vineyards and a wine and wetland centre owned by Accolade Wines.

New infrastructure at Banrock Station's Wigley Reach allows water to reach a larger area of the floodplain than was previously possible. A new regulator enables wetland managers to control and maintain water at target depths before allowing it to flow on to neighbouring sites downstream.

The Wigley Reach regulator project could not have been achieved without collaboration among CEWO, Accolade Wines and the Murraylands and Riverland Landscape Board, and funding from the Commonwealth's National Landcare Program. With the regulator now in place, environmental water can be delivered to the site to benefit the many native species that call Banrock Station home.

### Bringing wetlands to life

The wetlands of Banrock Station support more than 300 plant and animal species. Following delivery of environmental water, wetland managers have seen an improvement in the growth and survival of black box trees, as well as the provision of crucial habitat for the threatened southern bell frog.

Monitoring by wetland managers and local volunteers detected impressive increases in regent parrot foraging and breeding. These threatened birds rely on 2 habitat types for survival: nesting habitat in mature river red gums within 20 metres of water and feeding habitat in nearby Mallee country. With red gums dotted along the station's intact Mallee woodlands, environmental water is helping provide the perfect conditions for native plants and wildlife to thrive at Banrock Station.



Regent parrot in the Lower Murray. Image supplied by South Australian Department for Environment and Water.

<b>Measure</b>	Ramsar Information Sheet updates completed for 8 additional Ramsar sites.
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 42.
<b>Result</b>	Achieved.

Ramsar information sheets are the primary source of information on Australia's wetlands of international importance (Ramsar sites). The sheets include information about the ecological character of each Ramsar site, threats to the site, management arrangements and monitoring activities. The Ramsar Convention on Wetlands requires review and update of the information sheets every 6 years.

During the year 12 Ramsar information sheets were updated. We submitted the updates to the Ramsar Secretariat and will publish them on our Ramsar documents website in due course. The Ramsar sites with updated information sheets in 2020–21 are:

- Apsley Marshes, Tasmania
- Ashmore Reef Commonwealth Marine Reserve
- Eighty Mile Beach, Western Australia
- Flood Plain Lower Ringarooma River, Tasmania
- Gunbower Forest, Victoria
- Hattah–Kulkyne lakes, Victoria
- Little Waterhouse Lake, Tasmania
- Moulting Lagoon, Tasmania
- Muir–Byenup system, Western Australia
- Roebuck Bay, Western Australia
- Towra Point, New South Wales
- Western Port, Victoria.

## Antarctic

**Performance criterion: Strengthen Australia's leadership in Antarctica and the Southern Ocean, by conducting world-leading science, promoting environmental best practice, and developing economic, educational and collaborative opportunities**

<b>Measure</b>	Measure progress against the 20 Year Action Plan.
<b>Source</b>	<i>Portfolio Budget Statements 2020–21</i> , page 42; <i>Corporate plan 2020–21</i> , page 43.
<b>Result</b>	Achieved.

Overall, the intent of the plan is being met. Most actions for the first 5 years were met or are progressing well.

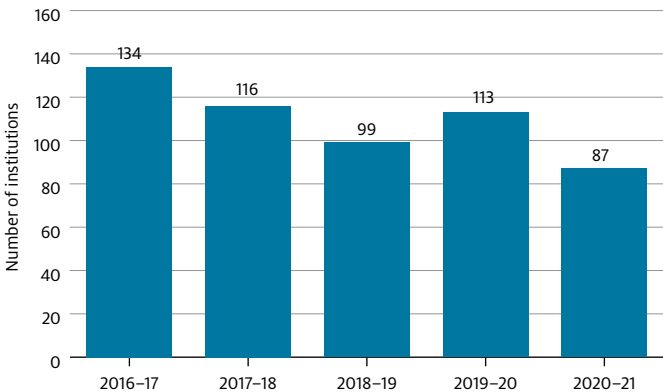
In June 2021 we reviewed our progress in delivering against the *Australian Antarctic Strategy* and *20 Year Action Plan*, which was released in 2016. The review found the plan remains fit for purpose in articulating Australia's Antarctic interests and the activity needed to deliver on these interests.

A supplement will elaborate priorities for the next 5 years (to 2026) and the following 10 years (2026 to 2036). We will review the plan in 2026, at the 10-year mark.

<b>Measure</b>	Number of institutions collaborating in the Australian Antarctic Program (target: average of at least 100 over previous 5 years).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 43.
<b>Result</b>	Achieved.

During the year 125 international collaborators from 87 international institutions participated in the Australian Antarctic Program. This amounts to an average of 110 international institution collaborations per year over 5 years ([Figure 10](#)).

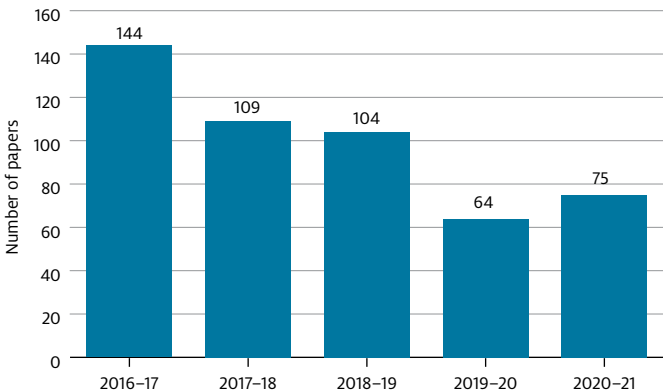
**Figure 10** International institutions in the Australian Antarctic Program over past 5 years



<b>Measure</b>	Number of scientific publications published in peer-reviewed journals (target: average of at least 100 over previous 5 years).
<b>Source</b>	<i>Corporate plan 2020–21</i> , page 43.
<b>Result</b>	Substantially achieved.

There were 75 peer-reviewed (category 1) publications lodged with the Australian Antarctic Division’s publications database in 2020–21. The average is 99 per year over the past 5 years ([Figure 11](#)).

**Figure 11** Papers published in peer-reviewed journals over past 5 years



## Snapshot 8 Building capability – ice core science

We are developing a traverse capability and establishing a station inland from the Antarctic coast. These are central to:

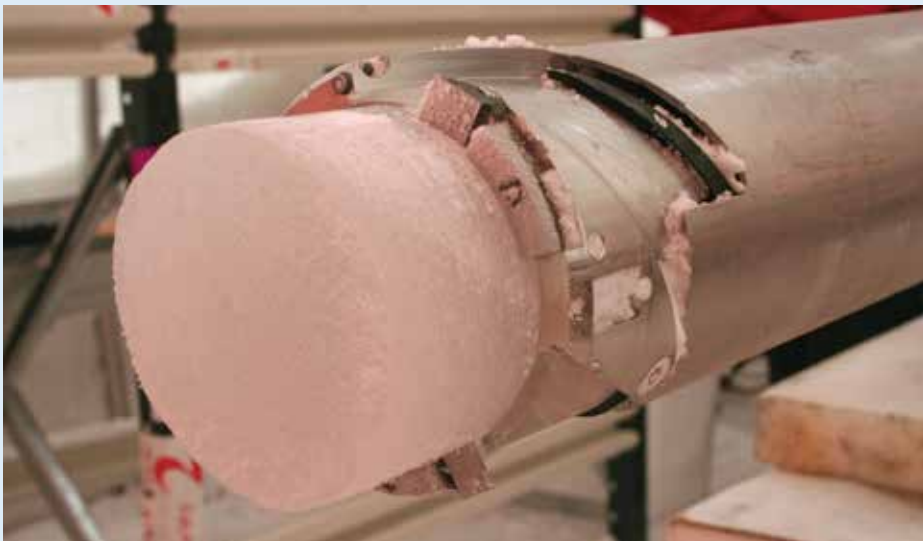
- facilitating the retrieval of a million-year ice core from Dome C, which is 1,300 km inland of Casey station and 3,000 metres above sea level
- enabling other science elsewhere on the inland plateau in successive seasons
- supporting remote field landing areas for aviation across the Australian Antarctic Territory.

Ice core science provides a record of past climate changes that is essential to understanding how the climate operates. On a global scale, ice cores show the pivotal role of carbon dioxide (CO<sub>2</sub>) in the climate system. They reveal, in detail, how human emissions have driven atmospheric CO<sub>2</sub> far above natural levels seen for 800,000 years. Ice cores are also used to explore regional Australian climate including the variability and drivers of droughts and floods.

Through the Million Year Ice Core Project, Australia is leading a major effort to recover the oldest possible continuous ice core record, extending back potentially 1.5 million years. This endeavour is recognised as a major international challenge in climate science. It requires many cores to achieve maximum age and verify results, and several nations are proceeding towards drilling.

This work will answer central questions about the long-term global role of CO<sub>2</sub> and will give a stronger basis for predicting long-term impacts of human emissions while improving climate models and our understanding of present climate change.

The project will involve 4 to 5 years of drilling. Supporting traverses will depart Casey in November each year, reaching the station in about 14 days. Return trips will be made in early February. The inland station is designed to withstand temperatures as low as -85°C.



An ice core in the drill tent at Law Dome, Australian Antarctic Territory. © Joel Pedro.  
Courtesy: Australian Antarctic Division.



# Financial performance

## Introduction

In 2020–21 we continued to integrate our financial capability and resource allocation to meet the department's needs.

Revenue from cost-recovered services funds a significant part of our expenditure. The COVID-19 pandemic continued to impact these cost-recovered services, but there was an increase compared with 2019–20. We continued to focus on these services to ensure they are efficient and appropriately funded.

Our internal budget aligned to the *Portfolio Additional Estimates Statements 2020–21* (PAES), with an approved deficit position. The 2020–21 full-year result was a surplus of \$136.7 million after allowable losses.

[Table 14](#) summarises the department's entity resource statement for 2020–21. Further information on resourcing is in Appendix B.

**Table 14** Resource statement subset summary, 2020–21

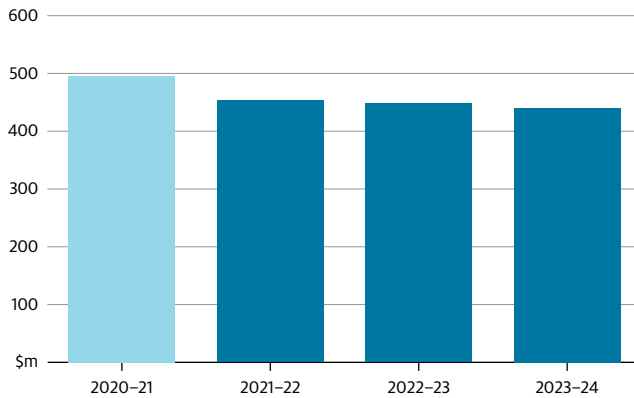
Item	Actual available appropriation \$000 (a)	Payments made \$000 (b)	Balance remaining \$000 (a) – (b)
<b>Departmental</b>			
Annual appropriations – ordinary annual services <b>1,2,3</b>	1,203,513	917,595	285,918
Annual appropriations other services – non-operating <b>3,4</b>	184,554	38,606	145,948
Total departmental annual appropriations	1,388,067	956,201	431,866
Special accounts <b>5</b>	737,753	683,834	53,919
Total special accounts	737,753	683,834	53,919
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(152,929)	(152,929)	–
<b>Total departmental resourcing</b>	<b>1,972,891</b>	<b>1,487,106</b>	<b>485,785</b>
<b>Administered</b>			
Annual appropriations – ordinary annual services <b>1,6</b>	959,579	764,139	195,440
Annual appropriations - other services - non-operating <sup>4,6</sup>	3,154,834	987,797	2,167,037
Total administered annual appropriations	4,114,413	1,751,936	2,362,477
Administered special appropriations	1,074,960	1,074,960	–
Total administered special appropriations	1,074,960	1,074,960	–
Special accounts <b>5</b>	2,534,382	317,976	2,216,406
Total special accounts receipts	2,534,382	317,976	2,216,406
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	(222,715)	(222,715)	–
<i>less payments to corporate entities from annual/special appropriations</i>	(654,651)	(636,516)	(18,135)
<b>Total administered resourcing</b>	<b>6,846,389</b>	<b>2,285,641</b>	<b>4,560,748</b>
<b>Total resourcing and payments for Department of Agriculture, Water and the Environment</b>	<b>8,819,280</b>	<b>3,772,747</b>	<b>5,046,533</b>

**1** Appropriation Act (No. 1) 2020–2021, Appropriation Act (No. 3) 2020–2021 and Supply Act (No. 1) 2020–2021. This may also include prior-year departmental appropriation and *Public Governance, Performance and Accountability Act 2013* (PGPA Act) section 74 receipts. **2** Departmental capital budgets are not separately identified in Appropriation Bill (No.1,3,5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a ‘contribution by owner’. **3** Excludes the following departmental amounts withheld under section 51 of the PGPA Act: Ordinary annual services: \$7.679 million; Other services – non-operating: \$1.212 million. **4** Appropriation Act (No. 2) 2020–2021, Appropriation Act (No. 4) 2020–2021 and Supply Act (No. 2) 2020–2021. **5** Excludes trust moneys held in Services for Other Entities and Trust Moneys and other special accounts. **6** Excludes the following administered amounts administratively quarantined or withheld under section 51 of the PGPA Act: Ordinary annual services: \$493.807 million; Other services – non-operating: \$518.643 million.

## Revenue

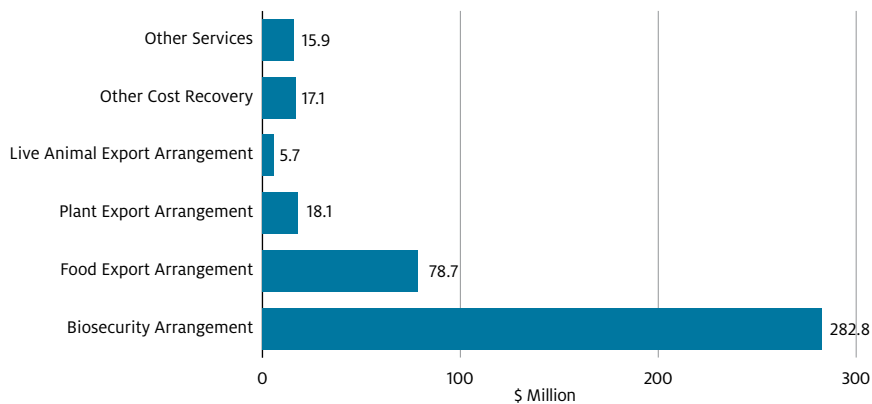
Our own-source revenue for 2020–21 was \$495.7 million. The department had appropriation revenue of \$966.1 million. Figure 12 shows the actual own-source revenue for 2020–21 and budgeted revenue figures from 2021–22, as per the PAES.

**Figure 12** Own-source revenue



Our own-source income is mainly derived from contracts with customers. Figure 13 shows the breakdown of revenue from contracts with customers by cost-recovery activity.

**Figure 13** Revenue from contracts with customers, by cost recovery activity

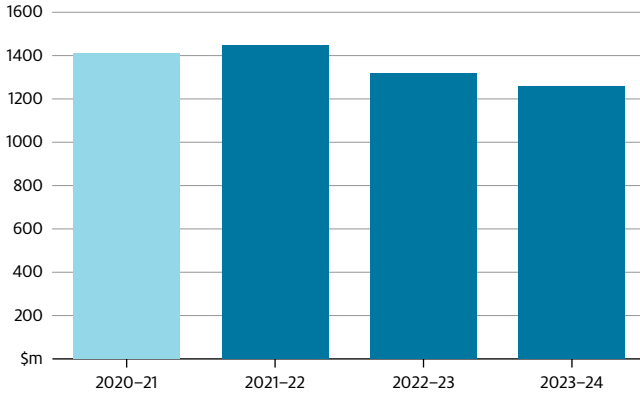


Notes: 'Other Services' included *Public Governance, Performance and Accountability Act 2013* section 74 receipts from ABARES, biosecurity plant and animal health, and Antarctic programs. 'Other Cost Recovery' included international mail, offshore, passenger and National Residue Survey arrangements.

# Departmental expenses

Our expenses totalled \$1,409.7 million in 2020–21 against the revised budget of \$1,484.1 million published in the PAES. Figure 14 shows our actual operating expenses for 2020–21 and budgeted expenditure figures from 2021–22 onwards, as per the PAES.

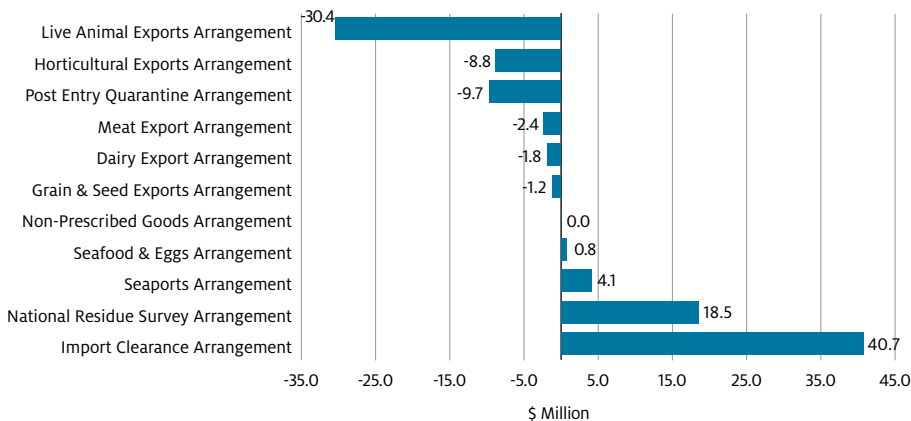
**Figure 14** Departmental expenses



# Cost recovery reserves

We operate cost-recovery arrangements across biosecurity, export certification and other services in accordance with the Australian Government charging framework. Figure 15 shows the cost-recovery reserve balances at the end of 2020–21.

**Figure 15** Cost-recovery reserve balances at 30 June 2021



Note: Only surplus reserves are recorded in our financial statements.

## Managing our assets

### Departmental activities

Our major investments are in land, buildings, heritage and cultural assets, information and communications technology (ICT) hardware and software; and right of use assets. On 30 June 2021 our asset base was valued at \$1,486.1 million. Of this:

- \$785.4 million are assets managed by the Australian Antarctic Division including:
  - \$450.6 million for the Antarctic icebreaker RSV *Nuyina*, which was disclosed as an asset under construction at 30 June 2021 and is due to be commissioned in 2021–22
  - \$212.7 million in assets at Australia’s Antarctic stations – Casey, Davis and Mawson – and a research station on Macquarie Island
  - \$118.9 million in assets at the Australian Antarctic Division’s headquarters in Tasmania. The amount includes \$72.5 million relating to the Ice Core collection
- \$366.0 million are right of use assets. Most of these assets relate to property leases for office accommodation, laboratories, data facilities and residences in remote locations. The financial statements section of this report provides more information.

We make strategic investments to maintain and improve services to the government and to clients, consistent with government priorities and ongoing business needs. We manage capital investment through a comprehensive process that involves multiple governance bodies. The process helps to prioritise and evaluate capital proposals and to ensure investments are made effectively.

We are strengthening governance arrangements for and sustainability of our ICT investments. One of our integration activities is the centralisation of ICT asset management systems to provide greater visibility of ICT asset use, cost and maintenance. Work is also underway to integrate enterprise resource planning systems, including the integration of financial management information systems. This work will continue in 2021–22.

### Administered activities

#### Commonwealth environmental water holdings

We manage Commonwealth environmental water holdings, which are 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 Standards Board 138 *Intangible Assets* and 136 *Impairment of Assets*.

#### Heritage and cultural assets – Antarctic collection

We have 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 we have adopted appropriate curatorial and preservation policies for these assets. More information about cultural heritage management in Antarctica is on our [Antarctic website](#).

## Administered program performance

In 2020–21 we managed administered assets of \$9,755.7 million on behalf of the Australian Government. This largely comprised \$4,023.1 million in water entitlements and \$2,833.3 million in loans and investments in 10 portfolio entities.

Administered income for 2020–21 was \$719.5 million. The main source of administered income was primary industry levies and charges.

Administered expenditure for 2020–21 was \$2,477.1 million. These expenses were primarily:

- levy disbursements and Commonwealth contributions
- grants
- payments to corporate entities
- income support for farmers
- concessional loan discounts.

Part 2:

# Management and accountability



# Governance

## Governance framework

### Our executive

Andrew Metcalfe AO is the Secretary of the Department of Agriculture, Water and the Environment. The secretary is the department's accountable authority and is responsible for its efficient and effective operation. The secretary's other roles include chairing the:

- National Biosecurity Committee
- National Management Group for national emergency responses to pest and disease incursions
- Agriculture Senior Officials Committee
- Environment Senior Officials Committee.

**Table 15** Accountable authority, 2020–21

Name	Position title	Date of commencement	Date of cessation
Andrew Metcalfe	Secretary	1 July 2020	30 June 2021

The department has 7 deputy secretaries. They assist and support the secretary to deliver our objectives. On 30 June 2021 the deputy secretaries were:

- **Cindy Briscoe:** Chief Operating Officer and responsible for the Enabling Services Group
- **Lyn O'Connell PSM:** responsible for the Water, Climate Adaptation, Natural Disasters, and Antarctic Group
- **Rosemary Deininger:** responsible for the Agriculture Policy, Research and Portfolio Strategy Group
- **David Hazlehurst:** responsible for the Agricultural Trade Group
- **Dr Chris Locke (acting):** responsible for the Environment and Heritage Group
- **James Tregurtha (acting):** responsible for the Major Environment Reforms Group
- **Andrew Tongue PSM:** responsible for the Biosecurity and Compliance Group.

### Governance committees

Our Executive Board oversees our governance structures and business operations. It has responsibility for building capability and promoting collaboration among business areas, other agencies and our stakeholders.

The Executive Board is supported by the People and Culture Committee, Work Health and Safety Executive Committee, Security Committee and Investment Committee.



In 2020–21 the Executive Board and supporting committees focused on strategic matters and key risks to achieving our purpose and objectives. Committee meeting agendas aligned to business priorities and ensured structured and integrated delivery of governance functions.

The Executive Board met 30 times in 2020–21. The members of the Executive Board are the secretary, deputy secretaries and advisers. The advisers are the Chief of Staff, Deputy Chief of Staff, 2 SES Band 1 officers on 12-month rotation (selected via expression of interest), the Chief Finance Officer, Chief People Officer, Chief Counsel, and a communications and media officer.

The Executive Board is responsible for:

- setting and overseeing implementation of strategic priorities and directions
- shaping organisational culture and building a shared understanding of policy and delivery priorities
- monitoring progress and performance of major projects and strategic priorities
- ensuring effective governance, operations and use of financial and non-financial resources
- monitoring and responding to strategic risks and risks that may materially impact the achievement of objectives
- ensuring our capacity to provide reliable, evidence-based advice
- ensuring we are operating in accordance with legislative and regulatory requirements.

## Portfolio Audit Committee

The Portfolio Audit Committee provides independent advice to the secretary, as the accountable authority, on the department's risk, finance, control and compliance frameworks and its external accountability responsibilities.

The committee oversees an annual internal audit work program, undertaken by the internal audit team and contracted service providers. The work program is developed in consultation with senior management. It is reviewed regularly to ensure it is relevant and responsive to changes and business risks. The secretary approves the work program.

The Portfolio Audit Committee's charter is on our [accountability and reporting website](https://awe.gov.au/about/reporting/portfolio-audit-committee-charter), specifically at [awe.gov.au/about/reporting/portfolio-audit-committee-charter](https://awe.gov.au/about/reporting/portfolio-audit-committee-charter).

In February 2021 the secretary approved a revised membership for the Portfolio Audit Committee to include only external members. This meets new requirements for audit committees under changes to the Public Governance, Performance and Accountability Rule 2014, which take effect from 1 July 2021.

The Portfolio Audit Committee met 5 times in 2020–21. [Table 16](#) lists the members in 2020–21, with their attendance at meetings and their remuneration.

**Table 16** Portfolio Audit Committee membership

Member name	Qualifications, knowledge, skills or experience	Meetings attended a	Annual remuneration (GST incl.)
<b>Geoff Knuckey</b> <ul style="list-style-type: none"> <li>Independent member and chair</li> <li>Financial Statements Sub-Committee member</li> <li>Performance Reporting Sub-Committee attendee</li> </ul>	<p>Mr Knuckey BEc, FICA, GAICD, IIAM, AIMM had 32 years with Ernst and Young, specialising in financial statements auditing and reporting, internal audit, corporate governance and risk management.</p> <p>In 2009 Mr Knuckey commenced his current full-time role as a professional director. This comprises board non-executive director roles and audit and risk committee positions in the private and public sectors.</p>	5	\$44,660
<b>Jenny Morison</b> <ul style="list-style-type: none"> <li>Independent member</li> <li>Financial Statements Sub-Committee chair</li> <li>Performance Reporting Sub-Committee attendee</li> </ul>	<p>Ms Morison BEc FCA has 38 years of experience in accounting, commerce and government.</p> <p>She was a national board member of the Chartered Accountants of Australia and New Zealand for 4 years, chief finance officer of a public company and held senior positions in major international accounting firms.</p> <p>Ms Morison founded Morison Consulting in 1996, specialising in government financial reforms, governance and consulting. She was awarded a Centenary Medal in 2000 for services to women and accounting.</p> <p>Ms Morison has held roles as an independent member and chair of Commonwealth audit and risk committees and financial statement sub-committees for large and small government entities for more than 17 years.</p>	5	\$55,000

**Table 16** Portfolio Audit Committee membership (continued)

Member name	Qualifications, knowledge, skills or experience	Meetings attended a	Annual remuneration (GST incl.)
<b>Michael Roche</b> <ul style="list-style-type: none"> <li>Independent member</li> <li>Performance Reporting Sub-Committee chair</li> </ul>	<p>Mr Roche BA (Accounting) FCPA MACS (Snr) is an independent management consultant. He has experience at senior levels in the Australian Government in both central and operational departments. His background includes corporate and financial management, program management and policy development.</p> <p>Since leaving the public sector, Mr Roche has consulted on strategic management. He has been a member of private sector boards and public sector advisory boards. He has been a member of, and chaired, both private and public sector audit committees.</p>	5	\$44,000
<b>Dr David Bryant</b> <ul style="list-style-type: none"> <li>Independent member</li> </ul>	<p>Dr Bryant has 35 years of experience in delivering ICT and business alignment, and project management consultancy services across the Australian Public Service. He currently lectures on accounting information systems at the Australian National University.</p> <p>Dr Bryant's expertise in ICT and business management has enabled him to provide valuable advice and assurance to a range of government departments through consultancy and audit committee services. Dr Bryant has delivered audit committee services to the Department of Human Services, IP Australia, the Department of Education and the Department of Industry, Science, Energy and Resources.</p>	5	\$23,100

**Table 16** Portfolio Audit Committee membership (continued)

Member name	Qualifications, knowledge, skills or experience	Meetings attended <sup>a</sup>	Annual remuneration (GST incl.)
<b>Dean Knudson</b> <ul style="list-style-type: none"> <li>Internal member until February 2021</li> </ul>	<p>Mr Knudson was a deputy secretary in the Department of Agriculture, Water and the Environment. He was responsible for overseeing the Australian Government's efforts to protect Australia's biodiversity and heritage, ranging from the Murray–Darling Basin to the Great Barrier Reef.</p> <p>Prior to moving to Australia in 2012, Mr Knudson worked for 20 years with the Canadian Government. He led economic and environmental reforms in the Department of the Prime Minister and Cabinet, the Treasury, and the Environment and Industry departments.</p> <p>Mr Knudson has a Masters in Economics from Queen's University in Canada and is certified in conflict resolution. His term ended in February 2021.</p>	2	\$0 <sup>b</sup>

<sup>a</sup> Includes meetings of the Portfolio Audit Committee, the Performance Reporting Sub-Committee and the Financial Statements Sub-Committee. <sup>b</sup> Internal members did not receive remuneration from the department specifically relating to audit committee duties.

## Corporate plan

In August 2020 we published the department's first corporate plan. The *Corporate plan 2020–21* embeds the purpose, objectives and priorities model that we developed following the establishment of the department.

The corporate plan is our primary planning document. It is the basis for our performance reporting under the Commonwealth Performance Framework. It integrates our operations and sets our strategic direction by:

- setting the key activities that we will undertake to achieve our purpose
- describing how we will measure our performance over the next 4 years.

In 2021 we started work on a new enterprise-level performance framework. This framework will inform future corporate plans, increase our ability to monitor our progress over time and better equip our senior leadership to make evidence-based decisions based on outcomes and performance data.

# Managing our risk

## Enterprise risk management

Our Enterprise Risk Management Framework and Policy came into effect in September 2020. It reflects the operating context and risk management requirements following the integration of the former Department of Agriculture and the former Department of the Environment and Energy.

The framework and policy align with the Commonwealth Risk Management Policy and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The risk appetite statement and risk tolerance statements articulate the amount and type of risk the department is willing to accept. The risk matrix – against which risks are assessed, reported and escalated – ensures we maintain an appropriate level of risk management oversight.

The Chief Risk Officer provides oversight of our risk management and reports emerging risks and issues to the Executive Board and the Portfolio Audit Committee. Deputy secretaries are nominated as risk stewards for each strategic risk. The risk stewards provide advice and direction to risk and control owners on the management of strategic risks.

## Climate risk management

Australian Public Service employees have an obligation to understand and appropriately manage climate risks where they are relevant to Australian Government policies, programs and operations. These obligations relate to how we perform duties outlined in legislation, particularly the PGPA Act and the *Public Service Act 1999*.

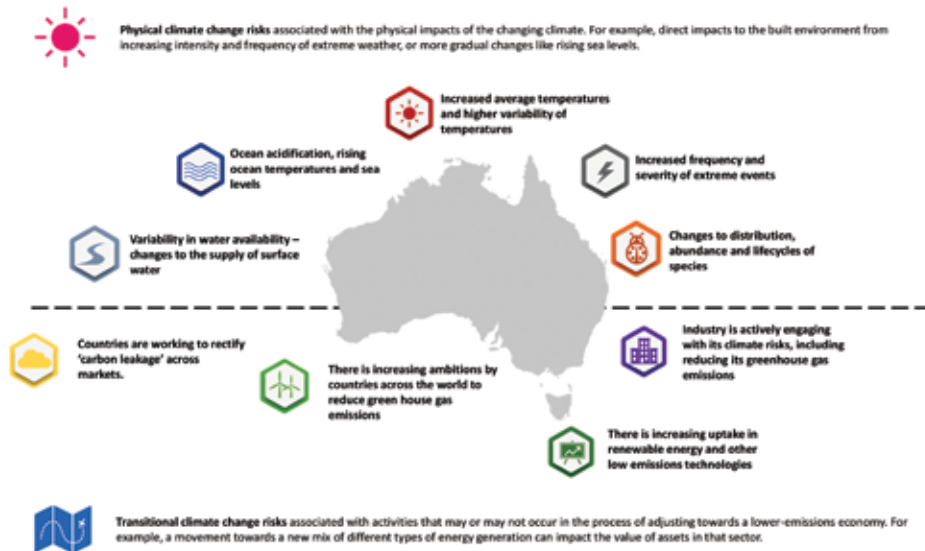
We are working with the Department of Industry, Science, Energy and Resources to develop a Climate Risk Disclosure Framework. This framework will standardise climate risk disclosure practices and enable robust and comparable data. This section provides our first disclosure under the pilot framework.

In 2020–21 we established a Climate Resilience Committee to embed climate risk considerations in our work. The committee also oversees the building of staff capability in climate risk management.

As a first step, we are identifying and prioritising climate risks, opportunities and potential management activities using the Climate Compass framework (see [Figure 16](#)). The Climate Compass was endorsed by the Australian Government Disaster and Climate Resilience Reference Group as the agreed approach to climate risk management. This first step will inform development of a climate risk and opportunity strategy, which will help us build climate risk management into our policies, programs, asset management and service delivery.

**Figure 16** Physical and transitional climate change risks**Climate change impacts to consider for the Department of Agriculture, Water and the Environment**

In the State of the Climate 2020, the CSIRO and Bureau of Meteorology report that Australia is experiencing ongoing, long-term climate change, and has warmed by an average of 1.44°C since 1910. In the future Australia is projected to experience:



## Enhancing our pro-integrity culture

A pro-integrity culture underpins our values and behaviours. This is central to building an integrated, inclusive and high-performing culture aligned with broader Australian Public Service reforms.

We have a dedicated Integrity Branch to enable information sharing and delivery of integrity services. We have established our Integrity Framework. This framework provides the tools our people need to navigate integrity and personnel security risks in a simple and transparent way. The framework is founded on clear policies. It is supported by contemporary training and reporting mechanisms to reinforce strong integrity practice.

We released our *Fraud and Corruption Control Plan 2020–21* and the associated risk assessment profile. The plan establishes a holistic view of fraud and corruption risk to ensure we have practical and effective risk treatment controls.

We investigate allegations of wrongdoing, including suspected breaches of the Australian Public Service Code of Conduct and fraudulent and corrupt activity by departmental employees. We work closely with law enforcement partners, including the Australian Commission for Law Enforcement Integrity. Our Integrity Coordination Team also engages across the department to identify, assess and implement risk treatment controls to prevent misconduct and reduce fraud and corruption risk.

## Disclosure of protected information under the Biosecurity Act

Section 590 of the *Biosecurity Act 2015* requires the Director of Biosecurity to prepare an annual report on the use of protected information.

In 2020–21 there were 19 written authorisations to disclose protected information under section 580(3) of the Act.

## Grants

The [GrantConnect](#) website provides information on grants awarded by our department during 2020–21.

## Freedom of information

Any agency subject to the *Freedom of Information Act 1982* (FOI Act) is required to publish information under the Information Publication Scheme (IPS). Our IPS agency plan shows what information we publish to comply with the IPS requirements. For more information see our [IPS website](#).

Our IPS website includes links to our corporate and operational information. It also reports on information accessed through FOI applications via a disclosure log.

During 2020–21 we received 248 requests for access under the FOI Act, 35 requests for internal review, and 18 requests for external review. We finalised 243 requests and 35 internal reviews.

For more information on requests received and processed by Commonwealth agencies, see the FOI reports on the [Office of the Australian Information Commissioner website](#).

# Building our capability

## Our people

We have more than 7,100 staff. They work across Australia and in its external territories, including the Antarctic, and in overseas posts around the world.

Our diverse workforce comprises inspectors, policy and assessment officers, expeditioners, program administrators, rangers, compliance officers, investigators, veterinarians, scientists, researchers, economists, accountants, legal advisers, information and communication technology (ICT) specialists, data analysts, auditors, park managers and more.

We are one of Australia's largest employers of scientists. This makes us a powerhouse of scientific capability and a leader in evidence-based public policy decision-making and regulation.

## Planning for our future

We are committed to ensuring our workforce can perform their work effectively, safely and to the highest standard.

Our new *Workforce Strategy and Action Plan 2021–2025* identifies workforce risks over the next 4 years and the actions we must take to address them. The action plan will help prepare our department for the challenges and opportunities of the future. It will ensure we have a workforce with the right mix of skills and capabilities, in the right locations, to realise our goals.

We have developed a division workforce planning program. This program provides our divisions with the tools and support they need to make workforce decisions that align with strategic goals.

## People capability

We have been progressively reviewing and refining our strategies to align our workforce capability with broader Australian Public Service (APS) programs. In 2021 we released our *Stretch Reconciliation Action Plan*. This, together with our action plan for the *Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–24*, will assist us to build our Indigenous capability.

We continue to enhance capability through APS-wide professional stream activities and our own initiatives, including:

- leadership and talent management
- recruitment
- graduate and other entry-level programs
- mobility and surge capacity
- integrity
- diversity and inclusion
- workplace relations policy.



Our Graduate Development Program consists of candidates selected through our recruitment process as well as candidates from the Australian Government Graduate Program, administered by the Australian Public Service Commission. Our graduate streams include human resources; data; science, technology, engineering and mathematics; digital; and Indigenous. Graduates advance to permanent roles within the department on completion of the program.

## Flexible working arrangements

This year we developed new policy and tools to support flexible working arrangements. The new policy will provide guiding principles to help with applications for and assessments of flexible working arrangements.

The interactive tools will help our staff explore new ways of working and encourage a conversation culture about flexible working arrangements. The tools place performance at the core of arrangements and help staff navigate flexible work. They focus on wellbeing, a positive security culture, harnessing technology, shifting mindsets around trusting relationships, and staying connected.

### Snapshot 9 The benefits of working flexibly

In 2020 and 2021 the COVID-19 pandemic resulted in many of our people working away from the office or their usual workplace for the first time.

We have been learning from that experience and applying it to the way we work. During the year we talked to our employees and managers about the benefits and challenges of working flexibly. Reported benefits included increased collaboration, improved productivity and technological capabilities, and a better work/life balance.

One manager reported that international meetings were more inclusive in a virtual setting. More staff were able to attend, increasing their knowledge and broadening their networks. This kind of opportunity would previously have been limited by the cost and time associated with face-to-face meetings.

The challenges of working flexibly included the reliability of ICT, managing wellbeing, and new demands on supervisors working with physically dispersed teams. These insights were valuable in building a suite of tools to support our new flexible working policy.

Our flexible working hub includes a range of work scenarios, along with guidance and interactive tools for employees and managers. Our tools are designed to make it easy for staff to work with their teams to reach arrangements that meet the department's needs and support the safety and wellbeing of our people.

We launched the online hub in June 2021. We are getting positive feedback on the practical and helpful content and our new tools. Thousands of our staff have visited the hub and are using the tools to re-imagine the way we work.

We collate a fortnightly APS COVID-19 Impact Survey on behalf of the Australian Public Service Commission. The survey indicates 46% of employees are working under hybrid arrangements.

## Learning and development

We provide training in core and role-specific areas to maintain and build the capability our people need to achieve our strategic objectives.

In July 2020 we launched 'The Essentials' for our mandatory training. The e-learning package provides the essential information to work lawfully, professionally and safely in the department. The package ensures compliance against legislated training obligations. Our staff refresh this training every 12 months.

During the COVID-19 pandemic we moved some face-to-face training packages to virtual delivery. We also designed and developed e-learning courses to support remote workers, keep teams working together and protect mental health. Our 'Transitioning to remote work' and 'Coping with stress and uncertainty during COVID-19' courses were shared and adopted more broadly across the APS.

Our learning management system (Learnhub) and subscription to the LinkedIn Learning platform supported the increased demand for online learning during the pandemic. We continued to provide learning and development opportunities through study assistance and engagement in externally facilitated training.

We are revising and implementing strategic frameworks to underpin future capability development. This is occurring in line with broader government learning and development strategies and initiatives.

## Building regulator capability

We are working with the Department of the Prime Minister and Cabinet and the Australian Public Service Commission on a pilot training to lift the capability and performance of regulators. Working with our agricultural export regulators, we are the lead agency for the implementation of this 2020 Budget initiative.

The Excellence in Professional Regulation pilot commenced training in three streams:

- Regulatory Practice Essentials
- Mastering Regulatory Practice
- Leading a Regulatory System.

The training aims to deliver regulatory culture change, create regulator excellence and continuous improvement, and reduce costs and congestion for regulated entities. The training is designed to be relevant to other Commonwealth agencies.

## Legal capability

### Legislative drafting

During 2020–21 our Legal Division restructured to include a practice that specialises in legal services and assists with portfolio legislation. The restructure aimed to enhance the efficiency and effectiveness of our work to deliver the government’s legislative agenda. It is also improving the quality and consistency of legislative instruments that we produce in-house.

We have received positive feedback from the Office of Parliamentary Counsel (OPC) on our new approach. Acting First Parliamentary Counsel Ms Meredith Leigh said that OPC ‘strongly supports the establishment of these kinds of practices, recognising the impact they have in improving the quality of drafting instructions provided to OPC and in-house drafting of legislative instruments’.

We will continue to work closely with OPC to support the department’s legislative agenda.

### Building legal organisational capability

We developed and launched our Building Legal Organisational Capability (BLOC) training program. BLOC is intended to help those working in the department to better understand the legal and regulatory context in which they are working and making decisions. BLOC is aimed at addressing issues head-on, using a variety of educational tools, so that staff are equipped to operate with confidence and competency when presented with the many and varied challenges they face in the field.

BLOC will enhance legal capability and is an important mechanism to help improve regulatory maturity, in line with the Regulatory Practice Statement. It is also an action under our regulation initiative, to strengthen legal capability and decision-making.

## Information and communication technology

In February 2021 we published our *ICT Strategy 2020 to 2024*. It identifies 3 strategic priorities for delivery over the next 4 years:

- getting the basics right by providing modern, reliable and secure digital services to our staff and clients
- setting a clear direction by governing, developing and delivering ICT services for maximum business impact
- accelerating innovation by enabling the department’s digital transformation.

We commenced a Digital Foundations Program to improve and uplift our core ICT platforms and services. This will provide a reliable, secure and responsive capability to underpin our digital business transformation.

In 2020–21 we commenced work to define an operating model and governance requirements for delivery of digital products and services under the congestion busting and digital foundations programs. This includes promoting different ways of working, such as adoption of the Scaled Agile Framework for digital delivery.

Work has continued towards integrating our legacy network environments into a single ICT environment. We anticipate delivery of the first integrated services in the first half of 2021–22.

# Work health and safety

## Health and safety initiatives and outcomes

### Mental health and wellbeing

People are our most important asset. We are committed to the mental and physical wellbeing of our people and acknowledge this by putting safety at the centre of everything we do.

During the year we continued to take an evidence-based approach to our response to the COVID-19 pandemic to keep our people, customers and stakeholders safe. We also continued to evolve our health and safety culture. Key achievements were:

- In February 2021 we released Our Core 4 values. Wellbeing and safety are at the heart of these values. Our staff commence meetings with safety moments to raise awareness, commitment and knowledge.
- We supported the health and wellbeing of our people. Our staff have access to the employee and manager assistance program, resilience coaching, purpose-designed programs and critical response services. During the pandemic we delivered virtual care programs in addition to on-site services.
- We engaged the Centre for Transformative Work Design to co-design our new mental health and wellbeing strategy. The strategy will be based on the Thrive at Work model, and we expect to launch it in 2021–22.
- We delivered our national onsite influenza vaccination program to 2,854 employees.
- We nominated 1,800 frontline staff for Phase 1 of the national COVID-19 vaccination program.

### Streamlining work health and safety

During the year we identified our critical work health and safety (WHS) risks and commenced a program of work to validate our controls. We established cross-departmental working groups and secured external technical specialists to inform our approach.

We implemented SIRUS, which is our enterprise WHS information system. SIRUS replaces legacy systems and paper-based processes. It makes incident reporting fast and easy, captures safety data in one place, improves the quality and reliability of safety reporting, and enables trend analysis. SIRUS will inform future decision-making based on risks and priorities for work design.

We established a national personal protective equipment (PPE) procurement framework and are reviewing tenders for ongoing PPE procurement. We delivered 35 information sessions on PPE to 1,078 biosecurity staff at international airports and ports.

During the year we formalised our WHS committee and work group structures. This includes establishment of an executive committee that reports directly to the Executive Board. We also standardised processes and documents for health and safety representatives, first aid officers and first aid services.

We launched our Safety Essentials e-learning package. This helps our people understand the measures we have in place to protect our people, workplaces, clients and visitors. All staff are required to complete the package. We also continue to provide training for health and safety representatives and first aid officers.

We piloted a Safety Behaviours Framework for our Australian Antarctic Division. The framework will be rolled out in 2021–22. We also established a WHS agreement with the University of Tasmania Institute for Marine and Antarctic Studies on shared equipment, facilities and workplaces.

## Notifiable incidents

[Table 17](#) and [Table 18](#) describe the notifiable incidents, investigations, improvement notices, prosecutions and other matters that occurred in 2020–21. This information is provided in accordance with Schedule 2, Part 3 of the *Work Health and Safety Act 2011*.

**Table 17** WHS incidents notified

Incident type	Number
Deaths that required notice under section 38	0
Serious injury or illness that required notice under section 38	4
Dangerous incidents that required notification under section 38	2

**Table 18** WHS investigations, improvement notices and prosecutions

Category	Number
Notices given to the department under section 191 (improvement notices)	0
Notices given to the department under section 195 (prohibition notices)	0
Notices given to the department under section 198 (non-disturbance)	0
Investigations conducted under part 10	0

# External service providers

## Procurement

Our department is a non-corporate Commonwealth entity. Our procurement policies and practices are consistent with:

- relevant Commonwealth legislation
- the Commonwealth resource management framework, which includes the Commonwealth Procurement Rules and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
- our accountable authority instructions.

Our procurement practices focus on value for money, encouraging competition, efficient, effective, economical and ethical procurement, and accountability and transparency.

We provide departmental guides, specialist advice and assistance to all our divisions to help ensure we meet our obligations.

## Supporting small and medium enterprises

We support small business participation in Commonwealth procurement. Aggregated small and medium-sized enterprise participation statistics are on the [Department of Finance website](#).

We recognise the importance of ensuring small businesses are paid on time. Our payment practice complies with the Commonwealth's *Supplier pay on-time or pay interest policy*. The results of the government's pay on-time survey are on the [Treasury website](#).

Our procurement practices support small and medium enterprises by using:

- the Commonwealth Contracting Suite for low-risk procurements valued at under \$1 million
- small business engagement principles, such as communicating in clear, simple language and presenting information in an accessible format
- credit cards where possible for purchases under \$10,000.

## Supporting sustainable procurement

We support the National Waste Policy commitment to significantly increase government's use of recycled content.

In 2020–21 we published a new procurement policy and a supporting guideline on sustainable procurement. We also revised our accountable authority instructions to embed environmental sustainability in our procurement practices.

## Other contract information

During 2020–21 the secretary did not exempt any contracts or standing offers from being published on AusTender.

We are not aware of any contract entered into during 2020–21 that might limit the Australian National Audit Office's access for the purposes of performing an audit.

## Consultancies

The department engages consultants where it lacks specialised 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
- provide independent advice, information or creative solutions to assist in the department's decision-making.

Before we engage consultants, we consider 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 the year we established a pool of consulting services firms (strategic and delivery partners) to assist in implementing key projects and initiatives. These partners provide our staff with surge capacity and access to additional expertise to tackle priority activities – building a more agile and flexible organisation. Partner firms are available to work alongside us, embedded in our organisation and working closely with us in joint teams. This will help us to develop key relationships with partners who will build a deep understanding of our business and help guide us in reforming the way we work.

## Reportable consultancy and non-consultancy contracts

The following tables contain information about actual expenditure, inclusive of goods and services tax (GST) on reportable consultancy and non-consultancy contracts. In summary, during 2020–21 we entered into:

- 252 new reportable consultancy contracts involving total actual expenditure of \$29.474 million (GST inclusive). In addition, 97 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$21.534 million (GST inclusive).
- 3,068 new reportable non-consultancy contracts involving total actual expenditure of \$230.983 million (GST inclusive). In addition, 2,213 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$469,616 million (GST inclusive).

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy and non-consultancy contracts is on the AusTender website.

**Table 19** Expenditure on reportable consultancy contracts

Item	Number	Expenditure \$
New contracts entered into during the reporting period	252	29,474,688
Ongoing contracts entered into during a previous reporting period	97	21,534,547
Total	349	51,009,235

**Table 20** Organisations receiving a share of reportable consultancy contract expenditure

Name of organisation	Expenditure \$
WSP Australia Pty Limited	7,318,504
AECOM Australia Pty Ltd	7,224,829
Commonwealth Scientific and Industrial Research Organisation	4,001,123
KPMG Australia	2,611,498
Price Waterhouse Coopers Consulting	2,565,519

Note: Expenditure may be against multiple contracts.

**Table 21** Expenditure on reportable non-consultancy contracts

Item	Number	Expenditure \$
New contracts entered into during the reporting period	3,068	230,983,683
Ongoing contracts entered into during a previous reporting period	2,213	469,616,286
Total	5,281	700,599,969

**Table 22** Organisations receiving a share of reportable non-consultancy contract expenditure

Name of organisation	Expenditure \$
Jones Lang Lasalle (ACT) Pty Limited	76,817,356
Hays Specialist Recruitment	34,662,653
DXC Enterprise Australia Pty Ltd	26,667,379
Local Land Services	25,475,364
Dell Australia Pty Ltd	15,960,073

Note: Expenditure may be against multiple contracts.



## Advertising and market research

### Advertising campaigns

During 2020–21 we conducted the following advertising campaigns:

- Product emission standards for outdoor power equipment and marine engines
- Harvest Trail social media campaign
- Murray–Darling Healthy Rivers Program
- Murray–Darling Basin Economic Development Program
- Waste plastic export ban.

Further information on these advertising campaigns is available in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the [Department of Finance website](#).

### Expenditure

In 2020–21 we did not make payments to advertising agencies, polling organisations or direct mail organisations. [Table 23](#) lists payments to market research organisations and media advertising organisations (including advertising and recruiting) in 2020–21.

**Table 23** Advertising and market research expenditure

Type	Organisation	Description	Expenditure (\$)
Market research	JWS Research	Product stewardship logo – market concept testing	30,000
Market research	JWS Research	Market research on biosecurity communication on African swine fever	61,600
Market research	Instinct and Reason	Biosecurity Market research – Pacific Island country exporters	25,000
Market research	Instinct and Reason	Biosecurity brand market research	49,995
Media advertising	Universal McCann	Advertising	278,509
Media advertising	Universal McCann	Recruitment	135,375
Total			580,479

Note: Market research values are over the whole contract length, not just the 2020–21 reporting year. The figures have been rounded.

# External scrutiny

## Courts and tribunals

### **Bob Brown Foundation Inc. v Commonwealth of Australia and others (VID553/2020)**

In August 2020 the Bob Brown Foundation Inc. commenced proceedings in the Federal Court of Australia. In February 2021 a full Federal Court delivered judgment in favour of the Commonwealth and other respondents. The court found the Tasmanian Regional Forest Agreement is valid for the purposes of the *Regional Forest Agreements Act 2002* and the *Environment Protection and Biodiversity Conservation Act 1999*.

In March 2021 the Bob Brown Foundation Inc. filed an application for special leave to appeal to the High Court. The remainder of the proceedings have been remitted to the Federal Court but are adjourned until the outcome of the High Court process.

### **Onus and Thorpe v Minister for the Environment (VID599/2020)**

In September 2020 two Djab Wurrung Traditional Owners sought judicial review of the minister's decision in August 2020 not to make declarations under sections 10 and 12 of the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984*.

In December 2020 the Federal Court ordered the minister's decision not to make a declaration under section 12 of the Act be set aside.

### **Australian Conservation Foundation Incorporated v Minister for the Environment and another (NSD293/2020)**

The Australian Conservation Foundation Incorporated commenced judicial review proceedings against the Minister for the Environment and Adani Infrastructure Pty Ltd in relation to the North Galilee Water Scheme Project.

Judgment was delivered in May 2021. The Federal Court found that the decision should be remitted to the minister for reconsideration.

### **Sharma and others v Minister for the Environment and another (VID607/2020)**

In September 2020 eight young people commenced an action on behalf of young people in Australia. They contended that approving the Vickery Extension Project will harm young people by exacerbating the effects of climate change.

Judgment was delivered in May 2021. The Federal Court dismissed the application for injunction.

## Parliamentary committees

### Committee reports

Parliamentary committees tabled 18 reports in 2020–21 that required a response from our portfolio (see [Table 24](#)).

**Table 24** Parliamentary committee reports

Committee	Report	Tabling date
Senate Environment and Communications Legislation Committee	Product Stewardship (Oil) Amendment Bill 2020 [Provisions] and the Excise Tariff Amendment Bill 2020 [Provisions]	30 July 2020
Senate Rural and Regional Affairs and Transport References Committee	Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020 [Provisions]	30 July 2020
Joint Standing Committee on Treaties	Report 189: Capital Increase WBG IBRD; Capital Increase WBG IFC; Amendments CMS; Termination IPPA-Indonesia	6 August 2020
Joint Standing Committee on Foreign Affairs, Defence and Trade	Inquiry into PFAS remediation in and around Defence bases	31 August 2020
Parliamentary Standing Committee on Public Works	Report 5/2020: Department of Agriculture, Water and the Environment Proposed Fitout of New Leased Premises Canberra	28 September 2020
Senate Environment and Communications Legislation Committee	Recycling and Waste Reduction Bill 2020 [Provisions] and related bills	1 October 2020
Senate Rural and Regional Affairs and Transport References Committee	Identification of leading practices in ensuring evidence-based regulation of farm practices that impact water quality outcomes in the Great Barrier Reef	8 October 2020
Senate Environment and Communications Legislation Committee	Environment Protection and Biodiversity Conservation Amendment (Streamlining Environmental Approvals) Bill 2020	27 November 2020
Joint Standing Committee on Northern Australia	Never Again – Inquiry into the destruction of 46,000 year old caves at the Juukan Gorge in the Pilbara region of Western Australia (Interim report)	9 December 2020
House of Representatives Standing Committee on Agriculture and Water Resources	Growing Australia: Inquiry into growing Australian agriculture to \$100 billion by 2030	11 December 2020

**Table 24** Parliamentary committee reports (continued)

Committee	Report	Tabling date
House of Representatives Standing Committee on the Environment and Energy	Tackling the feral cat pandemic: a plan to save Australian wildlife	4 February 2021
Senate Environment and Communications Legislation Committee	Industrial Chemicals Environmental Management (Register) Bills 2020	11 March 2021
Joint Standing Committee on Treaties	Report 194: Certifications – Iceland, Liechtenstein and Norway; Amendments 2020 – CITES	16 March 2021
Senate Rural and Regional Affairs and Transport References Committee	Performance of Australia's dairy industry and the profitability of Australian dairy farmers since deregulation in 2000	18 March 2021
House of Representatives Standing Committee on Agriculture and Water Resources	Aussie logs for Aussie jobs: Inquiry into timber supply chain constraints in the Australian plantation sector	23 March 2021
Senate Environment and Communications Legislation Committee	Environment Protection and Biodiversity Conservation Amendment (Regional Forest Agreements) Bill 2020	13 May 2021
Senate Environment and Communications References Committee	Impact of feral deer, pigs and goats in Australia	19 May 2021
Senate Environment and Communications Legislation Committee	Environment Protection and Biodiversity Conservation Amendment (Standards and Assurance) Bill 2021 [Provisions]	8 June 2021

## Government responses to committee reports

In 2020–21 the Australian Government responded to 7 parliamentary committee reports relevant to the portfolio (see [Table 25](#)).

**Table 25** Government responses to parliamentary committee reports

Committee	Report	Response date
Senate Rural and Regional Affairs and Transport References Committee	Feasibility of a national horse traceability register for all horses	10 September 2020
Senate Environment and Communications References Committee	Australia's Faunal Extinction Crisis: Environmental protections for native grasslands, and the conduct of Ministers – Interim Report	7 October 2020
Joint Committee of Public Accounts and Audit	Report 481: Efficiency and Effectiveness: Inquiry into Auditor-General's Reports 25, 29, 38, 42, 44, 45 and 51 (2018–19) [Farm Management Deposits Scheme]	25 November 2020
Senate Environment and Communications Legislation Committee	Recycling and Waste Reduction Bills 2020 [Provisions] and related bills	7 December 2020
Senate Rural and Regional Affairs and Transport References Committee	Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020 [Provisions]	9 December 2020
Senate Rural and Regional Affairs and Transport References Committee	Regulatory approaches to ensure the safety of pet food	18 June 2021
Senate Economics References Committee	Australia's dairy industry: rebuilding trust and a fair market for farmers	24 June 2021

## Auditor-General

In 2020–21 the Auditor-General tabled 5 Australian National Audit Office reports on our activities ([Table 26](#)).

**Table 26** Auditor-General reports

Report number	Audit	Published
No. 2 of 2020–21	Procurement of Strategic Water Entitlements	16 July 2020
No. 35 of 2020–21	Implementation of the Great Barrier Reef Foundation Partnership	5 May 2021
No. 42 of 2020–21	Responding to Non-compliance with Biosecurity Requirements	7 June 2021
No. 44 of 2020–21	Regulation of Great Barrier Reef Marine Park Permits and Approvals – Follow-up	17 June 2021
No. 45 of 2020–21	Management of Commonwealth Fisheries	23 June 2021

## Commonwealth Ombudsman

The Commonwealth Ombudsman reviewed our response to their May 2018 report, *Investigation into delays in processing inbound Containerised Sea Cargo*. The review made no adverse findings against the department. The Ombudsman's report of this review, *Did they do what they said they would? Reviewing our recommendations*, was released in September 2020.

## Portfolio oversight

### Inspector-General of Biosecurity

Rob Delane is the Inspector-General of Biosecurity. His role is to independently evaluate and verify the performance of our biosecurity risk management measures and systems.

In 2020–21 the inspector-general reported to the Minister for Agriculture, Drought and Emergency Management. During the year the inspector-general published the following reports:

- *Biosecurity risk management of international express airfreight pathway for noncommercial consignments* (July 2020)
- *Adequacy of department's operational model to effectively mitigate biosecurity risks in evolving risk and business environments* (February 2021)
- *Confidence testing for at-border delivery of critical human biosecurity functions – Ruby Princess cruise ship incident* (April 2021).

The inspector-general is currently reviewing accountable implementation of inspectors-general recommendations (2015–2021) and developing a framework for future implementation accountability.

Inspector-general reports are on the [Inspector-General of Biosecurity website](#).

We provide administrative support to the inspector-general. This includes staff, office space, travel arrangements and legal assistance required in relation to reviews.

## Inspector-General of Live Animal Exports

Ross Carter is the Inspector-General of Live Animal Exports. His role is to independently review the systems and processes that underpin our regulation of livestock exports. This oversight is designed to improve public confidence in the regulation of livestock exports.

In 2020–21 the inspector-general reported to the Minister for Agriculture, Drought and Emergency Management. During the year the inspector-general published the following reports:

- *Review of the Exporter Supply Chain Assurance System* (June 2021)
- *Implementation of Moss Review recommendations* (December 2020).

The inspector-general is currently reviewing livestock export permits. This is a review of systems and processes.

Inspector-general reports are on the [Inspector-General of Live Animal Exports website](#).

We provide administrative support to the inspector-general. This includes staff, office space, travel and legal assistance required in relation to reviews.

## Interim Inspector-General of Water Compliance

In December 2020 the Australian Government appointed the Hon Troy Grant as the Interim Inspector-General of Water Compliance. This role was for 12 months or until the commencement of legislation that enacts the statutory position and the appointment of the Inspector-General of Water Compliance.

In 2020–21 the interim inspector-general reported to the Minister for Resources, Water and Northern Australia. The interim inspector-general has offices in Goondiwindi, Mildura and Canberra. We provide administrative support to the interim inspector-general.

In June 2021 the parliament passed legislation to create the Inspector-General of Water Compliance. The government wants to ensure the powers of the inspector-general will provide the Murray–Darling Basin communities with confidence in water management. An establishment team is working on establishing the office of the inspector-general.

the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1999. The public sector has also become an important employer of women, with 5.5 million women employed in the public sector in 1999, compared with 4.5 million in 1980. The public sector has also become an important employer of people with disabilities, with 1.5 million people with disabilities employed in the public sector in 1999, compared with 1 million in 1980.

The public sector has also become an important employer of people who are over 50 years of age. In 1999, 1.5 million people over 50 years of age were employed in the public sector, compared with 1 million in 1980. The public sector has also become an important employer of people who are under 25 years of age. In 1999, 1.5 million people under 25 years of age were employed in the public sector, compared with 1 million in 1980.

The public sector has also become an important employer of people who are from ethnic minority groups. In 1999, 1.5 million people from ethnic minority groups were employed in the public sector, compared with 1 million in 1980. The public sector has also become an important employer of people who are from the Caribbean, Indian, Pakistani, Bangladeshi, Chinese, African, and Black British ethnic groups.

The public sector has also become an important employer of people who are from the Irish, Scottish, Welsh, and Northern Irish ethnic groups. In 1999, 1.5 million people from these ethnic groups were employed in the public sector, compared with 1 million in 1980. The public sector has also become an important employer of people who are from the Jewish, Hindu, Muslim, and Sikh ethnic groups.

The public sector has also become an important employer of people who are from the Greek, Italian, Polish, Portuguese, Spanish, and Turkish ethnic groups. In 1999, 1.5 million people from these ethnic groups were employed in the public sector, compared with 1 million in 1980. The public sector has also become an important employer of people who are from the Vietnamese, Laotian, Cambodian, and Thai ethnic groups.

The public sector has also become an important employer of people who are from the Vietnamese, Laotian, Cambodian, and Thai ethnic groups. In 1999, 1.5 million people from these ethnic groups were employed in the public sector, compared with 1 million in 1980. The public sector has also become an important employer of people who are from the Vietnamese, Laotian, Cambodian, and Thai ethnic groups.

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Part 3:

# Annual reports on the operation of legislation



# 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 Act and for the minister to lay a copy of this report before the Parliament of Australia. This section provides the report for 2020–21.

## Environmental referrals, assessments and approvals

### Matters of national environmental significance

The EPBC Act provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places. In the Act, these are called matters of national environmental significance. There are 9 matters of national environmental significance.

Under the EPBC Act, landowners, developers, companies, individuals and governments must seek Commonwealth approval for proposed actions that might have a significant impact on a matter of national environmental significance. A proponent must refer their proposed action to the minister for consideration.

After receiving a valid referral, the minister or their delegate has 20 business days to decide whether the proposed action triggers the matters protected by the EPBC Act. The process includes a public consultation period for relevant governments and members of the public to comment on the proposed action. The minister or their delegate then decides whether the proposed action will need formal assessment and approval under the Act. This is known as the 'referral decision'.

We publish referrals and relevant statutory documents associated with a proposed action on our [environment assessment and approval process website](#).

The following tables summarise EPBC Act referrals, approvals, assessments, matters of national environmental significance, and proposals involving the Commonwealth.

**Table 27** EPBC Act referrals and approval of actions

Item	2020–21	Total since 2000
Referrals received	257	6,866
Referrals withdrawn	40	692
Referrals where a decision has been made	237	6,330
Approval required – controlled action	138	2,100
Approval not required – action to be taken in a particular manner	14	1,097
Approval not required – no conditions on action	83	3,120
Action clearly unacceptable	2	13
Referrals lapsed	16	120
Actions approved	69	1,204
Actions not approved	2	13

Note: There may be differences when compared with previous years. This is because of improved data integrity. This table is an accurate reflection of referral data as of 1 July 2021.

**Table 28** Decisions on EPBC Act referrals by jurisdiction

Jurisdiction	Action clearly unacceptable	Approval required (CA)	Approval not required (PM)	Approval not required (NCA)	Total decisions
Australian Capital Territory	0	5	1	4	10
Christmas Island	0	0	0	1	1
Commonwealth marine	0	0	0	2	2
New South Wales	0	28	1	19	48
Northern Territory	0	3	1	2	6
Queensland	1	36	0	11	48
South Australia	0	0	1	5	6
Tasmania	0	8	1	1	10
Victoria	0	21	5	7	33
Western Australia	1	37	4	31	73
Total	2	138	14	83	237

**CA** controlled action. **PM** action to be taken in a particular manner. **NCA** not controlled action.

**Table 29** Decisions on EPBC Act referrals by activity category

Activity category	Action clearly unacceptable	Approval required (CA)	Approval not required (PM)	Approval not required (NCA)	Total decisions
Agriculture and forestry	0	4	1	0	5
Aquaculture	0	2	0	0	2
Commercial development	0	10	0	4	14
Commonwealth	0	1	1	6	8
Commonwealth development	0	0	0	1	1
Energy generation and supply (non-renewable)	0	7	0	5	12
Energy generation and supply (renewable)	1	23	3	10	37
Exploration (mineral, oil and gas – non-marine)	0	1	1	1	3
Manufacturing	0	1	0	1	2
Mining	0	25	1	7	33
Natural resources management	0	0	0	3	3
Private	0	2	0	2	4
Residential development	1	16	1	18	36
Science and research	0	0	0	1	1
Telecommunications	0	0	0	2	2
Tourism and recreation	0	6	1	2	9
Transport – land	0	24	3	10	37
Transport – water	0	2	0	2	4
Waste management (non-sewerage)	0	2	0	2	4
Waste management (sewerage)	0	2	0	1	3
Water management and use	0	10	2	5	17
Total	2	138	14	83	237

**CA** controlled action. **PM** action to be taken in a particular manner. **NCA** not controlled action.

**Table 30** Decisions on assessment approach by type

Type	Jurisdiction	Assessments active	Assessments complete	Assessments withdrawn	Assessments lapsed
Preliminary documentation – further information required	Commonwealth	62	4	1	0
Preliminary documentation – no further information required	Commonwealth	0	2	0	0
Public environment report	Commonwealth	4	0	2	0
Referral information	Commonwealth	1	0	0	0
Environmental impact statement	Commonwealth	0	0	0	0
Bilateral assessment	State/territory	36	0	0	0
Accredited process	State/territory	27	1	0	0
<b>Total</b>		<b>130</b>	<b>7</b>	<b>3</b>	<b>0</b>

**Table 31** Matters of national environmental significance considered in relation to impacts of proposed action

Section of Act	Matter protected	Action clearly unacceptable	NCA – PM	Controlled action
12	World Heritage values of a World Heritage listed property	0	1	18
15B	National Heritage values of a National Heritage listed place	0	2	21
16	Ecological character of a declared Ramsar wetland	1	3	11
18	Listed threatened species or ecological community	0	12	140
20	Listed migratory species	1	4	38
21	Nuclear activities with a significant impact on the environment	0	0	3
23	Commonwealth marine environment	0	0	1
24A	Commonwealth marine environment actions by the Commonwealth or a Commonwealth agency	0	0	0
24B	Activities in the Great Barrier Reef Marine Park	0	0	6
24D	Large coal mine or coal seam gas project that affects at least one water resource	0	0	7
Total		2	22	245

Note: This table refers to matters considered in 2020–21 by EPBC Act section and decision, regardless of the number of referrals received. **NCA** not controlled action. **PM** action to be taken in a particular manner.

**Table 32** Proposals involving the Commonwealth considered in relation to impacts of proposed action

Section of Act	Matter protected	Action clearly unacceptable	NCA – PM	Controlled action
26	Commonwealth land	0	1	4
27B	Activities involving Commonwealth Heritage listed places overseas	0	0	0
28	Commonwealth or Commonwealth agency activity	0	1	2
Total		0	2	6

Note: This table refers to matters considered in 2020–21 by EPBC Act section and decision, regardless of the number of referrals received. **NCA** not controlled action. **PM** action to be taken in a particular manner.

## Actions by the Australian Government and actions on Commonwealth land and marine areas

The EPBC Act regulates actions that have a significant impact on the environment where the actions affect, or are taken, on Commonwealth land, in a Commonwealth marine area or that are carried out by an Australian Government agency. This includes the disposal of Commonwealth land.

In 2020–21 the minister made:

- 5 determinations for projects involving Commonwealth land (section 26)
- 3 determinations for an action carried out by an Australian Government agency (section 28)
- 1 determination where the action will be taken in a Commonwealth marine environment (section 23).

We received 8 requests for advice on proposals involving Commonwealth airports from Airservices Australia and the Department of Infrastructure, Transport, Regional Development and Communications. The minister's delegate determined that advice was required for 4 of the proposals. Of these, one decision was made and 3 advices are pending.

## Strategic assessments

Strategic assessments under Part 10 of the EPBC Act can deliver greater economic certainty and administrative efficiencies for business and regulators. They help deliver strategic outcomes for the protection of matters of national environmental significance.

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.

## Antarctic Treaty environment protection

The EPBC Act exempts certain actions from requiring 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.

In 2020–21 the minister granted 2 permits under the ATEP Act that applied such exemptions.

## Access to biological resources and benefit sharing

Part 8A of the Environment Protection and Biodiversity Conservation Regulations 2000 controls access to biological resources in Commonwealth areas for the purposes of research on and development of genetic resources and biochemical compounds.

We issued 34 permits for access to biological resources in Commonwealth areas in 2020–21.

## Cetacean permits

The Australian Whale Sanctuary is all Commonwealth waters from the 3 nautical mile state waters limit out to the boundary of Australia's Exclusive Economic Zone. In this area 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 obtain a permit to carry out such activities in waters beyond the sanctuary – that is, in international or foreign waters.

In 2020–21 Australia granted 4 cetacean permits ([Table 33](#)). We did not vary the conditions of any existing cetacean permits.

**Table 33** Applications and permits for cetacean research or impacts

EPBC Act paragraph	Applications received	Permits granted	Varied/revoked conditions	Suspended or cancelled
238(3)(a) cetacean conservation	2	2	0	0
238(3)(b) incidental interference with cetaceans	2	2	0	0
238(3)(c) whale watching	0	0	0	0

## Protection of species and ecological communities

### Species and ecological community listing assessment outcomes

The minister may list threatened fauna and flora in 6 categories defined by the EPBC Act. These are extinct, extinct in the wild, critically endangered, endangered, vulnerable and conservation-dependent.

The Threatened Species Scientific Committee advises the minister on the following categories:

- Ecological communities listed as critically endangered, endangered or vulnerable. Those listed as critically endangered and endangered are matters of national environmental significance.
- Species listed as extinct in the wild, critically endangered, endangered or vulnerable. These are matters of national environmental significance.

In 2020–21 the Threatened Species Scientific Committee provided advice to the minister about 5 ecological communities and 54 species. The minister made listing decisions for 4 ecological communities and 54 species under the EPBC Act. We updated the names of 9 threatened species on the list.

[Table 34](#) summarises the ministerial decisions about the lists of threatened species, ecological communities and key threatening processes. [Table 35](#) and [Table 36](#) provide the listed status of the ecological communities and species.



**Table 34** Ministerial listing decisions – threatened species, ecological communities and key threatening processes

Item	Species	Ecological communities	Key threatening processes
New listings	31	4	0
Transfer to a higher threat category within the list	10	0	n/a
Transfer to a lower threat category within the list	0	0	n/a
Deleted from the list	5	0	n/a
Determined a distinct population of biological entity as a species for the purpose of the EPBC Act	1	n/a	n/a
Ineligible (no amendment to list)	2	0	0
No change in status (no amendment to list)	5	0	n/a
Totals	54	4	0

n/a not applicable.

**Table 35** Ecological communities listed under the EPBC Act

Status	No.	Ecological community
Listed as critically endangered	3	Elderslie Banksia Scrub Forest in the Sydney Basin bioregion Plains Mallee Box Woodlands of the Murray–Darling Depression, Riverina and Naracoorte Coastal Plains bioregions River-flat eucalypt forest on coastal floodplains of southern NSW and eastern Victoria
Listed as endangered	1	Karst springs and associated alkaline fens of the Naracoorte Coastal Plain bioregion

**Table 36** Species listed under the EPBC Act

Status	No.	Species scientific name
Listed as extinct <b>a</b>	10	<i>Bettongia anhydra</i> <i>Bettongia pusilla</i> <i>Conilurus capricornensis</i> <i>Notomys robustus</i> <i>Perameles myosurus</i> <i>Perameles notina</i> <i>Perameles papillon</i> <i>Pseudomys auritus</i> <i>Pseudomys glaucus</i> <i>Pteropus brunneus</i>
Listed as critically endangered	12	<i>Acacia dangarensis</i> <i>Antrophyum austroqueenslandicum</i> <i>Asterolasia beckersii</i> <i>Galaxias tantangara</i> <i>Nitella parooensis</i> <i>Pimelea cremnophila</i> <i>Pomaderris walshii</i> <i>Rhizanthella johnstonii</i> <i>Rhodamnia rubescens</i> <i>Rhodomyrtus psidioides</i> <i>Spyridium fontis-woodii</i> <i>Zieria odorifera</i> subspecies <i>warrabahensis</i>
Listed as endangered	4	<i>Dendronephthya australis</i> <i>Gaultheria viridicarpa</i> <i>Hippocampus whitei</i> <i>Uperoleia mahonyi</i>
Listed as vulnerable	5	<i>Grevillea raybrownii</i> <i>Helichrysum calvertianum</i> <i>Nannoperca australis</i> Murray–Darling Basin lineage <i>Trichosurus vulpecula arnhemensis</i> <i>Persoonia mollis</i> subspecies <i>revoluta</i>
Transferred from critically endangered to extinct	2	<i>Emoia nativitatis</i> <i>Pipistrellus murrayi</i>
Transferred from endangered to critically endangered	2	<i>Rhizanthella gardneri</i> <i>Zieria buxijugum</i>

**Table 36** Species listed under the EPBC Act (continued)

Status	No.	Species scientific name
Transferred from vulnerable to critically endangered	2	<i>Prostanthera staurophylla</i> <i>Plinthanthesis rodwayi</i>
Transferred from vulnerable to endangered	4	<i>Diuris aequalis</i> <i>Neophoca cinerea</i> <i>Notomys aquilo</i> <i>Petrogale lateralis kimberleyensis</i>
Retained as extinct	1	<i>Perameles fasciata</i>
Retained as critically endangered	1	<i>Miniopterus orianae bassanii</i>
Retained as endangered	3	<i>Dasyurus maculatus maculatus</i> (SE mainland population) <i>Pseudomys fumeus</i> <i>Pseudomys oralis</i>
Removed from the endangered category in the list of threatened species	3	<i>Cajanus mareebensis</i> <i>Litoria nannotis</i> <i>Litoria rheocola</i>
Removed from the vulnerable category in the list of threatened species	2	<i>Gaultheria viridicarpa</i> J.B. Williams subspecies <i>viridicarpa</i> ms. <i>Philotheca sporadica</i>
Ineligible for listing	1	<i>Lerista lineata</i> <i>Nannoperca australis</i>
Determined a distinct population of biological entity as a species for the purposes of the EPBC Act	1	<i>Nannoperca australis</i> Murray–Darling Basin lineage

**a** These historically extinct mammals have been acknowledged in the scientific community for some time. Most have not been seen since before 1950, with some disappearing around the time of European settlement. Formally recognising these species extinctions ensures the EPBC Act list of threatened species is accurate.

## Conservation advice and recovery plans

The EPBC Act requires approved conservation advice to be in place from the time of listing for a threatened species or ecological community (except for listings as extinct and conservation-dependent). The EPBC Act also provides for the making or adopting of recovery plans, where the minister decides that a recovery plan is required.

Approved conservation advice documents provide immediate guidance on recovery and threat abatement activities. They are the foundation for planning and provide research priorities to support the recovery of listed species or ecological communities. Recovery plans set out the research and management actions needed to stop decline and support the recovery of listed species or ecological communities.

Where a listed species or ecological community requires a conservation planning document, they will have a recovery plan, an approved conservation advice, or both (see [Table 37](#)). In 2020–21:

- conservation advice documents were approved for 35 species and 4 ecological communities, including those approved with a listing decision
- 3 recovery plans came into force ([Table 38](#))
- 3 final draft recovery plans were provided to the states and territories to jointly make with the Commonwealth
- 5 draft recovery plans were released for comment on our [recovery plans website](#).

**Table 37** Threatened species and ecological communities covered by recovery plans and conservation advice documents on 30 June 2021

Item	Species	Ecological communities	Total
Listed threatened species and ecological communities	1,918	88	2,006
Listed threatened species and ecological communities requiring a conservation planning document (entities not listed as extinct or conservation dependent)	1,806	88	1,894
Listed threatened entities covered by approved conservation advice	1,433	73	1,506
Listed threatened entities covered by recovery plans in force	718	27	745
Listed threatened entities requiring recovery plans but not covered by a recovery plan in force	139	30	169

**Table 38** Recovery plans made or adopted in 2020–21

Recovery plan	Date made or adopted	Listed threatened entities covered by plan
National Recovery Plan for the Southern Bent-wing Bat <i>Miniopterus orianae bassanii</i>	5 November 2020	<i>Miniopterus orianae bassanii</i>
National Recovery Plan for the Grey-headed Flying-fox <i>Pteropus poliocephalus</i>	19 March 2021	<i>Pteropus poliocephalus</i>
National Recovery Plan for the White-throated Snapping Turtle <i>Elseya albagula</i>	24 April 2021	<i>Elseya albagula</i>

## 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 39](#) details all listed threatening processes.

The Threatened Species Scientific Committee advises the minister on the listing of key threatening processes and on the need for a threat abatement plan or other action.

In 2020–21 the committee progressed its assessment of fire regimes that cause biodiversity decline. We expect the committee's advice on this key threatening process in late 2021.

The minister agreed that a threat abatement plan is not the most feasible, effective or efficient way to abate the key threatening process for incidental catch (bycatch) of sea turtles during otter-trawling operations within Australian waters north of 28° South.

In 2020–21 there were:

- no amendments to the list of key threatening processes
- no threat abatement plans made or adopted (see our [threat abatement plans website](#))
- no draft plans released for comment.

**Table 39** Key threatening processes and threat abatement plans at 30 June 2021

Key threatening process	Date of effect	Plan required	Plan approved
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> )	16 July 2000	Yes	Yes
Incidental catch (or bycatch) of seabirds during oceanic longline fishing operations	16 July 2000	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
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°S	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	No	n/a
Injury and fatality to vertebrate marine life caused by ingestion of, or entanglement in, harmful marine debris	13 August 2003	Yes	Yes

**Table 39** Key threatening processes and threat abatement plans at 30 June 2021 (continued)

Key threatening process	Date of effect	Plan required	Plan approved
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 <sup>2</sup> (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 melanoccephala</i> )	9 May 2014	No	n/a

**n/a** not applicable.

## Migratory species

The EPBC Act provides for the protection and conservation of migratory species.

In October 2020 the oceanic whitetip shark (*Carcharhinus longimanus*) was added to the migratory species list under paragraph 209(3)(a) of the Act. The basis for the listing decision was inclusion of the shark in Appendix I of the Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention). Australia is a range state for this species.

In October 2020 the wanderer butterfly (*Danaus plexippus*) was removed from the migratory species list. The basis for the listing decision was that it is not classified as a migratory species for Australia.

## 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 under Part 13A of the EPBC Act.

Under the Act we can grant approvals to export specimens derived from regulated native species, export CITES-listed species or import CITES-listed animals. We assess the sustainability of any operation that seeks to export regulated native specimens or CITES-listed species. An approved wildlife trade program must be in place. We monitor approved operations to track progress against conditions and assessment recommendations.

To combat wildlife crime, we work with international partners, Commonwealth agencies and state regulators. This includes INTERPOL, Australian Federal Police, Australian Border Force, state and territory police, and environmental agencies.

### Trade of live animals

We work to ensure that live animals that are exported or imported are going to facilities that can suitably receive and house them.

In 2020–21 we assessed the welfare requirements for the holding of 60 species in zoo and aquarium facilities. We entered into 2 new agreements with overseas institutions. These prescribe the care requirements for iconic native species held in the institutions.

### Import of wildlife products

Part 13A of the EPBC Act requires permits for import of most types of wildlife into Australia.

In 2020–21 we issued 1,572 permits for the import of wildlife, which was a decrease of 11.5% from the previous year. The permits included 1,541 for CITES-listed wildlife, 15 for non-CITES-listed live animals, and 16 testing permits.

Species most often covered by import permits include American alligators, pythons, monitors, and crocodiles. Almost all permits for reptile species were associated with fashion items such as handbags, shoes, watchstraps and belts. The top 10 species covered by wildlife import permits in 2020–21 are in [Table 40](#).

**Table 40** Top 10 species covered by EPBC Act wildlife import permits

Species	Number of import permits issued
American alligator ( <i>Alligator mississippiensis</i> )	632
Nile crocodile ( <i>Crocodylus niloticus</i> )	147
Common water monitor, Asian water monitor ( <i>Varanus salvator</i> )	137
Burmese python ( <i>Python bivittatus</i> )	121
Reticulated python ( <i>Python reticulatus</i> )	109
Common or spectacled caiman ( <i>Caiman crocodilus</i> )	95
Saltwater crocodile, estuarine crocodile ( <i>Crocodylus porosus</i> )	87
Siberian sturgeon ( <i>Acipenser baerii</i> )	76
Nile monitor, water leguaan ( <i>Varanus niloticus</i> )	54
Russian sturgeon ( <i>Acipenser gueldenstaedtii</i> )	40

When CITES-listed species (including their parts and derivatives) are imported into Australia without the required permits, they may be seized. In 2020–21 the most common items seized were reptile leather products (watchstraps or handbags made of CITES-listed crocodile or alligator). The top 10 items seized under the EPBC Act in 2020–21 are in [Table 41](#).

**Table 41** Top 10 items seized under the EPBC Act

Species	Number of seizures
Crocodylia spp	37
Elephantidae spp	17
Plantae spp	13
Bovidae spp	9
Snake (Serpentes spp)	8
Lizard (Squamata spp)	6
Bear (Ursidae spp)	5
Ginseng ( <i>Panax</i> spp)	4
Seahorses ( <i>Hippocampus</i> spp)	4
Primate spp	4
Zebra ( <i>Equidae</i> spp)	4

**spp** multiple species.



## Live import list

The live import list, created under section 303EB of the EPBC Act, provides the species and specimens that may be imported live into Australia. A person cannot legally import live specimens of a species not included in the list, even if it has been imported previously or is known to be in Australia already. Anyone may apply to the minister to amend the live import list to include a new species.

In 2020–21 the minister approved 6 additions to the live import list:

- Additions to Part 1 of the live import list:
  - *Cornu aspersum* (common garden snail)
  - *Listronotus appendiculatus* (weevil)
  - *Glossolepis leggetti* (Leggett's rainbowfish) of minimum length 4 cm (standard length)
  - *Hydrotimetes natans* (weevil)
  - sterile *Cydia pomonella* (codling moth).
- Addition to Part 2 of the live import list:
  - *Mustela putorius furo* (domestic ferret) (research only, high-security facilities only).

The minister decided to not add *Otocyon megalotis* (bat-eared fox) and *Saguinus labiatus* (red-bellied tamarin) to the live import list.

We are assessing 13 applications for amendment to the live import list.

We received 2 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.

## 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 all 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. Excluding commercial fisheries, in 2020–21 we approved the following:

- 1 artificial propagation program (orchids)
- 1 aquaculture program (lungfish)
- 1 wildlife trade management plan (crocodiles)
- 1 captive breeding program (clams)
- 7 non-fisheries wildlife trade operations (kangaroos, lungfish, snake venom, Kakadu plum and invertebrates).

In 2020–21 Australia issued 638 export permits and certificates. This was 10.8% lower than the previous year. Of these, 528 were for the export of CITES-listed wildlife and 110 were for native species (non-CITES-listed wildlife). We also issued 5,514 personal baggage permits for the export of personal items containing CITES-listed products. This was a 59.4% decrease from the previous year.

The species most often covered by wildlife export permits include Australian saltwater crocodiles, corals, American alligators, kangaroos and clams. 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 in 2020–21 are in [Table 42](#). Export permits often allow multiple shipments of the species under each permit. This means the volume of export is likely to be far greater than is represented in the permit data.

**Table 42** Top 10 species covered by wildlife export permits

Species	Number of export permits issued
American alligator ( <i>Alligator mississippiensis</i> )	153
Saltwater crocodile, estuarine crocodile ( <i>Crocodylus porosus</i> )	89
Stony coral (order: Scleractinia)	79
Corals (class: Anthozoa)	76
Corals (class: Hydrozoa)	75
Eastern grey kangaroo ( <i>Macropus giganteus</i> )	23
Red kangaroo ( <i>Macropus rufus</i> )	21
Elongate giant clam ( <i>Tridacna maxima</i> )	21
Fluted giant clam ( <i>Tridacna squamosa</i> )	20
Reticulated python ( <i>Python reticulatus</i> )	15

## Protection of natural and cultural places and values

Each year the minister is required to set a [Finalised Priority Assessment List](#) of places for the Australian Heritage Council to assess for their heritage values. The list is published on our [heritage website](#).

### World Heritage List

Australia has 20 properties on the World Heritage List. No properties were added in 2020–21.

### National Heritage List

In 2020–21 the minister added 2 places to the National Heritage List. These were Parkes Observatory and the Governors' Domain and Civic Precinct. Both are in New South Wales. The National Heritage List had 119 places at 30 June 2021.

In 2020–21 the Australian Heritage Council approved 4 heritage management plans for listed places.

## Commonwealth Heritage List

The minister added West Portal Cafeteria in the Australian Capital Territory to the Commonwealth Heritage List. The list had 389 places at 30 June 2021.

Guidelines on the management requirements for Commonwealth Heritage places are on our [heritage website](#).

## Fisheries assessments and approvals

We assess management arrangements for Australian fisheries that have an export component, operate in Commonwealth waters or are managed by the Commonwealth. The assessments are against the *Guidelines for the ecologically sustainable management of fisheries*. They aim to determine:

- impacts of actions taken under a fishery management or regime on matters of national environmental significance (Part 10 of EPBC Act)
- impacts of fishery operations on cetaceans, threatened species, migratory species, marine species and threatened ecological communities listed under the Part 13 of EPBC Act
- extent to which the fishery is managed in an ecologically sustainable way, including the take of any species listed under CITES (Part 13A of EPBC Act).

We assessed 17 fisheries in 2020–21. Of these, 7 were Commonwealth-managed and 10 were managed by a state or territory. Fifteen fisheries were approved as wildlife trade operations for up to 3 years. Fifteen fisheries were exempted from the export permit provisions of the EPBC Act for between 3 months and 10 years.

Following assessment and when required, we impose conditions or recommendations to maintain or improve the ecologically sustainable management of the fisheries in the short to medium term. We work with fishery management agencies and stakeholders to ensure these conditions are targeted, achievable and reasonable.

[Table 43](#) lists the assessments in 2020–21. We publish the fisheries assessments and their outcomes on our [fisheries assessments website](#).

**Table 43** EPBC Act assessments of Commonwealth and state-managed fisheries

<b>Jurisdiction</b>	<b>Fishery</b>	<b>Assessment decision</b>	<b>Decision date</b>	<b>Expiry date</b>
Queensland	Commercial Trawl (Fin Fish) Fishery	WTO; Exempt LENS; Part 13 accreditation	19 August 2021	31 August 2023
Victoria	Corner Inlet Fishery	WTO; Exempt LENS	17 September 2020	31 August 2023
Queensland	Sea Cucumber Fishery (East Coast)	WTO; Exempt LENS; Part 13 accreditation	25 September 2020	30 September 2021
Commonwealth	Australian export from New and Exploratory Fisheries in CCAMLR statistical divisions 58.4.1 and 58.4.2	Exempt LENS; Part 13 accreditation	26 November 2020	27 November 2025
Commonwealth	Ross Sea Exploratory Toothfish Fishery in CCAMLR region (statistical subareas 88.1 and 88.2)	Exempt LENS; Part 13 accreditation	26 November 2020	27 November 2025
Tasmania	Marine Plants Fishery	WTO	3 December 2020	5 December 2023
Commonwealth	Torres Strait Tropical Rock Lobster Fishery	WTO	4 December 2020	4 December 2023
Commonwealth	Western Trawl Fisheries	WTO; Exempt LENS; Part 13 accreditation	15 December 2020	30 November 2023
Commonwealth	Torres Strait Bêche-de-mer Fishery	WTO; Exempt LENS; Part 13 accreditation	23 December 2020	30 November 2023
Commonwealth	Torres Strait Finfish Fishery	WTO; Exempt LENS; Part 13 accreditation	23 December 2020	1 November 2023
Commonwealth	Coral Sea Fishery	WTO; Exempt LENS; Part 13 accreditation	7 January 2021	6 January 2024
Western Australia	Pilbara Trap Fishery	WTO; Exempt LENS	7 January 2021	9 January 2024

**Table 43** EPBC Act assessments of Commonwealth and state-managed fisheries (continued)

Jurisdiction	Fishery	Assessment decision	Decision date	Expiry date
Western Australia	South Coast Crustacean Fishery	WTO; Exempt LENS; Part 13 accreditation	21 January 2021	26 January 2024
Queensland	Line Fishery (Reef)	WTO; Exempt LENS	22 January 2021	18 January 2024
Queensland	Gulf of Carpentaria Developmental Fin Fish Trawl Fishery	WTO; Exempt LENS	25 March 2021	30 January 2024
Queensland	Aquarium Fish Fishery	WTO; Exempt LENS; Part 13 accreditation	23 April 2021	23 April 2024
Queensland	Ocean Beach Fishery	WTO; Exempt LENS	21 May 2021	1 May 2024

**WTO** Approval of a wildlife trade operation. **Exempt LENS** Fishery is managed sustainably and added to the List of Exempt Native Specimens (LENS). **Part 13 accreditation** Approval of a management plan or regime that ensures fishers take all reasonable steps to avoid killing or injuring protected species (no expiry date). **CCAMLR** Commission for the Conservation of Antarctic Marine Living Resources.

## Compliance and enforcement

Compliance helps to ensure our laws are achieving the outcomes they were designed to deliver. Our *Compliance Plan 2019–23* sets out annual priority compliance outcomes.

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.

In 2020–21 we took the following compliance actions under section 142B of the EPBC Act:

- In August 2020 we issued 2 infringement notices to CRWF Trust (known as CRWF Nominees Pty Ltd) totalling \$26,640 for non-compliance with conditions attached to approval EPBC 2011/6206.
- In September 2020 we issued 2 infringement notices to Narre Warren Central Pty Ltd totalling \$26,640 for non-compliance with conditions attached to EPBC 2014/7380.
- In October 2020 we issued 2 infringement notices to Adani Mining Pty Ltd totalling \$25,920 for non-compliance with conditions attached to EPBC 2010/5736.

The minister's delegate signed one remediation determination and is reviewing a remediation determination. The matters are as follows:

- In March 2021 the delegate signed a remediation determination requiring a landowner to repair damage caused by earthworks and drainage by reversing the alterations to the landform. The earthworks and drainage impacted 9 hectares of seasonal herbaceous wetlands (freshwater) of the temperate lower plains near Streatham Victoria. The works contravened Part 3 of the EPBC Act. The remediation determination provides a balanced compliance response and a positive environmental outcome for the protection of wetlands that are listed as a threatened ecological community and protected under the Act.
- In May 2020 we received an application for reconsideration (Jam Land Pty Ltd) of a remediation determination under section 480J of the EPBC Act. The delegate is reviewing the matter to either affirm, vary or set aside the determination.

In 2020–21 the courts determined 6 matters:

- In December 2020 a Sydney person was sentenced to imprisonment for 3 years with a non-parole period of 18 months. This was for attempting to export live regulated native specimens through the post on 2 occasions and for one count of money laundering.
- In February 2021 a Sydney person was sentenced to imprisonment for 18 months to be served by way of an intensive corrections order (ICO). This was after pleading guilty to one count of importing a CITES-listed specimen.
- In February 2021 a Sydney person was sentenced to imprisonment for 5 years with a 2-year and 10-month non-parole period. The offences related to possession of 105 non-native wildlife and the attempted export of 17 parcels. The person was found guilty of 13 counts of attempted export of native specimens, 3 counts of possession of CITES-listed specimens and 2 counts of possession of regulated live specimens.
- In February 2021 a Sydney person was sentenced to imprisonment for 2 years and 10 months to be served by way of an ICO. The offences related to possession of 105 non-native wildlife and the attempted export of 10 parcels. The person was found guilty of 8 counts of attempted export of native specimens, 3 counts of possession of CITES-listed specimens and 2 counts of possession of regulated live specimens.
- In March 2021 a Sydney person was sentenced to imprisonment for 3 years and 6 months with a non-parole period of 2 years and 4 months. This was for 9 counts of attempt export of regulated Australian natives.
- In April 2021 a Sydney person was sentenced to imprisonment for 12 months to be served by way of an ICO and 100 hours of community service. This was for possessing more than 140 native and CITES-listed specimens.

## Decision-making

### 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 2020–21 we provided the following statements of reasons:

- 3 were for decisions under Part 13A of the EPBC Act
- 2 for a referral decision under section 74B
- 12 for referral decisions under section 75 and/or assessment approach decisions under section 87
- 2 for assessment approach decisions under section 87
- 5 for approval decisions under sections 130 and 133
- 6 for a variation to conditions decision under section 143.

### Reconsideration of a decision

Under section 78 of the EPBC Act, reconsideration of a referral decision under section 75 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 2020–21 the minister or their delegate made 237 referral decisions and reconsidered one referral decision.

### Meeting statutory time frames

The EPBC Act and regulations specify time frames within which decisions must be made and other actions completed. If time frames are not met, section 518 requires the department to provide a statement setting out the reasons for the delay. Decisions not made within statutory time frames in 2020–21 and the reasons for delay are in [Table 44](#).

**Table 44** Decisions under EPBC Act that did not meet statutory time frames

Section	Number	Late	Reason for delay
74B(1) Action clearly unacceptable decision	2	1	Administrative delays
75(5) Decision on whether action needs approval	235	4	Legal issues, administrative error, further consultation within department
77(1) Notice of decision on whether action needs approval	235	3	Administrative delays
77(4) Controlled action timing of reasons for decision	12	11	Administrative delays, availability of decision maker
88(1) Assessment approach decision	100	5	Legal issues, administrative error, further consultation within department
91(1) Notice of decision on assessment approach	100	2	Administrative delays
95A(2) Request for further information	40	10	Administrative delays
95A(3) Direction to publish	39	4	Administrative delays
96A(4) Public Environment Report guidelines to designated proponent	3	1	Administrative error
130(1B) Timing of decision on approval	71	8	More time needed for consultation with proponents or for consideration of complex legal and environmental issues, administrative error
145D(1) Minister must decide whether to extend the approval period	15	6	Administrative delays
156B(1) Decision whether to accept a varied proposal	39	4	Administrative delays
156E(1) Timing of person notified of variation decision	39	10	Administrative error
156E(2) Timing of State notified to accept a varied proposal	35	13	Administrative error
156F(5) Notice relating to change of person proposing to take action	8	1	Administrative delays
163(2) advice	3	1	Administrative delays



**Table 44** Decisions under EPBC Act that did not meet statutory time frames (continued)

Section	Number	Late	Reason for delay
170A(c) Publication of information relating to assessments: controlled action decisions	138	2	Administrative delays
170A(d) Publication of information relating to assessments: decisions on assessment approach	100	2	Administrative delays
170A(e) Publication of information relating to assessments: preliminary documentation	80	34	Administrative delays
170A(f) Publication of information relating to assessments: guidelines	3	1	Administrative delays
170A(h) Publication of information relating to assessments: reports or statements	6	1	Administrative delays
170A(ia) Publication of information relating to assessments: recommendation reports	49	15	Administrative delays
324JA Minister to give nominations to Australian Heritage Council	1	1	No quorum on the Australian Heritage Council
324JI Time by which assessments to be provided to minister	1	1	No quorum on the Australian Heritage Council

## Committees

### Australian Heritage Council

The Australian Heritage Council is established under the *Australian Heritage Council Act 2003*. The council is the minister'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
- advising the minister on heritage issues.

In 2020–21 the council met 3 times. The tenures of the chair and 3 council members expired in March 2021. The minister appointed a new chair and 4 members on 23 June 2021.

Information on the council is on our [Australian Heritage Council website](#).

## 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 is established under section 505C of the EPBC Act. It provides independent scientific advice on the potential water-related impacts of coal seam gas and large coal mining development proposals. Information about the committee is on the [committee's website](#).

In 2020–21 the committee met 9 times. It provided 8 pieces of advice to government regulators.

## Indigenous Advisory Committee

The Indigenous Advisory Committee is a statutory committee under section 505A of the EPBC Act. The committee provides advice to the minister on the operations of the Act, taking into account the significance of Aboriginal and Torres Strait Islander peoples' knowledge of land management, conservation and sustainable use of biodiversity.

In 2020–21 the committee held 3 meetings via videoconference and completed out-of-session work. It provided advice on our Science Strategy Action Plan and Stretch Reconciliation Action Plan, the independent review of the EPBC Act, national bushfire recovery programs, the State of the Environment Report, the National Environmental Science Program, Indigenous Protected Areas, the Australian Heritage Strategy, Australia's Strategy for Nature, and the future department review.

## Threatened Species Scientific Committee

The Threatened Species Scientific Committee is established under section 502 of the EPBC Act. The committee:

- advises the minister on amending and updating lists of threatened species, threatened ecological communities and key threatening processes that are listed under the Act
- advises the minister on development or adoption of recovery, wildlife conservation and threat abatement plans
- prepares conservation advice for approval by the minister or their delegate.

In November 2020 the minister increased the size of the committee from 10 to 12 members. This increased the capacity to respond to the impacts of the 2019–20 bushfires. During the year the committee held 6 formal meetings and several intersessional working groups.

The committee had 178 species, 14 ecological communities and one threatening process under assessment at 30 June 2021. The committee also published a one-year update to its [10-point Bushfire Response Plan](#).

Further information is on the [committee's website](#).

## Legislative amendments

In 2020–21 the following Bills to amend the EPBC Act were introduced into parliament:

- The Environment Protection and Biodiversity Conservation Amendment (Streamlining Environmental Approvals) Bill 2020 was introduced in August 2020. This Bill will ensure bilateral agreements with the states and territories for single-touch environmental approvals are legally robust, effective and enduring.
- The Environment Protection and Biodiversity Conservation Amendment (Standards and Assurance) Bill 2021 was introduced in February 2021. The Bill creates a framework for making national environmental standards and establishes an Environment Assurance Commissioner.

## Independent review

Under section 522A of the EPBC Act, an independent review must be conducted every 10 years. The review is to consider how the Act is operating and the extent to which its objectives have been achieved.

The second review of the EPBC Act commenced in October 2019. The independent reviewer, Professor Graeme Samuel AC, was supported by an expert panel. The review included roundtable discussions, forums, more than 100 meetings, and more than 30,000 submissions.

The *Independent review of the EPBC Act – Final Report* was provided to the Minister for the Environment in October 2020. It was published to the [review's website](#) in January 2021.

The report concluded that Australia's natural environment and iconic places are in an overall state of decline and under increasing threat. It found the EPBC Act and its operation are dated and require fundamental and urgent reform.

The government has committed to a staged program of reforms in response to the review. In June 2021 the government released a pathway for reforming national environmental law with a proposed timeline. Together these describe the reforms underway, the next steps, and when the government will engage further with stakeholders on the full recommendations of the review.

# Environment Protection (Alligator Rivers Region) Act 1978

Section 36 of the *Environment Protection (Alligator Rivers Region) Act 1978* requires the Supervising Scientist to provide an annual report to the Minister for the Environment on the operation of the Act. This section provides the report for 2020–21.

## Ministerial directions

Under section 7 of the Act, the Supervising Scientist is required to comply with any directions given by the minister relating to the performance of functions or the exercise of powers.

In 2020–21 the minister did not issue any directions to the Supervising Scientist.

## Collection and assessment of information

The *Supervising Scientist Annual Technical Report 2020–21* reports on the collection and assessment of information on the environmental effects of uranium mining during the year. The report is published on the [Supervising Scientist publications website](#).

## Measuring the effectiveness of environmental management

We work to protect the environment and heritage of the Alligator Rivers Region, including Kakadu National Park, from the effects of uranium mining activities. We work with Commonwealth and Northern Territory regulatory authorities, and in consultation with Traditional Owners through the Northern Land Council and the Gundjeihmi Aboriginal Corporation.

Our programs measure the effectiveness of environmental management at uranium mining and exploration sites. These programs include supervision, monitoring and environmental research.

The focus of the Supervising Scientist's activities was on the Ranger mine. Among our responsibilities in the region, Ranger presents the most significant environmental risks. Mining operations ceased in January 2021, and the mine entered rehabilitation.

## Supervision

Our supervision program is a structured plan of assessments, inspections, audits and verifications. These provide a mechanism for reviewing and assessing the performance of environmental management systems at mine and exploration sites.

During 2020–21 supervision focused on 5 main areas: Ranger mine, 2 historical mine sites in rehabilitation and 2 exploration sites (see [Table 45](#)).

**Table 45** Supervision activities in the Alligator Rivers Region

Activity	Ranger	Jabiluka	Nabarlek	South Alligator Valley	West Arnhem exploration
Meetings of the mine site technical committee	2	1	1	n/a	n/a
Applications assessed	2	0	0	0	0
Non-routine reports assessed	25	0	0	3	0
Routine reports/plans assessed	9	2	1	1	3
Applications under assessment	2	0	0	0	0
Authorisation amendments assessed	3	0	0	0	0
Environmental audits	1	0 <b>a</b>	0	1	0
Environmental inspections	13 <b>b</b>	2	1	4	1
Incidents reported	17 <b>c</b>	0	0	0	0

**n/a** not applicable. **a** Audit program for Jabiluka is suspended as the site is in long-term care and maintenance.

**b** The March 2020 and April 2020 routine inspections were cancelled due to restrictions associated with the COVID-19 pandemic. **c** All reported environmental incidents were followed up through the routine inspection program.

## Monitoring

Our monitoring program uses multiple lines of evidence. It assesses 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 during the operational phase of the Ranger mine was surface water. The mine's operator, Energy Resources of Australia, was required to achieve specific water quality objectives for the creeks surrounding the mine. Achievement of the objectives is key evidence that the environment has been protected. Our monitoring found:

- During the 2020–21 wet season surface water chemistry data showed no exceedances of Ranger water quality objectives. For example, concentrations of uranium in surface water downstream of Ranger remained below 2.8 µg/L.
- Fish and macroinvertebrate monitoring showed downstream biodiversity was protected, based on analysis at 30 June 2021.
- In October 2020 mussels from Mudginberri Billabong were analysed for radium-226 as part of routine bioaccumulation monitoring. Radium-226 concentrations had not increased because of uranium mining and there was no increase in mining-related radiation exposure from consuming mussels as part of a bush food diet.

Monitoring found no observable environmental impacts from the operation of the Ranger mine. People and the environment of the Alligator Rivers Region remained protected from the effects of uranium mining during 2020–21. The results from the 2020–21 monitoring program are in the *Supervising Scientist Annual Technical Report 2020–21* (see [Supervising Scientist publications website](#)).

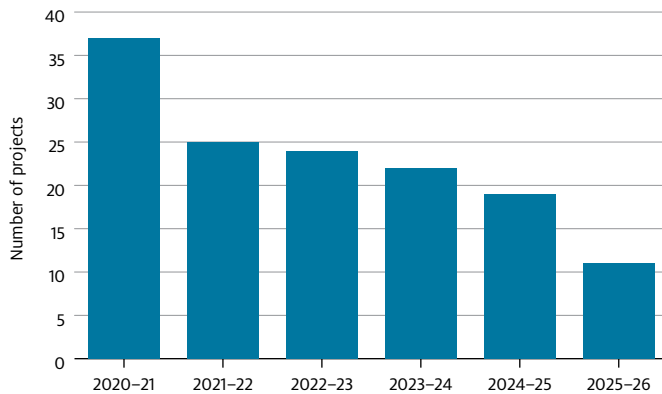
## Environmental research

The Alligator Rivers Region Technical Committee is established under the *Environment Protection and Biodiversity Conservation Act 1999*. It independently reviews research into the effects of uranium mining in the Alligator Rivers Region. The committee endorsed the 2020–21 research program, which was built on the approach developed in 2017. It used risk-based planning to map research priorities and knowledge needs for the following 5 years.

In 2020–21 we completed 14 research projects. We published the findings and outcomes of these projects in 14 peer-reviewed articles. We provided advice to Ranger mine stakeholders through 21 technical advice memorandums.

We have 37 active research projects. These are mostly rehabilitation-related, particularly into water and sediment quality, ecosystem restoration and landform. This research will ensure rehabilitation of the mine is based on leading science. Over the next 5 years, Ranger rehabilitation research will decline (see [Figure 17](#)) as we progressively acquire knowledge about the rehabilitation of the Ranger mine.

**Figure 17** Active research projects by year



## Standards, practices and procedures

During the year we refined existing standards for the Ranger mine and published 3 new standards. The new rehabilitation standards were for:

- copper and zinc in surface water
- turbidity in surface water
- uranium in sediments.

We continued to develop procedures and methods for collecting and processing remotely piloted aircraft system data. This data will inform standards for revegetation and restored ecosystem monitoring. Use of remote data will, over time, reduce or eliminate the need for resource-intensive, ground-based field surveys.

We worked on end-to-end cloud-based artificial intelligence for automating the analysis of videos collected for fish-monitoring activities for spawning stock biomass. We developed the architecture for a deep learning model in Microsoft Azure, and this is achieving about 80% accuracy for fish identification. The model was launched on BRUVNet, which is the baited remote underwater video net. Researchers and regulators can train the model to identify fish species for their region of interest.

We are working with Macquarie University on measuring vertebrate biodiversity with invertebrate DNA. This is DNA collected from blood-sucking invertebrates such as mosquitos and leeches. Our work will inform biodiversity monitoring protocols that measure recolonisation of fauna on the rehabilitated mine site. We will be able to use invertebrate DNA to measure the broader population dynamics of fauna in Kakadu National Park. This work will be done in collaboration with Kakadu National Park staff.

We are working with the Australian National University on a project aimed at developing new radiochemistry methods for measuring actinium-227 and protactinium-231 in environmental samples. This project will provide the first-ever results on the uptake of these radionuclides by fauna and flora. It will inform environmental radiation dose assessments for the Ranger final landform.

## Protection and restoration measures

In 2020–21 we conducted the following environmental protection and restoration measures:

- assessed the operator's updated Ranger Mine Closure Plan and published the assessment report in December 2020
- completed annual and routine water quality and biological monitoring programs
- completed the annual audit and routine inspection program
- continued to monitor the adequacy and effectiveness of remedial works by the mine operator, including implementing a verification program to ensure works are completed in line with approved plans.

## Prescribed instruments

In 2020–21 no prescribed instruments were enacted, made, adopted, or issued under section 36(2)(b)(iv) of the Environment Protection (Alligator Rivers Region) Act.

## Implementation of requirements under prescribed instruments

We continued to supervise implementation of the *Atomic Energy Act 1953* and the Northern Territory's *Mining Management Act 2001* as they relate to Ranger mine.

## Cost of operations

The cost of operations for the Supervising Scientist in 2020–21 was \$8.2 million.

# Hazardous Waste (Regulation of Exports and Imports) Act 1989

Section 61 of the *Hazardous Waste (Regulation of Exports and Imports) Act 1989* requires a report on the operation of the Act. This section meets the reporting requirement for 2020–21.

## Basel Convention

In 2020–21 we submitted an annual report on Australia’s implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal to the convention’s secretariat. The annual report is on the [Basel Convention website](#).

## Permits

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 2020–21 the minister (or their delegate) granted 33 permits and refused 2 permits. Notices relating to permit applications and decisions are published on our [hazardous waste website](#).

## Compliance and enforcement

We work with the Australian Border Force and our international counterparts to prevent illegal exports of hazardous waste. We continue to develop strategic intelligence products in relation to hazardous waste to improve our understanding of the nature and extent of hazardous waste exports.

## Referrals

In 2020–21 there were 7 referrals from the Australian Border Force or other federal, state or territory agency. One of these referrals resulted in identification of a permit condition breach.

In 2020–21 there were 8 notifications of illegal hazardous waste movements from international counterparts. We ordered the return of 4 shipments and 2 notifications were resolved between the Australian exporter and the authorities in the country of import.

There were 2 matters under active investigation on 30 June 2021.



## Administrative Appeals Tribunal

In 2020–21 three applications for a review of a decision were made to the Administrative Appeals Tribunal. One matter was resolved in favour of the department. One matter was withdrawn by the appellant. One matter is still under review and no date for a hearing has been set.

## Financial information

In 2020–21 we collected \$670,688 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. In 2020–21 the minister did not consult the technical group as no relevant regulations were proposed and no evidentiary certificates were issued over this period.

# National Residue Survey Administration Act 1992

Under Section 10 of the *National Residue Survey Administration Act 1992*, the minister is required to provide an annual report to parliament, setting out details of the operation of the National Residue Survey Special Account. This section provides the report for the period 1 July 2020 to 30 June 2021, including key financial information.

## Operation

The National Residue Survey monitors residues of pesticides, veterinary medicines and environmental contaminants in Australian food commodities. This monitoring is industry-funded, mainly through levies on the commodities that are tested. The survey covers:

- animal commodities: cattle, sheep, pigs, camels, deer, goats, horses, kangaroos, poultry (such as chicken, duck, turkey), ratites (emus and ostriches), wild boars, honey, eggs and aquatic species (both aquaculture and wild-caught seafood)
- horticulture: almonds, apples, macadamias and pears
- grains: cereals (wheat, barley, oat, maize, sorghum and triticale), pulses (chickpea, cowpea, pigeon pea, field pea, faba bean, lentil, vetch, navy bean, mung bean, soybean and lupin), and oilseeds (canola, sunflower, safflower and linseed).

[Table 46](#) provides the summary of results for random monitoring programs for 2020–21.

**Table 46** National Residue Survey – summary of results for all random monitoring programs

Commodity	Number of samples	Compliance with relevant Australian standards (%) <sup>a</sup>
Animal products: 37 different products sampled in meat, eggs, honey and aquatic species	10,995	99.85
Plant products: 27 different products sampled in grains and horticulture	6,029	99.25

<sup>a</sup> Compliance rate based on numbers of samples in compliance. In a very small number of samples, one sample may contain more than one violative residue.

## Financial information

Table 47 provides financial information on the National Residue Survey.

**Table 47** National Residue Survey – revenue and expenses

Item	2019–20 \$000	2020–21 \$000
Sale of goods and rendering of services	675	615
Interest on investments	347	154
Levies	11,544	10,661
Revenue from government	12	3
<b>Total revenue</b>	<b>12,578</b>	<b>11,433</b>
Employee benefits	2,051	1,467
Analytical testing	7,575	7,487
Other	2,306	2,598
<b>Total expenses</b>	<b>11,932</b>	<b>11,552</b>
<b>Surplus/(deficit)</b>	<b>646</b>	<b>(119)</b>

**Table 48** National Residue Survey – assets, liabilities and equity

Item	2019–20 \$000	2020–21 \$000
Cash and cash equivalents	2,146	2,080
Trade and other receivables	42	71
Investments	16,000	16,000
Intangibles	480	319
Accrued revenue	1,819	1,983
Other assets	26	65
<b>Total assets</b>	<b>20,513</b>	<b>20,518</b>
Employee provisions	593	545
Other provisions	0	0
Suppliers and other payables	524	702
Operating lease payables	0	0
<b>Total liabilities</b>	<b>1,117</b>	<b>1,247</b>
Reserves	18,633	18,457
Other	763	814
<b>Total equity</b>	<b>19,396</b>	<b>19,271</b>

**Table 49** Transactions in and out of the National Residue Survey Account

Item	2019–20 \$000	2020–21 \$000
Balance brought forward from previous period	1,079	2,146
Appropriation for reporting period	12	3
Other receipts	28,897	27,238
<b>Total receipts</b>	<b>28,909</b>	<b>27,241</b>
Payments made to employees	(2,261)	(1,465)
Payments made to other	(25,581)	(25,842)
<b>Total payments</b>	<b>(27,842)</b>	<b>(27,307)</b>
<b>Total balance carried to the next period</b>	<b>2,146</b>	<b>2,080</b>

# Natural Heritage Trust of Australia Act 1997

Section 43 of the *Natural Heritage Trust of Australia Act 1997* requires an annual report on the operation of the National Heritage Trust of Australia Account. This section provides the report for 2020–21.

## Financial information

The Auditor-General audits the trust account. The audit report and financial statements are in [the financial statements section](#) of this annual report.

## National Landcare Program

The National Landcare Program is part of the 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 Natural Heritage Trust of Australia Account is the principal funding stream for the National Landcare Program. Approved offsets from the trust include the Reef Trust Special Account, World Heritage Grants, and the Indigenous Protected Areas Program administered by the National Indigenous Australians Agency.

The Australian Government is investing about \$1 billion in the second phase of the National Landcare Program, which is being delivered from July 2017 to June 2023. This investment helps natural resource management groups, Landcare, First Nations and community groups, and land managers continue their valuable work of delivering on-ground biodiversity and sustainable agriculture outcomes.

The second phase includes sub-programs. These are Environment Small Grants, Regional Land Partnerships, Smart Farms, part of the Indigenous Protected Areas Program, 20 Million Trees, Bush Blitz, Threatened Species Recovery Fund, Delivery of the Reef 2050 Plan, and the Centre for Invasive Species Solutions.

The \$450 million Regional Land Partnerships program delivers natural resource management investment. This program involves 50 service providers delivering 223 projects across Australia. We can add project work orders to the service agreements over their 5-year terms. This flexibility enabled rapid funding following the 2019–20 Black Summer bushfires.

Funding of \$7 million was allocated to the Natural Heritage Trust under the Australian Government's Phase 1 \$50 million Bushfire Wildlife and Habitat Recovery Program. This enabled use of existing funding mechanisms for natural resource management organisations in fire-affected areas to undertake urgent emergency interventions. Examples of interventions were pest animal and weed control, erosion management to reduce movement of ash and silt into waterways, protecting unburnt habitat with fencing, and providing shelter.

# *Natural Resources Management (Financial Assistance) Act 1992*

Section 26(1) of the *Natural Resources Management (Financial Assistance) Act 1992* requires an annual report on the operation of the Act and agreements made under the Act. This section provides the report for 2020–21.

The Act assists the development and implementation of an integrated approach to natural resource management.

In 2020–21 no payments were made from the account.

# Ozone Protection and Synthetic Greenhouse Gas Management Act 1989

Section 68 of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* requires an annual report on the operation of the Act. This section provides the report for 2020–21.

## Operation

The Act provides for a licensing system for the import, export and manufacture of ozone-depleting substances, synthetic greenhouse gases, and equipment containing such substances and gases. The system enables Australia to meet its international obligations. The Act prohibits the import or manufacture of certain products 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. The Regulations control end uses of ozone-depleting substances and synthetic greenhouse gases in the refrigeration, air conditioning and fire protection industries to reduce emissions. The handling and use of these substances are regulated under industry-based permit schemes.

## Significant developments

### Hydrofluorocarbon phase down

Of the 198 Montreal Protocol member countries, 122 had ratified the Kigali Amendment by 17 June 2021. This is for the phase down of hydrofluorocarbon production and imports. China ratified the Kigali Amendment in June 2021. The United States will start its phase down in 2022.

Australia commenced its hydrofluorocarbon phase down in 2018. This was a year ahead of the phase down start under the Montreal Protocol.

In 2020 Australia's import limit was 7.25 million tonnes carbon dioxide equivalent or 68% of Australia's Montreal Protocol baseline. This is well ahead of the 2020 Montreal Protocol limit for developed countries, which is 90% of baseline.

## Emergency use of methyl bromide

In April 2020 Australia approved an emergency use of 1.671 tonnes of methyl bromide to enable Australian rice producers to speed up rice supply. This was in response to shortages caused by consumer stockpiling of rice during the early stages of the COVID-19 pandemic. Only 111 kilograms of methyl bromide was used.

The approval expired on 31 December 2020 and no further methyl bromide use is permitted under this approval. No additional methyl bromide was produced or imported to meet this requirement as it was drawn from stocks imported for quarantine and pre-shipment fumigations.

## Import, export and manufacture licences

The minister (or their delegate) may issue licences for the import, export and manufacturing of ozone-depleting substances and synthetic greenhouse gases. Our [import and export licences website](#) describes the types of licences.

At 30 June 2021 there were 686 import licences.

## Imports of ozone-depleting chemicals and synthetic greenhouse gases

In the 2020 calendar year Australia met or exceeded all of its obligations to phase out and phase down import of chemicals controlled under the Montreal Protocol. In 2020 Australia imported:

- hydrochlorofluorocarbons: 2.4 ozone-depleting potential tonnes (limit 2.5 tonnes)
- hydrofluorocarbon: 7.15 million tonnes carbon dioxide equivalent (Montreal Protocol limit 9.73 million tonnes; ozone legislation limit 7.25 million tonnes)
- methyl bromide: 28.98 tonnes for approved critical uses (limit 28.98 tonnes) and 0.111 tonnes for an approved emergency use.

## End-use regulations

The Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995 regulate:

- handling and use of ozone-depleting substances and synthetic greenhouse gases in the refrigeration, air conditioning and fire protection industries
- 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 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 through the Fire Protection Industry Board.



At 30 June 2021 there were 115,086 active industry permits, consisting of:

- fire protection: 121 extinguishing agent trading authorisations, 1,432 extinguishing agent handling licences and 42 halon special permits
- refrigeration and air conditioning: 22,824 refrigerant trading authorisations and 90,667 refrigerant handling licences.

## Compliance and enforcement

We conduct compliance and enforcement activities under the Act. These relate to the manufacture, import, export and end use of ozone-depleting substances and synthetic greenhouse gases. We work with the Australian Border Force to monitor imports to ensure compliance with the Act. We also work with the Australian Refrigeration Council and the Fire Protection Association Australia to monitor compliance among permit holders that work with the regulated substances.

In 2020–21 we received 50 reports of non-compliance ([Table 50](#)). Of these, 23 reports were referred for follow-up action. All allegations were assessed in accordance with our compliance policy to determine the most appropriate response. Responses this year included educational engagement, site inspections and regulatory notices.

In October 2020 the Federal Court of Australia handed down the largest fine ever issued under ozone-protection laws. A Victorian-based fire protection company unlawfully imported hydrofluorocarbon. The company was ordered to pay a civil penalty of \$500,000.

**Table 50** Compliance activities: ozone protection and synthetic greenhouse gas

Compliance activities	Number
Total allegations of potential non-compliance referred to the triage team	50
Unsubstantiated allegations	27
Under assessment	23
Completed inspections and site visits	6
Other outcomes (obligation letters, border profiles, seizures, penalties)	22

# Product Stewardship (Oil) Act 2000

Section 35 of the *Product Stewardship (Oil) Act 2000* requires an annual report on the operation of the Act on the product stewardship arrangements for oil. This section provides the report for 2020–21.

## Operation

The Product Stewardship for Oil Scheme 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.

We have policy responsibility, but the Australian Taxation Office administers the scheme. The Treasurer sets the levy rate under the *Excise Tariff Act 1921* and the *Customs Tariff Act 1995*. The Australian Taxation Office collects the levy as an excise; the Department of Home Affairs collects the levy as customs duty. There is no levy for exported oil.

In 2019–20 achievements under the scheme were:

- 497 million litres of waste oil recycled
- \$90.4 million benefits paid
- \$51.4 million raised through the levy on oil sales.

We will publish 2020–21 data on the [Product Stewardship for Oil Scheme](#) website in September 2021 and in next year's annual report.

## Review of legislation

In August 2020 the Australian Government announced the fourth independent review of the *Product Stewardship (Oil) Act 2000*. Deloitte Access Economics conducted the review. The report and the Australian Government's response will be tabled in parliament in 2021.

## Legislative amendments

The *Product Stewardship (Oil) Amendment Act 2020* received royal assent in September 2020. The Act amends the definition of oils in the *Product Stewardship (Oil) Act 2000* to apply only to lubricant oils, fluid oils and other oils and greases manufactured from base oils. This reflects the original intention of the Product Stewardship for Oil Scheme, which excludes diesel and other fuels.

The *Excise Tariff Act 1921* was concurrently amended to clarify that diesel and other goods ordinarily used as fuels are excluded from the excise tariff item that applies to oils and grease.

# Recycling and Waste Reduction Act 2020

Section 68 of the *Product Stewardship Act 2011* required an annual report on the operation of the Act. On 16 December 2020 the *Recycling and Waste Reduction Act 2020* (RAWR Act) came into effect, repealing and replacing the Product Stewardship Act. Section 184 of the RAWR Act requires an annual report on the operation of the Act.

Section 17 of the *Recycling and Waste Reduction (Consequential and Transitional Provisions) Act 2020* requires the annual report under the RAWR Act for 2020–21 to include the report on the operation of the Product Stewardship Act and regulations for the year.

This section provides the reports for both Acts in relation to product stewardship.

## Product stewardship

The RAWR Act provides a new framework for managing Australia’s recycling and waste reduction objectives. A key objective of the Act is to encourage the development of a circular economy, including through product stewardship arrangements, that maximises the continued use of products and waste materials over their life cycle.

The RAWR Act provides for 3 levels of product stewardship: voluntary, co-regulatory and mandatory.

### Voluntary product stewardship

Voluntary product stewardship encourages industry to lead the development of product stewardship arrangements that manage products and their waste in an environmentally sound manner. Improved product design, more efficient manufacturing processes, easier consumer waste disposal options and improved recycling capacities all contribute to industry-led arrangements that contribute to Australia’s recycling and waste reduction objectives.

Government accreditation provides consumers and industry with confidence that the voluntary product stewardship arrangements will contribute to Australia’s waste management objectives. Our Australian Government product stewardship logo indicates that a product is accredited and contributes to a circular economy.

The MobileMuster arrangement continues to be accredited for the collection and recycling of used mobile phones and accessories.

In 2020–21 the following industry-led product stewardship arrangements were accredited under the RAWR Act:

- Tyre Stewardship Scheme, which manages Australia's waste tyres and develops new markets for tyre-derived products.
- Big Bag Recovery, which aims to ensure that plastic bags for industrial products over 15 kilograms or 15 litres are recycled into other plastic products.
- Battery Stewardship Scheme, which is a national battery collection network that will increase the recovery and recycling of end-of-life handheld batteries.

We partnered with the University of Technology Sydney, the Australian Industry Group and Cox Inall to establish the Product Stewardship Centre of Excellence. The Australian Government's National Product Stewardship Investment Fund has funded 20 voluntary product stewardship projects through grants totalling \$14.5 million.

## Co-regulatory product stewardship

Part 3 of the RAWR Act provides for co-regulatory product stewardship. The only co-regulatory scheme is the National Television and Computer Recycling Scheme. This was set up by the Product Stewardship (Televisions and Computers) Regulations 2011.

The scheme sets industry-funded annual recycling targets for end-of-life televisions and computer products. Importers and manufacturers fund collection and recycling through membership fees paid through industry-run co-regulatory arrangements. In 2020–21 the approved co-regulatory arrangements were administered by:

- Australia and New Zealand Recycling Platform Limited
- E-Cycle Solutions Pty Ltd
- Electronic Product Stewardship Australasia Pty Limited
- MRI PSO Pty Ltd.

On 15 April 2021 the co-regulatory arrangement administered by MRI PSO Pty Ltd was cancelled under section 87 of the RAWR Act.

The administrators must ensure the arrangements achieve the outcomes specified in the Act and the regulations. These outcomes include:

- providing electronic waste collection services to communities in metropolitan, regional and remote areas of Australia
- meeting annual recycling targets
- ensuring at least 90% of the materials derived from recycling electronic waste are available for reuse in manufacturing new products.

The National Television and Computer Recycling Scheme has recycled more than 425,000 tonnes of e-waste since its commencement.

## Regulatory (mandatory) product stewardship

Part 4 of the RAWR Act provides for mandatory product stewardship, where both requirements and outcomes are prescribed in regulations.

There are no schemes under these provisions of the RAWR Act.

## Minister's Priority List

The Minister for the Environment identifies products and materials considered to be most in need of product stewardship action. The minister's product stewardship priority list, also known as the Minister's Priority List, specifies products, the reasons for listing, recommended actions and time frames for action by industry.

The Minister's Priority List provides certainty and transparency to the community and industry about what is being considered for regulation under the RAWR Act.

The Minister's Priority List is reviewed every 12 months, in consultation with a range of stakeholders, including the states and territories and the Product Stewardship Centre of Excellence. If industry has taken action to implement a product stewardship arrangement or address product waste through other measures a product can be removed. If insufficient action is taken to respond to a product listing the minister may pursue regulatory measures.

The 2020–21 list included batteries, child car seats, electrical and electronic products, plastic oil containers, plastic microbeads, and solar photovoltaic systems.

During the year industry supply chains took action to phase out plastic microbeads and to establish the Battery Stewardship Scheme.

## Waste exports

The RAWR Act provides the legislative framework to implement the agreement of all Australian governments to ban the export of waste glass, plastic, tyres and paper. The waste export ban will:

- stop the export of unsorted and unprocessed waste that is likely to have a negative impact on human or environmental health in the receiving country
- improve the long-term sustainability of Australia's recycling industry by building capacity to generate and use high value recycled commodities
- maximise the ability of the Australian waste management and recycling sector to collect, recover, recycle, reuse and convert waste plastic into new products.

The waste export ban is implemented through a licensing and declaration scheme, as set out in the rules associated with the RAWR Act.

### Glass Rules

The Recycling and Waste Reduction (Export—Waste Glass) Rules 2020 (Glass Rules) commenced on 1 January 2021. The Glass Rules require exporters of waste glass to hold an export licence and declare each export consignment of waste glass prior to export.

Exporters need to meet the requirements of the RAWR Act and the Glass Rules to be eligible for an export licence for glass waste. Export licences are subject to specific conditions, including conditions about processing waste glass to an appropriate specification.

In 2020–21 the minister granted 6 licences to export waste glass.

## Plastic Rules

The Recycling and Waste Reduction (Export—Waste Plastic) Rules 2021 (Plastic Rules) were made on 24 May 2021. The rules commence on 1 July 2021.

The Plastic Rules require exporters of waste plastic to hold an export licence and declare each export consignment of waste plastic prior to export. Export licences will be subject to specific conditions which will commence in 2 phases:

- Phase 1: will only allow export of waste plastics sorted into single resin or polymer type from 1 July 2021.
- Phase 2: in addition to Phase 1, will only allow export of waste plastic that is further processed, for example flaked or pelletised, from 1 July 2022.

The Plastic Rules also regulate the export of processed engineered fuel. It will be a condition of an export licence that the fuel is processed to an appropriate specification prior to export.

## Other rules

During the year we progressed rules to implement the waste export ban on tyres and paper. These are due to commence on 1 December 2021 (tyres) and 1 July 2024 (paper).

# Water Act 2007

The *Water Act 2007* requires an annual report on specific parts of the Act. This section provides the report for 2020–21.

## Commonwealth Environmental Water Holder

We administer Part 6 of the Act, which establishes the Commonwealth Environmental Water Holder (CEWH). Section 114 of the Act requires the CEWH to report on its operations during each year.

In 2020–21 there were no directions to the CEWH by the Minister for the Environment or the secretary.

## Performance against the Murray–Darling Basin annual environmental watering priorities

Section 114(2)(a) of the Act requires the CEWH to report achievements against the objectives of the Murray–Darling Basin Environmental Watering Plan. We meet this requirement by reporting on the volumes and key outcomes of Commonwealth environmental water against the 2020–21 Basin annual environmental watering priorities.

In 2020–21 we delivered 1,376 GL of Commonwealth environmental water to the Basin. This complemented environmental water releases from state water authorities. As some watering actions achieved multiple outcomes at multiple sites, the total volume of water delivered against the priorities appears greater than the volume above.

### Flows and connectivity

*Support lateral and longitudinal connectivity along the river system.*

*Support freshwater connectivity through the Lower Lakes, Coorong and Murray Mouth.*

Commonwealth environmental waters supported lateral and longitudinal connectivity in the Basin. It also provided flows to maintain core wetland areas and provide refuge habitat.

Starting in the southern Basin, 360 GL of water for the environment (including 278 GL of Commonwealth environmental water) was released from Hume Dam as part of the Southern Spring Flow. Travelling over 2,000 km to the Coorong, the release was coordinated with environmental flows from the Goulburn, Murrumbidgee and Darling rivers. An additional 40 GL of Commonwealth environmental water was added to this flow at the South Australian border to maintain a flowing river in the Lower Murray. Key outcomes were:

- reconnecting the floodplain and the river, including flows through barrage fishways to connect the Murray River channel, Lower Lakes and Coorong, providing critical exchange of carbon and nutrients
- exporting 100,000 tonnes of salt from the Lower Murray to reduce salinity
- providing food and shelter for native fish and other animals along the Murray River, in key wetlands and creeks in the Barmah–Millewa forest, the Edward/Koity–Wakool River system, Katarapko and Pike floodplains, and in the Coorong and Lower Lakes.

In the Edward/Koety–Wakool River system, environmental flows were provided into the Yallakool Creek–Wakool River and Colligen Creek–Niemur River systems, which provide approximately 500 km of in-channel river and creek habitat. Outcomes included:

- successfully repeating an 800 ML/day trial in partnership with landowners to improve flow variability and inundation in the Yallakool–Wakool system
- providing flows to Tuppal Creek and the Jimaringle–Cockran–Gwynnes creek system, both in partnership with New South Wales (NSW), and to the Pollack swamp in Koondrook–Perricoota forest.

10 GL was used to support in-channel flows through Gunbower Creek. Targeted outcomes included:

- providing habitat and food resources for native fish
- improving water quality and hydrological connectivity between Gunbower Forest and Gunbower Creek to support nutrient and carbon movement.

Throughout 2020–21 Commonwealth environmental water was used to enable raising and lowering of several weir pools on the Murray River. Weir pool raising increases connection between the river and low-lying floodplain wetlands, creeks and anabranches.

Environmental water maintained freshwater connectivity between the Murray River, the Lower Lakes and the Coorong, providing constant fish passage throughout 2020–21. More than 807 GL of Commonwealth environmental water flowed to the Coorong (representing more than 60% of the total flow through the barrages) to maintain appropriate salinity levels, support productivity and provide estuarine habitat for Coorong species.

In northern Victoria, Commonwealth environmental water contributed to flows in the Ovens, Campaspe, Loddon and Goulburn rivers, and Broken Creek (upper and lower). The most significant releases were in the Goulburn River, where around 150 GL was released targeting local outcomes related to riverbank vegetation and native fish. Return flows from these releases contributed to longitudinal connectivity into the mid and lower Murray.

25 GL of Commonwealth and The Living Murray environmental water was delivered over spring and summer into the lower Darling/Baaka to support native fish breeding and movement. This was the first opportunity to improve connection between the northern and southern basins in several years. Environmental water was also provided in winter to top up flows and maintain access to food and habitat for growing young fish.

298 GL was delivered, along with 190 GL of other environmental water, to support longitudinal and lateral connectivity in the Murrumbidgee catchment. Key outcomes included:

- more than 394 GL of Commonwealth and NSW environmental water for large-scale watering of the Lowbidgee floodplain, providing abundant habitat and food resources for water-dependent animals, and the opportunity for movement and dispersal across the landscape
- expanding the network of managed refuge habitats with the first pumping of Rhyola Swamp and Middle Wetland in the Yanco–Billabong–Forest creek system



- a flow pulse in the Lower Murrumbidgee River which provided:
  - fish passage between weirs in the lower reaches and between the Murrumbidgee and Murray rivers
  - lateral connection to floodplain creeks and lakes in Yanga National Park, enabling native fish to move between the river and floodplain creeks and lakes
  - a critical exchange of carbon and nutrients.

Environmental water deliveries to the Lachlan River system complemented 2 translucent flow events and contributed to inundation of areas of the lower Lachlan floodplain, including the Great Cumbung swamp and Noonamah. Deliveries were:

- 42 GL in August–September (23 GL Commonwealth and 19 GL NSW)
- 19 GL in November–December (14 GL Commonwealth and 5 GL NSW)
- 10 GL in a small autumn pulse (2 GL Commonwealth and 8 GL NSW).

Wetter conditions returned to the Lachlan River system during 2020–21. In partnership with NSW, we delivered the following environmental water:

- 2.7 GL to Booberoi Creek (1 GL Commonwealth and 1.7 GL NSW)
- 0.6 GL to Fletchers Lake (0.3 GL Commonwealth and 0.3 GL NSW)
- 2 GL to Lake Brewster (1 GL Commonwealth and 1 GL NSW).

In the northern Basin 39 GL was delivered in the Macquarie valley, along with 100 GL of NSW water, to the mid-Macquarie River and Marshes. Key outcomes were:

- increasing longitudinal connectivity through the mid-Macquarie River, Macquarie Marshes and lower Macquarie River to the Barwon River
- increasing lateral connectivity through the core areas of the Macquarie Marshes
- supporting wetland vegetation recovery, and feeding and breeding habitat for waterbirds, fish and frogs.

6 GL was delivered from the Gwydir and Border River catchments for the Northern Waterhole Top-up, along with 2 GL of NSW-planned environmental water. The flow targeted 230 river kilometres of the Barwon River between Mungindi and Walgett, where refuge habitat was declining in quality. Summer rain extended the Northern Waterhole Top-Up well beyond its original target range, enabling some of this water to reach the Menindee Lakes. Key outcomes were:

- improving quality of native fish refuges along the Barwon–Darling river system
- connecting river reaches along the Barwon and Darling rivers
- providing connectivity benefits between both the Gwydir and Border river systems and the Barwon River.

We delivered 9.5 GL in the Gwydir valley over summer, along with 8.5 GL of NSW water. Key outcomes were:

- supporting recovery of rivers and wetlands in the lower Gwydir and Gingham as well as the Mallowa and Carole creek systems following an extended dry period
- helping restore the condition of some parts of core wetlands, particularly within the area of the Gwydir Wetlands Ramsar site located on Old Dromana.

## Native fish

*Support Basin-scale population recovery of native fish by reinstating flows that promote key ecological processes across local, regional and system scales in the southern connected Basin.*

*Improve flow regimes and connectivity in northern Basin rivers to support native fish populations across local, regional and system scales.*

*Support viable populations of threatened native fish, maximise opportunities for range expansion and establish new populations.*

190 GL of Commonwealth environmental water was delivered through in-channel water releases to northern Victorian rivers. This included the Goulburn River, Lower Broken Creek and smaller streams. Key outcomes were:

- generating base-level food resources for native fish, including waterbugs and biofilms
- creating habitat and flow conditions to benefit native fish, including Murray cod, trout cod, Macquarie perch, golden perch and eel-tailed catfish
- record observations of golden perch and silver perch spawning in the Goulburn River.

The Southern Spring Flow along the Murray River contributed to:

- Murray cod recruitment and spawning of flow specialists, such as silver and golden perch, with a significant silver perch spawning event in the Lower Murray for the first time since the mid-2000s
- increased river productivity and food availability (zooplankton and carbon) for newly hatched fish, juvenile yabbies, crays and small fish.

Flows into the Edward/Kooley-Wakool River system helped with the gradual recovery of Murray cod populations after the 2016 flood and hypoxic event. Monitoring suggests that winter flows may help native fish, including silver perch, move into new areas and re-establish within the system. Flows into the Pollack Swamp supported small-bodied native fish.

Throughout the lower Murray, environmental water was delivered to maintain suitable conditions for the endangered Murray hardyhead at several sites. This includes Little Frenchmans Creek in western NSW, and Gurra Gurra wetland complex, Berri Evaporation Basin and Disher Creek in the South Australian Riverland. Ongoing surveys are monitoring the persistence and breeding of these critical populations, with record numbers found within the Gurra Gurra wetland complex.

The combination of the Southern Spring Flow, return flows from other upstream environmental flows, Commonwealth-held water in South Australia, and an additional 110 GL of water delivered to the South Australian border, all contributed the environmental flows to benefit the Lower Lakes and Coorong.

In the Lower Lakes, Murray hardyhead have become more abundant and have expanded in range after successful spawning and recruitment in recent years. For southern pygmy perch, high spring lake levels and improved submergent vegetation habitat favoured spawning. An autumn 2021 survey showed the southern pygmy perch population had quadrupled from the previous year, likely due to a higher minimum lake level (0.6 m) and corresponding sustained increase in habitat area.

Environmental flows through the barrage fishways provided a connection between the River Murray channel, Lower Lakes and Coorong and allowed the seasonal movement of migratory fish species. Increasing numbers of short-headed and pouched lamprey, congolli and common galaxias were detected moving between the Coorong and the Lower Lakes and River Murray.

The delivery of Commonwealth and The Living Murray environmental water in the lower Darling/Baaka was a significant event for native fish recovery following the devastating fish deaths in 2018 and 2019. The flows supported the spawning and recruitment of Murray cod, and sought to increase available habitat over the winter months. Golden perch that spawned in the upper reaches and moved downstream to Menindee Lakes were able to continue their journey into the lower Darling/Baaka and potentially on to the Murray.

In the Murrumbidgee River valley, environmental water delivered in-stream and to wetlands and floodplains supported habitat, movement and recruitment opportunities for native fish. In response to 117,600 ML of Commonwealth and NSW water, golden perch spawned and recruited in the deep creek systems on the Yanga National Park floodplain.

The environmental flow pulse to the Lower Murrumbidgee River supported movement of native fish between the Murrumbidgee and Murray rivers, and between the Murrumbidgee River and floodplain creeks and lakes in Yanga National Park. Monitoring detected native fish moving into and out of the creek systems during the connecting flows. Commonwealth environmental water supported populations of native fish in monitored wetlands, including carp gudgeon, Australian smelt, flathead gudgeon, bony-bream, rainbow fish, Murray cod and golden perch. Small-bodied un-specked hardyhead, which are rare in the catchment, were also recorded in Coonancoocabil Lagoon in the mid-Murrumbidgee after the delivery of environmental water.

In the Lachlan River system, juvenile golden perch were detected for the first time in 7 years of monitoring. This was linked with the higher flow rates from the 2020–21 translucent flow events. The small autumn pulse provided to the lower Lachlan River improved flow variability and tested the ability to increase productivity, which may support the juvenile golden perch as they prepare for their first winter.

Commonwealth and NSW environmental water delivered to the mid-Macquarie River supported breeding and recruitment of Murray cod and freshwater catfish. This is aiding their recovery from drought.

Environmental water for the Peel River (395 ML of Commonwealth and 1,170 ML of NSW water) was delivered to improve the quality and availability of food and habitat downstream of Chaffey, and benefit native fish, including Murray cod and silver perch. This section of river is important for supporting native fish populations should drought conditions return.

Commonwealth environmental water contributed more than 66 GL to natural flows across unregulated northern Basin tributaries. Combined with good rainfall, this water replenished refuge habitat across the Border Rivers, Macintyre, Lower Balonne and Warrego. Golden perch spawning and recruitment was observed in some of these rivers.

47 GL of unregulated flows was protected from extraction directly on licences in the Barwon–Darling river system through the active management of Commonwealth unregulated licences. While Commonwealth environmental water is only part of overall flows, it helped to reconnect parts of the Barwon and Darling rivers, which enabled fish to move and breed.

## Waterbirds

*Maintain the diversity and improve the abundance of the Basin's waterbird population.*

*Maintain the abundance of key shorebird species in the Lower Lakes and Coorong.*

The Southern Spring Flow provided food and habitat for wetland birds from the Hume Dam through to the Coorong. Bird surveys in the Boals Deadwood – a Barmah Forest wetland – observed the first significant waterbird breeding event in Barmah Forest in 4 years:

- more than 450 breeding colonial waterbirds, including Australian white ibis, straw-necked ibis and royal spoonbill
- Australasian and little bittern
- about 100 little pied cormorant and 50 little black cormorant nesting at Harbours Lake.

Flows into the Pollack Swamp, part of Koondrook–Perricoota Forest, supported the breeding of white-necked, white-faced and nankeen night herons, Australasian grebe, dusky moorhen, Australian shelduck, grey teal, Pacific black duck, Australian wood duck, Australian reed warbler, a pair of wedge-tailed eagles and a pair of Australian little bitterns.

The combined environmental flows across the entire year to the Lower Lakes and Coorong contributed to providing suitable waterbird breeding and foraging habitat. Waterbird abundance was similar to 2018 and 2019. Shorebird numbers were reportedly lower than recent years, though more than 8,000 migratory red-necked stints were sighted in autumn at Morella Basin near the Coorong South Lagoon.

The delivery of environmental water to floodplain and wetlands sites in the Lowbidgee, mid-Murrumbidgee, Murrumbidgee Irrigation Area and Yanco Creek systems maintained and improved habitat for waterbird species. For example, it supported:

- 18 active waterbird breeding sites in the Lowbidgee, 2 in the mid-Murrumbidgee wetlands and one in the Yanco–Billabong–Forest Creek system
- a colony of 36,000 straw-necked and glossy ibis breeding in Gayini Nimmie-Caira, which was the largest event in the Basin to be triggered and supported solely by environmental water
- breeding of nankeen night and white-faced herons; royal and yellow-billed spoonbills; Australian white ibis; Eastern great and intermediate egrets; great, little black and little pied cormorants; hoary-headed, great crested and Australasian grebes; darters; swans; and Eurasian coots
- breeding of threatened Australasian bittern, brolga, blue-billed duck and freckled duck
- waterbird breeding and habitat in the Ramsar-listed Fivebough and Tuckerbil Swamps in the Murrumbidgee Irrigation Area.

In the Lachlan River valley, water flows into sites including Fletchers Lake and Lake Brewster provided foraging habitat for waterbirds. Watering at Lake Brewster also supported a small rookery of Australian pelicans through to fledging. The foraging habitat created by translucent flows and environmental water was used by colonial waterbirds breeding in the Murrumbidgee system.

Commonwealth and NSW environmental water for the Macquarie Marshes supported waterbirds, with 48 species observed during the spring and summer delivery. Species included Australian painted snipe, Latham's snipe, Australasian bittern and sharp-tailed sandpiper. Sixteen waterbird species were breeding, including egrets, white ibis, darters, grebes, ducks and magpie geese. The flows helped to maintain good foraging habitat and improve habitat for future breeding events.

Commonwealth environmental water (45 GL) contributed to flows across the Lower Balonne in March and April 2021, building on the environmental benefits from earlier flows. Some of this water inundated the internationally significant Narran Lake Nature Reserve for a second consecutive year, providing habitat for 33 waterbird species.

### **Native vegetation**

*Allow opportunities for growth of nonwoody wetland vegetation.*

*Allow opportunities for growth of nonwoody riparian vegetation that fringes or occurs within main river corridors.*

*Maintain the extent, improve the condition and promote recruitment of forests and woodlands.*

*Maintain the extent and improve the condition of lignum shrublands.*

*Expand the extent and improve the condition of Moira grass in Barmah–Millewa Forest.*

*Expand the extent and improve resilience of ruppia in the southern Coorong.*

The Southern Spring Flow benefited wetland plants and improved river red gum health in the mid-Murray. Water and the management of grazing pressure resulted in excellent growth in the internationally important Moira grass plains of Barmah–Millewa forests. These grass plains are in good condition, with coverage increased by 6 new grazing-exclusion fences.

In the Edward/Kolety–Wakool River system, water flows continued to help the recovery of aquatic native vegetation that was wiped out after the 2016 flood and hypoxic event. Monitoring suggests that winter flows may be important to recovery of instream aquatic vegetation communities after major disturbances, such as a prolonged flooding. Strong responses to provision of environmental water were observed in wetland and aquatic vegetation in areas of the Pollack swamp.

Commonwealth environmental water was delivered to more than 50 wetlands in the lower Murray in partnerships with government, non-government, private entities, local community and First Nations Australians. Wetland watering actions included wetlands of international importance and vegetation communities of conservation significance that provide feeding and breeding habitat for a range of native wildlife.

Flows to the Lower Lakes supported fringing and submergent native vegetation, which provides habitat for small-bodied native fish and frogs. In the Coorong, researchers and community members have anecdotally reported improvement in *Ruppia tuberosa* distribution and abundance in the southern part of the North Lagoon and in certain areas in the South Lagoon.

Delivery of environmental water across the Murrumbidgee catchment resulted in a positive response from native vegetation. Inundation has been deeper and longer than previous years at many wetland sites, particularly in the Lowbidgee. Key outcomes were:

- increased abundance of deep-water tolerant species such as common and red watermilfoil, common spike rush and floating pondweed
- emergence of new lignum, common spike rush, water primrose, starworts and mudflat-colonising species such as old man weed and lesser joyweed
- flowering of black-box trees that had been in poor health at Avalon Swamp in Gayini Nimmie-Caira
- establishment of areas of nardoo, azolla, water primrose and swamp lily.

In the mid-Murrumbidgee, environmental water delivery at managed sites maintained important wetland areas of tall spike rush, common spike rush and spiny mud grass.

In the Lachlan River valley, environmental water and translucent flows extended the duration of the higher flows to enable a longer period of connection between the river and the floodplain. This is critical in maintaining the health of floodplain vegetation communities in the lower Lachlan River system, such as the reed beds of the Great Cumbung swamp, which have been heavily impacted by flow regulation.

Environmental water delivered to the Macquarie Marshes over spring and summer inundated core areas of wetland vegetation. This included reedbeds in the Northern Marshes, which were burnt in 2019. These are part of the Ramsar site and provide important habitat for waterbirds and other animals.

Over summer we delivered 9.5 GL of Commonwealth environmental water along with 8.5 GL of NSW water to support the recovery of rivers and wetlands within the lower Gwydir and Gingham, as well as the Mallowa and Carole creek systems following an extended dry period. This water helped restore the condition of some core wetlands, particularly within Old Dromana.

Two successive years of environmental flows into the severely drought-affected Narran Lakes have benefited the vegetation within the wetland. Ongoing monitoring has found that the condition of lignum improved across large areas of the Nature Reserve since early 2020.

## Trade for investment in environmental outcomes

The Act requires the CEWH 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 Act outlines how the proceeds of selling water allocations can be used.

In 2020–21 water allocations to the Commonwealth’s environmental water holdings grew as the year progressed and water availability increased significantly across the Basin. Given the impacts of the extended drought over recent years, any allocations were directed to the environment in 2020–21 or were carried over for use in 2021–22.

As the conditions to enable the trade of water allocations from the Commonwealth could not be met, there were no water allocations traded from the Commonwealth’s holdings in 2020–21.

## Environmental Water Holdings Special Account

The Environmental Water Holdings Special Account was established under the Water Act. It pays for costs, expenses and other obligations incurred in managing Commonwealth environmental water holdings.

The account's cash balance was \$69.602 million at the start of the financial year. In 2020–21, \$52.098 million was credited to the account. During 2020–21 we spent:

- \$21.995 million on annual water entitlement fees and allocation delivery costs, including use fees and pumping. This was 70% of expenditure for the year.
- \$6.335 million on monitoring and evaluating the use of Commonwealth environmental water. This was 20% of Special Account expenditure for the year. These activities inform reporting on achievements against the objectives of the Murray–Darling Basin's Environmental Watering Plan and help the CEWH to adaptively manage the portfolio.

The account's cash balance was \$90.550 million at 30 June 2021. Of this, \$10.181 million is committed for long-term intervention monitoring and evaluation activities, and environmental watering actions. The uncommitted balance of \$80.369 million includes \$18.630 million in proceeds from the sale of water allocations. 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 2020–21 are in [Table 51](#).

**Table 51** Environmental Water Holdings Special Account Expenditure

Category of expense	Total cost (\$million) <sup>a</sup>
Fees and charges for entitlement holdings and allocation delivery <sup>b</sup>	21.995
Monitoring and evaluation activities	6.335
Development and maintenance of environmental registers and water accounting systems	0.399
Commonwealth environmental water delivery and planning projects, quality assurance activities, legal advice and market analysis	2.421
<b>Total</b>	<b>31.150</b>

<sup>a</sup> Figures may be plus or minus \$0.001 million because of rounding. <sup>b</sup> Fees and charges include \$16.592 million for annual water entitlement (fixed) fees; \$4.067 million for allocation (variable) fees and charges paid to state water authorities for the operation, maintenance and replacement of rural water infrastructure; and \$1.301 million for allocation pumping.

## Water for the Environment Special Account

The Water Act provides funding through the Water for the Environment Special Account (WESA) to recover an additional 450 GL/year of environmental water (long-term average) and to remove or ease constraints to the timing and delivery of environmental water. WESA funding is \$1.775 billion, with \$1.575 billion for water recovery infrastructure projects and \$200 million to ease or remove constraints.

In 2020–21 expenses totalled \$43.9 million from the WESA.

### Constraints measures

Constraints influence the volume and timing of regulated water delivery through the Murray–Darling Basin. They include physical barriers, such as low-lying bridges, or operational rules. Constraints measures, such as acquiring easements or upgrading infrastructure, aim to remove or ease constraints. Alleviating constraints aims to improve the use of environmental water by connecting floodplains to the river through small overbank flows. Environmental water can be used to top up and lengthen the timing of regulated releases and minor flow events to enhance environmental outcomes.

The measures are part of the Murray–Darling Basin Plan’s sustainable diversion limit (SDL) adjustment mechanism. The 6 constraints measures are:

- 3 reaches of the Murray River: Hume to Yarrawonga, Yarrawonga to Wakool and SA Murray
- Murrumbidgee River
- Goulburn River
- Lower Darling River.

Of these, 5 are notified as supply measures (excludes Goulburn River constraints) and contribute to the 605 GL/year SDL adjustment (long-term average), for which an amendment came into law in January 2018. Further information can be found on the [Murray–Darling Basin Authority website](#).

We are working with the Basin governments to progress projects and investigate the acceleration and modification of existing projects to ensure delivery by June 2024. These efforts are part of the Murray–Darling Communities Investment Package commitment to improve implementation of the Basin Plan and the decision of the Murray–Darling Basin Ministerial Council in April 2021.

The Australian Government has Stage 1 funding agreements for constraint measure projects with NSW, Victoria and South Australia. The funding is for pre-construction activities, such as detailed designs, statutory approvals and stakeholder consultation. The Commonwealth funding is as follows:

- New South Wales. Funding of up to \$42.7 million for works to 30 June 2022. These are for constraints measures related to the Yarrawonga to Wakool reach of the Murray River, Murrumbidgee and Lower Darling River projects.
- Victoria. Funding of up to \$8.3 million for works to 30 September 2022 for constraints measures.
- South Australia. Ongoing funding of up to \$2.5 million for works to 30 June 2021 for the Murray River in South Australia constraints measure.

We are considering proposals for new funding for the next phase of the South Australian Murray constraints project, Victorian constraints and the acceleration of elements of NSW Yarrawonga to Wakool constraints.



## Efficiency measures

Efficiency measure projects change water use practices and recover additional environmental water. The Murray–Darling Basin Plan requires efficiency measure projects to have neutral or improved social and economic outcomes. Water saved through efficiency projects will form part of the Commonwealth environmental water holdings.

We first sought efficiency measure projects via the Water Efficiency Program, which was open to new applications from July 2019 to March 2021. We approved 18 on-farm projects in 2020–21, adding 310.5 ML/year of water recovered for the environment. The cost, location and description of approved projects are on the [Water Efficiency Program website](#).

In September 2020 the Minister for Resources, Water and Northern Australia announced that investment in off-farm irrigation infrastructure projects would be the focus for recovering the 450 GL/year of additional environmental water and the Australian Government would no longer pursue water recovery targets by purchasing water entitlements in the Murray–Darling Basin.

In March 2021 the minister announced the \$1.48 billion Off-farm Efficiency Program. This shifts our focus to off-farm infrastructure investment. It is consistent with the objectives of the Murray–Darling Communities Investment Package, which aims to put communities and jobs at the heart of the Basin Plan. The program, funded through the WESA, will start receiving applications in August 2021. It includes:

- \$1.33 billion for state-led projects to modernise irrigation infrastructure networks
- \$150 million for Commonwealth-led direct grants for off-farm water savings projects that do not warrant Basin government involvement
- \$60 million for on-farm projects where Basin governments bring them to the Australian Government.

In March 2021 the Victorian and Australian governments agreed to fund Goulburn–Murray Water's water efficiency projects. Direct Commonwealth investment of \$177.5 million will return 15.9 GL/year for additional environmental watering.

Total water recovery for additional environmental watering held by the Commonwealth and under contract at 30 June 2021 is 18.4 GL/year.

[Table 52](#) provides financial information on the WESA for the past 4 years.

**Table 52** Water for the Environment Special Account

Item	2017–18 \$000	2018–19 \$000	2019–20 \$000	2020–21 \$000
Opening balance	158,805	581,846	895,522	1,239,172
Appropriated amount	430,000	320,000	350,000	315,000
Other receipts	0	0	0	2
Actuals	–6,959	–6,324	–6,350	–44,239
Closing balance	581,846	895,522	1,239,172	1,509,935

### Independent review of the Water for the Environment Special Account

In 2019–20 the first statutory independent review of the WESA took place. The reviewers were Sally Farrier (Chair), Simon Lewis AO PSM and Merran Kelsall FCPA FCA. In March 2020 they presented their report to the Minister for Resources, Water and Northern Australia.

*The First review of the Water for the Environment Special Account* was tabled in parliament in September 2020. A second independent review of the WESA will commence in 2021–22.

# Water Efficiency Labelling and Standards Act 2005

Section 75 of the *Water Efficiency Labelling and Standards Act 2005* (WELS Act) requires an annual report on the operation of the Water Efficiency Labelling and Standards (WELS) scheme. This section provides the report for 2020–21.

## Background

The objectives of the WELS Act are to:

- conserve water supplies by reducing water consumption
- provide information for purchasers of water-use and water-saving products
- promote the adoption of efficient and effective water-use and water-saving technologies.

The WELS Act and corresponding state and territory legislation provide for the operation of the WELS scheme. This mandatory scheme provides information about the water efficiency and general performance of water-using and water-saving products. This enables consumers to make informed choices about their water use.

We administer the scheme on behalf of all governments. Costs of administering WELS are largely covered through registration fees, with a target of 80% cost recovery from industry.

## Review

Section 76 of the WELS Act requires an independent review of the operation of the WELS scheme every 5 years.

In late 2020 Allen + Clarke Consulting commenced the 2020 review. The review is evaluating the design, effectiveness and efficiency of the WELS scheme and the WELS intergovernmental agreement. The reviewers conducted surveys and interviews in late 2020–21. They consulted governments, industry representatives, consumers and consumer advocates, environmental and water organisations, utility companies and managers of similar schemes.

The review will be finalised in 2021–22. The Australian, state and territory governments will then consider the recommendations of the report. The response will be used to inform our forward work program.

## Scheme effectiveness

The environmental and economic benefits of consumers choosing water-efficient models are:

- estimated annual saving of 149 GL of water, which is likely to be 230 GL per year by 2036
- estimated annual saving of \$1.3 billion in water and water-heating utility bills, which is likely to be a saving of \$2.6 billion a year by 2036.

The WELS scheme continued to have benefits beyond the objectives of the Act. For example:

- water utilities use the scheme to advise clients on saving water and to fund initiatives such as showerhead swaps for WELS-registered products
- the Australian Government requires all Commonwealth entities to consider WELS ratings in their procurement of water appliances as part of the *National Waste Policy Action Plan 2019*
- state and territory governments use WELS to inform sustainability and development initiatives such as the WaterWise Perth action plan and the NSW Government building sustainability index.

Independent consumer research shows that the WELS label is the second-most recognised ecolabel and that WELS water efficiency rating is a key consideration when Australians buy a washing machine or dishwasher. In October 2020 Standards Australia highlighted WELS in a promotional video for World Standards Day.

Small businesses, such as childcare providers, are sharing guidance on using WELS ratings to buy fittings and appliances. The WELS ratings are used nationally to determine sustainability ratings of buildings, fitouts and communities under the Green Building Council of Australia's Green Star scheme.

Overseas, the New Zealand Government and associated supply chains rely on our registration processes and rating of WELS products. The WELS scheme, in driving the development of an international standard for water efficiency labelling programs, is contributing to the Australia–Singapore Comprehensive Strategic Partnership roadmap.

We are working to improve the regulatory practices across the department, including the WELS scheme. Our regulatory blueprint will apply to all departmental regulatory systems over the next 5 years.

## Stakeholder engagement and education

We provided education and assistance to product manufacturers, suppliers and other interested parties. This included:

- guidance on product registrations
- free electronic copies of the WELS standards through Standards Australia to help people get information about WELS requirements
- a public WELS product registration database
- 2 issues of the InkWELS newsletter, which reports on WELS developments, technical matters and achievements.

The WELS Advisory Group met in November 2020. This is an industry group that represents the plumbing and appliances industry sectors, standards and certification specialists, water services, and small business. The meeting was part of our broad and frequent engagement with industry on matters of interest and on opportunities to collaborate on communications or research activities. We sought the group's views on potential improvements to the WELS standards, how we can improve our registration database for users, and potential non-compliance to inform our risk-based compliance targeting.

We participated in the Joint Accreditation Scheme of Australia New Zealand (JAS-ANZ) Technical Advisory Committee, which considers WaterMark certification body accreditation. We continued to work with JAS-ANZ on compliance matters involving the committee's accredited members.

We held 3 WELS Officials Group meetings with state and territory counterparts. We shared information on the status of the program, water efficiency initiatives and the progress of the independent WELS reviews. We discussed compliance, collaborated on communication and engagement initiatives, and provided input into state and territory WELS policies and programs.

We continued to collaborate with the co-regulators responsible for the:

- WaterMark on WELS plumbing products (Australian Building Codes Board)
- Equipment Energy Efficiency (E3) program responsible for energy ratings on WELS whitegoods (Department of Industry, Science, Energy and Resources)
- National Australian Built Environment Rating System (NABERS) water rating assessments
- National Construction Code, which is looking at making WELS ratings part of minimum building and construction standards from 2022.

Our engagement with co-regulators supported compliance activities and consideration of improvements to standards or procedures.

We worked with the Department of Foreign Affairs and Trade on product labelling requirements, which are being negotiated as part of the Australia – European Union and the Australia – United Kingdom free trade agreements.

In collaboration with the Australian Industry Skills Committee and with the endorsement of peak industry bodies, we achieved agreement to include WELS information in the companion volume implementation guide for the plumbers and builders national licensing curriculums. The revised guide will be released in 2021. Registered training organisations will use this when developing licensing courses. This will help new plumbers and builders learn about the scheme and their obligations when supplying WELS products.

## Standards

We continued work with Standards Australia committees to maintain Australian/New Zealand Standard (AS/NZS) 6400:2016 *Water efficient products – Rating and labelling* and related product-specific standards. These committees ensure that industries are engaged in developing and implementing the standards they must meet.

There was progress on amendments that will extend the shower star rating to 5 stars. Many showerheads already on the market can be promoted to 5 stars when the amendments are published. This amendment will drive the industry towards designing more efficient products.

We are considering amendments to:

- alter text advice to require the WELS registration number
- introduce minimum water efficiency performance requirement for WELS plumbing products that align with Plumbing Code of Australia requirements
- introduce minimum water efficiency performance for dishwashers, additional labelling requirements for combination showers and amend labelling for 'Not Star Rated' showers to clarify their rating
- expand the advertising, print media and electronic display clause to include WELS information requirements in building developments.

In 2020–21 product-specific standards were updated and published for:

- dishwashers (AS/NZS 2007:2021)
- clothes washing machines (AS/NZS 2040:2021)
- rotary dryers (AS/NZS 2442:2021).

We contributed to draft standards for tapware (AS/NZS 3718), flexible hose assemblies (AS 3499) and urinals (AS/NZS 3892). These are under consideration by Standards Australia.

We communicated with industry on updated standards and on transition periods that give time for industry to adopt the changes.

Standards Australia is developing an in-service check-testing standard for showers and tapware. This will allow testing of products against the water efficiency requirements of the Plumbing Code of Australia, and their claimed water use after installation. This will help ensure that consumers are getting what they paid for.

Following stakeholder feedback, we are considering expanding the WELS scheme to provide star ratings for waterless urinals and for the drying cycles for combined washer/dryer machines. We are working to help industry meet testing requirements for dishwashers and standards for plumbing products in recreational vehicles and other mobile end-use settings.

Since 2018 we have been leading work in the International Organization for Standardization to establish an international standard for water efficiency labelling programs. The project committee comprises 37 member countries, 19 participating and 18 observing. In 2020–21 the committee met 4 times to progress the international standard, which should be published in 2021.

The international standard will provide a framework for nations seeking to develop a water efficiency product labelling program. This will support global efforts to reduce demand for water, contributing to targets under the United Nations Sustainable Development Goal 6: Clean water and sanitation. Appendix A describes our achievements on the goals.

## WELS product registrations and public database

In 2020–21 we assessed and registered 27,340 products and 12,177 product variants (such as colour, finish and tap options). This included 6,406 registrations ceasing on 21 July 2021. The number of products being assessed and registered has increased by 32% on the previous year.

More than 434 organisations registered products. Of these, 239 were based in Australia. Most of the international organisations were based in Asia and Europe. The registered products comprised:

- 795 models of clothes washing machines
- 825 dishwasher models
- 23,606 tap equipment models
- 10,407 shower equipment models
- 3,466 lavatory (toilet) models
- 232 flow controllers
- 185 urinal models.

The significant increase in tap and showerware registrations are, to a small degree, the result of ongoing engagement, education and our compliance program. However, the number increased significantly following the withdrawal from market of a flow controller that was used in thousands of registered products. This meant manufacturers had to replace the flow controller model and register more than 2,000 new products. The remainder of the increase is a direct reflection of market demand.

We maintain a 24-hour WELS online product registration database on the Water Rating website. The database provides access for all stakeholders, including potential purchasers, to search and view the details of registered products. This year we improved the database by simplifying the process for registrants and registration officers.

In 2020 we began a review to inform an upgrade of our database. The review aims to improve the user experience for businesses and the public. The upgrade will include an improved compliance case management system and an improved user interface for the public. It will also streamline the registration application process and the assessment and payment process.

## Compliance and enforcement

The WELS Act requires products to be registered and labelled at all points in the supply chain. Compliance and follow-up enforcement actions are in accordance with the [WELS Compliance and Enforcement Policy](#).

In 2020–21 compliance activities focussed on responding to allegations, monitoring internet-based sales and restarting the national education and inspection program for the residential building industry. We engaged water and plumbing inspectorate agencies, precinct development agencies and peak industry associations to ensure regulated businesses received consistent and up-to-date information about their obligations. When travel restrictions eased, we inspected bathroom and kitchen fittings selection centres and product inclusion lists in Adelaide and Perth.

We continued to detect non-compliance with labelling or registration requirements. We:

- opened 84 new cases and carried forward 29 cases from 2019–20
- closed 96% of cases because businesses became compliant after education and warnings
- issued 5 warning notices
- started civil action in the Federal Court against 4 companies, 2 of which are in liquidation, and their sole director for advertising products that were not registered or labelled in accordance with the WELS Act.

Our joint compliance monitoring program with eBay continued to be effective. We educated 617 online sellers on complying with WELS registration and labelling requirements. We carried 60 cases to this reporting period, for a total of 677 cases. Of these, 641 cases were closed, including 17 cases where the 17 seller accounts were restricted. More than 2,100 non-compliant product models were removed from being offered to the Australian market. The increase on previous years is proportional to the increased focus and resources we deployed to improve compliance in online markets.

## Financial information

The *WELS Strategic Plan 2016–19* sets out an agreed revenue budget based on projected industry fee revenue that increases annually at 4%. The strategic plan was extended to 2022 by mutual agreement with the state and territory governments. A new strategic plan will be developed following the joint government response to the WELS scheme independent review.

In 2020–21 the Australian Government and the combined states and territories each contributed \$204,000.

Industry revenue arises from tiered registration application or annual renewal fees for WELS products. In 2020–21 industry fee revenue was 0.7% below the projection, as shown in [Table 53](#).

**Table 53** WELS industry fee revenue

Item	2018–19 (\$)	2019–20 (\$)	2020–21 (\$)
Industry fee revenue	1,606,300	1,636,172	1,618,700
Projected fee revenue	1,510,000	1,568,000	1,630,000



# Part 4:

# Appendixes



# Appendix A:

# Ecologically sustainable development and environmental performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires Australian Government entities to report annually on their contribution to the principles of ecologically sustainable development (ESD) and the measures taken to minimise their effect on the environment.

## Ecologically sustainable development

### Ecologically sustainable development principles

The ESD principles in section 3A of the EPBC Act are that:

- decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations
- 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
- the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations
- the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making
- improved valuation, pricing and incentive mechanisms should be promoted.

### Our outcomes and key activities

Our purpose and outcomes embody the principles of ESD. Our key activities and performance results in 2020–21 demonstrate that ESD principles are at the heart of everything we do.

We support development that meets Australia's current needs while conserving our ecosystems for the benefit of future generations. We lead or contribute to national and international policies with significant ESD objectives. We deliver programs to fund research, training and projects aimed at mitigating climate change and improving sustainable resource management. Our biosecurity objective is critical to maintaining biodiversity in Australia and overseas. We deliver funding to community organisations and to portfolio research and development corporations whose work supports ESD.

## 2030 Agenda and sustainable development goals

The 2030 Agenda for Sustainable Development is a non-binding shared global roadmap for sustainable development. This section describes our achievements in 2020–21 in relation to the agenda and its sustainable development goals (SDGs).

### SDG2: Zero hunger

We are the lead Australian Government agency for SDG2. During the year we continued to protect and strengthen food systems and value chains. We worked with the global community via the United Nations Food Systems Summit 2021 and the Food and Agriculture Organization of the United Nations. Closer to home, our biosecurity work helped to protect Australia's animal, plant and environmental health. We continued to help regional neighbours improve their systems and protect food systems.

Our work contributed to the reliability of Australia's food security during the COVID-19 pandemic.

### SDG6: Clean water and sanitation

As the lead Australian Government agency for SDG6, we participated in the G20 Water Dialogue to share best practices on managing water, sanitation and hygiene to combat water-related diseases and pandemics.

Australia scored very highly (89 out of 100) in the United Nations' 2020 Data Drive, which monitored performance against SDG indicator 6.5.1 'Degree of integrated water resources management implementation'.

We developed, in partnership with the Bureau of Meteorology, a pragmatic approach to report on Australia's proportion of bodies of water with good ambient water quality. The United Nations Environment Programme published our [case study on salinity](#) under SDG indicator 6.3.2 'Proportion of bodies of water with good ambient water quality'. This case study provides a reference for other countries that are reporting under this SDG.

### SDG12: Responsible consumption and production

We are leading the government's efforts in SDG12. We developed the *Recycling and Waste Reduction Act 2020*. This supports the phased export ban of plastic, paper, glass and tyres. The ban on exporting unprocessed waste glass took effect from 1 January 2021.

We released the [Sustainable Procurement Guide](#). This requires Commonwealth entities to consider environmental sustainability and incorporate recycled content.

## SDG14: Life below water

We are the lead government agency for SDG14. During the year the Australian Government announced a \$100 million investment in an ocean leadership package. This is a commitment to protecting our oceans while investing in productivity, biodiversity, and the blue carbon habitats and ecosystems that have a role in emission reduction. Under this investment, we will expand the Our Marine Parks Grants program, help research and restore marine environments, and support the health and sustainability of waters around Australia's Indian Ocean territories.

Already, 37% (330 million hectares) of Australia's oceans are protected. Over the next 2 years we will incorporate sea Country into Indigenous Protected Areas in 9 locations. This will build economic and employment opportunities for First Nations communities.

The government is also investing \$30.6 million to restoring and accounting for blue carbon ecosystems, which will improve the health of coastal environments in Australia and around the region.

## SDG15: Life on land

We are the lead Australian Government agency for SDG15, and our threatened species work contributes to this sustainable development goal. The government announced that the \$34 million Agriculture Biodiversity Stewardship Package will be extended into 2021–22 with an additional \$32.1 million. This package supports the adoption of improved on-farm land management practices. It uses market-based mechanisms and certification systems that reward farmers for biodiversity and sustainability.

The second phase of the National Landcare Program provides more than \$1 billion to support natural resource management, sustainable agriculture and biodiversity.

We released the [National Soil Strategy](#). Our interim action plan describes the Commonwealth commitments for implementation of the strategy. This interim plan will be replaced by a national action plan in 2022. The strategy and action plan will support the health of Australia's soil and contribute to Australia's economic, environmental and social wellbeing.

## Supporting other sustainable development goals

We continued to support the Australian agencies that are leading on other SDGs. For example:

- SDG7: Affordable and clean energy.
- SDG9: Industry, innovation and infrastructure.
- SDG11: Sustainable cities and communities. Our National Environmental Science Program supports 10 environment research hubs. The Clean Air and Urban Landscapes Hub supports this goal by researching environmental quality in urban areas and ways to make cities better for people and for biodiversity. Their research on urban systems and air quality informs policy on resilient and sustainable Australian cities.
- SDG13: Climate action. The Agriculture Biodiversity Stewardship Package and the National Soil Strategy contribute to outcomes under SDG13. They support the health of biodiversity, ecosystems and carbon reservoirs.
- SDG17: Partnerships for the goals.

Further information on SDGs is on our [2030 Agenda website](#).

## Environmental impact of operations

### Minimising the impact of activities on the environment

We are committed to ensuring our operations reflect best environmental practice in a public service agency. In our department, the activities that most affect the environment are those that consume considerable resources and generate significant waste. These activities include:

- building operations and refurbishments
- information and communications technology
- stationery supplies, including paper
- operating air, sea and ground vehicles.

### Building operations and refurbishment

We comply with all relevant Commonwealth, state and territory environment-related legislation, regulations, policies and initiatives. We also promote and communicate environmental initiatives within our offices.

All new leases incorporate tenancy and building owner National Australian Built Environment Rating System (NABERS) targets. Our Marcus Clarke Street office had a NABERS rating of 4.5 stars for whole building energy and 2.5 stars for water. We are working to improve the energy performance of John Gorton Building to achieve a 3-star NABERS tenancy rating.

[Table 54](#) provides our resource use and greenhouse gas emissions in 2019–20 and 2020–21.

**Table 54** Resource use and emissions

Item	Unit	2019–20	2020–21
Stationary energy (electricity and gas)	GJ	115,580	<b>a</b>
Transport energy (fleet vehicle fuels)	GJ	16,289	16,025
Total energy use	GJ	131,869	<b>a</b>
Internal paper use	tonne	27,246	17,939
Net greenhouse gas emissions: energy use	t/CO <sub>2</sub> e	17,034	<b>a</b>

**GJ** gigajoule. **t/CO<sub>2</sub>e** carbon dioxide equivalent tonnes. **a** Data for 2020–21 is unavailable prior to finalising the annual report. The department's energy reporting is in line with the *National Greenhouse and Energy Reporting Act 2007*.

Key measures that minimise the impact of building operations and refurbishments were:

- considering environmental sustainability in purchasing decisions
- using reputable eco-labels and environmental standards in procurement to improve environmental performance at product and supplier levels
- reduced energy consumption through LED lighting and movement sensors
- energy-efficient window blinds to reduce the energy required to heat and cool buildings
- offsetting air-conditioning energy consumption in buildings with onsite solar power
- participating in Earth Hour each year to promote sustainability
- recycling and capturing stormwater where possible to flush toilets in our buildings at Marcus Clarke Street and London Circuit in Canberra
- waterless urinals, water-saving shower heads, infrared motion-activated hand basins and 4A-rated dual flush toilets to reduce our reliance on the local water supply
- offsetting grid electricity consumption with a 400-kilowatt solar array at the Australian Antarctic Division headquarters in Kingston, Tasmania.

We continue to explore opportunities to reduce grid-based electricity consumption and decarbonise energy mix through energy efficiency programs, onsite energy generation and third-party energy contracting.

We participate in the Australian Public Service's Demand Reduction Initiative. This is an effort across government agencies to reduce energy consumption. It includes reducing electricity demand when called upon during an energy emergency such as a supply shortfall during a heatwave.

## Waste management

We support good recycling practices. We provide ready access to segregated waste streams in the office environment. In our Canberra office buildings we provide separate bins for general waste, organic waste and commingled recycling. In other offices we aggregate combined paper and cardboard recyclables for collection. We have a staff-led battery recycling initiative at our Canberra buildings and in some of our regional locations. At smaller sites, where commercial waste management companies do not provide all services, we support staff-led compostable waste and soft plastic collection.

In 2020–21 our Canberra offices generated 161.42 tonnes of waste. Of this, about 50% was recycled as follows:

- 19.6 tonnes of commingled recyclables
- 29.5 tonnes of paper and cardboard
- 37.6 tonnes of organic waste.

## Information and communications technology

We have rolled out small form factor computer equipment, laptops and tablets across the department. These devices are less energy intensive and generate considerably less heat than traditional desktop tower computers. Devices are configured to standby/sleep when idle for prolonged periods. We use energy saver mode for most office equipment when not in use.

We have recommissioned the data centre air conditioning systems in our headquarters to reduce inefficient operation and improve equipment longevity.

## Stationery supplies

We are a 'paper light' office. We support digital and mobile technology, and we use electronic document management and collaboration. Where paper is needed, we use 100% recycled content paper in internal printers, photocopiers and multifunction devices.

## Air, sea and ground travel

We encourage use of technology, such as teleconference and videoconference, to reduce the need for air, sea or ground travel to attend meetings.

We procure energy-efficient vehicles in accordance with the Australian Government Fleet Vehicle Selection Policy. We then monitor fuel consumption and kilometres travelled for all fleet vehicles. We encourage drivers to purchase ethanol-blended fuel (E10).

We use electronic logbooks to monitor and manage vehicle use. This improves the efficiency of vehicle operations and reporting quality.

## Improving our measures

In 2020–21 we continued to review and report on our environmental performance and to seek ways to further improve. [Table 55](#) provides our performance against the energy efficiency in government operations (EEGO) targets.

**Table 55** Office energy performance

Measures	EEGO target	2019–20	2020–21
Office: tenant light and power (MJ per person)	7,500	9,426	<b>a</b>
Office: central services (MJ per m <sup>2</sup> )	400	420	<b>a</b>

**MJ** megajoule. **m<sup>2</sup>** square metre. **a** Data for 2020–21 is unavailable prior to finalising the annual report. Our energy reporting is in line with the National Greenhouse and Energy Reporting Act.

## Operating in Antarctica

We are dedicated to reducing the environmental implications of our Antarctic operations as far as practicable. We train our field staff and our expeditioners in sound environmental practices. We monitor our energy and water use, our greenhouse gas emissions and the amount of waste we return to Australia. [Table 56](#) compares these indicators for our operations in Antarctica for 2019–20 and 2020–21.

Generally annual variations reflect, among other things, the number and nature of projects, station populations, summer season lengths, vessels and sea ice conditions. In 2020–21 the COVID-19 pandemic significantly affected our operations in our Antarctic stations. We decreased operational capacity and limited movements. This affected our use of energy, water and waste.

Mawson station's wind turbine was not operational in 2020–21, which affected our ability to generate renewable energy.

**Table 56** Environmental impact of Australian Antarctic Division operations

Indicator	Unit of measure	2019–20	2020–21	Difference (%)
Average staffing level	FTE	125	105	–16
Electricity generated by diesel	MJ/L	21,494,152	20,922,091	–3
Renewable energy generated	MJ/L	1,678,158	0	–100
Electricity use per person	MJ/L	185,378	199,258	7
Operational diesel fuel	MJ/L	2,459,411	2,568,020	4
Marine diesel oil (shipping) <b>a</b>	MJ/L	2,481,301	3,753,622	51
Aircraft fuel	MJ/L	1,307,594	1,037,952	–21
Station greenhouse gas emissions: diesel fuel <b>b</b>	t/CO <sub>2</sub> e	7,110	7,425	4
Total greenhouse gas emissions: Antarctic operations	t/CO <sub>2</sub> e	17,917	21,181	18
Total water use	kL	6,148	5,337	–13
Liquid waste RtA – treated and disposed <b>c, d</b>	tonnes	54	8	–85
Waste RtA and sent to recycling facilities <b>d</b>	tonnes	111	15	–86
Waste RtA and sent to landfill <b>d</b>	tonnes	90	30	–67

**FTE** full-time equivalent. **MJ/L** megajoules per litre. **t/CO<sub>2</sub>e** carbon dioxide equivalent tonnes. **kL** kilolitre.

**RtA** returned to Australia. **a** Includes operational diesel fuel blended with marine gas oil and used for shipping.

**b** Adjusted for updated calculation for emissions. **c** Includes residual waste fuels recovered for industrial use.

**d** Excludes station waste returned on MPV *Everest* that has yet to be processed.



## Appendix B:

# Entity resource and outcome statements

**Table 57** Entity resource statement, 2020–21

Item	Actual available appropriation \$000 (a)	Payments made \$000 (b)	Balance remaining \$000 (a) – (b)
<b>Departmental</b>			
<b>Annual appropriations – ordinary annual services</b>			
Prior year appropriations available <b>1</b>	124,534	124,534	–
Departmental appropriation <b>1,2</b>	966,063	705,633	260,430
<i>Public Governance, Performance and Accountability Act 2013 (PGPA Act) section 74 receipts</i>	41,652	41,652	–
Departmental capital budget <b>3</b>	71,264	45,776	25,488
<b>Annual appropriations – other services – non-operating</b>			
Prior year appropriations available <b>1</b>	119,147	29,024	90,123
Equity injection <b>4</b>	65,407	9,582	55,825
<b>Total departmental annual appropriations</b>	<b>1,388,067</b>	<b>956,201</b>	<b>431,866</b>
<b>Special accounts 5</b>			
Opening balance	25,266		
Appropriation receipts	152,929		
Non-appropriation receipts	559,558		
Payments made		683,834	
<b>Total special accounts</b>	<b>737,753</b>	<b>683,834</b>	<b>53,919</b>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(152,929)	(152,929)	–
<b>Total departmental resourcing</b>	<b>1,972,891</b>	<b>1,487,106</b>	<b>485,785</b>
<b>Administered</b>			
<b>Annual appropriations – ordinary annual services</b>			
Prior year appropriations available <b>6</b>	31,148	13,413	17,735
Outcome 1 <b>2,6</b>	381,088	324,742	56,346

**Table 57** Entity resource statement, 2020–21 (continued)

Item	Actual available appropriation \$000 (a)	Payments made \$000 (b)	Balance remaining \$000 (a) – (b)
Outcome 3 <b>2,6</b>	162,283	146,978	15,305
Outcome 4 <b>2,6</b>	33,446	29,865	3,581
Outcome 5 <b>2</b>	161,798	59,325	102,473
Payments to corporate entities <b>2</b>	189,816	189,816	–
<b>Annual appropriations – other services – non-operating</b>			
Prior year appropriations available <b>6</b>	495,961	345,382	150,579
Administered assets and liabilities <b>4</b>	2,607,906	591,448	2,016,458
Payments to corporate entities <b>4</b>	50,967	50,967	–
<b>Total administered annual appropriations</b>	<b>4,114,413</b>	<b>1,751,936</b>	<b>2,362,477</b>
Total administered special appropriations	1,074,960	1,074,960	–
<b>Special accounts 5</b>			
Opening balance	1,876,361		
Appropriation receipts	222,715		
Non-appropriation receipts	435,306		
Payments made		317,976	
Total special accounts	2,534,382	317,976	2,216,406
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	(222,715)	(222,715)	–
<i>less payments to corporate entities from annual/special appropriations</i>	(654,651)	(636,516)	(18,135)
<b>Total administered resourcing</b>	<b>6,846,389</b>	<b>2,285,641</b>	<b>4,560,748</b>
<b>Total resourcing and payments for the Department of Agriculture, Water and the Environment</b>	<b>8,819,280</b>	<b>3,772,747</b>	<b>5,046,533</b>

**1** Excludes the following departmental annual appropriation amounts withheld under section 51 of the PGPA Act: Ordinary annual services – prior year appropriations available: \$2.000 million; Ordinary annual services – departmental appropriation \$5.679 million; and Other services – non-operating – prior year appropriations available: \$1.212 million. **2** Appropriation Acts (No. 1 and 3) 2020–2021, and *Supply Act (No. 1) 2020–2021*. **3** Departmental capital budgets are not separately identified in Appropriation Acts (No 1, 3 and 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'. **4** Appropriation Act (No. 2 and 4) 2020–2021 and *Supply Act (No. 2) 2020–2021*. **5** Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. **6** Excludes the following administered annual appropriation amounts administratively quarantined or withheld under section 51 of the PGPA Act: Ordinary annual services – prior year appropriations available: \$443.964 million; Ordinary annual services – Outcome 1: \$42.372 million; Ordinary annual services – outcome 3: \$5.971 million; Ordinary annual services – outcome 4: \$1.500 million; and Other services – non-operating – prior year appropriations available: \$518.643 million.

## Expenses for Outcome 1

Table 58 provides the expenses for 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, and coordination of climate change adaptation strategy and climate change science activities.

**Table 58** Expenses for Outcome 1, 2020–21

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 1.1: Sustainable Management of Natural Resources and the Environment</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Australian Marine Parks	6,500	4,301	2,199
Bushfire Recovery for Species and Landscapes	61,000	15,939	45,061
Environment Restoration Fund	51,228	36,153	15,075
Environmental Stewardship Program	9,179	9,031	148
Natural Heritage Trust	153,533	155,176	(1,643)
<i>Less special account</i>	(153,533)	(155,176)	1,643
Reef 2050 Plan	15,000	15,000	–
<i>Less special account</i>	(15,000)	(15,000)	–
<b>Special Appropriations</b>			
<i>Assistance for Severely Affected Regions (Coronavirus Economics Response Package) Act 2020 – Director of National Parks</i>	7,370	7,370	–
<i>Assistance for Severely Affected Regions (Coronavirus Economics Response Package) Act 2020 – Reef Builder</i>	20,000	20,000	–
<b>Payments to corporate entities (draw-down)</b>			
Director of National Parks	57,063	57,063	–
<b>Special account</b>			
Natural Heritage Trust of Australia Account	179,860	157,792	22,068
Reef Trust Special Account	38,196	27,356	10,840

**Table 58** Expenses for Outcome 1, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Expenses not requiring appropriation in the Budget year</b>			
Resources received free of charge – Natural Heritage Trust audit fee	–	60	(60)
Impairment loss on financial instruments	–	243	(243)
Write-down and impairment of assets	–	70	(70)
Increase in remediation provision	–	37,447	(37,447)
<b>Total for Program 1.1</b>	<b>430,396</b>	<b>372,825</b>	<b>57,571</b>
<b>Program 1.2: Environmental Information and Research</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Australian Biological Resources Study	2,030	2,020	10
Harry Butler Environment Education Centre	8,000	8,000	–
Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining	1,393	701	692
National Centre for Coasts, Environment and Climate	8,000	8,000	–
National Environmental Science Program	25,352	25,352	–
<b>Total for Program 1.2</b>	<b>44,775</b>	<b>44,073</b>	<b>702</b>
<b>Program 1.3: Commonwealth Environmental Water</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Commonwealth Environmental Water Office	52,064	52,064	–
<i>Less special account</i>	(52,064)	(52,064)	–
Murray–Darling Basin Environmental Knowledge and Research	2,500	2,500	–
<b>Special account</b>			
Environmental Water Holdings Special Account	61,772	28,334	33,438
<b>Expenses not requiring appropriation in the Budget year</b>			
Write-down and impairment of assets	–	244	(244)
<b>Total for Program 1.3</b>	<b>64,272</b>	<b>31,078</b>	<b>33,194</b>

**Table 58** Expenses for Outcome 1, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 1.4: Conservation of Australia's Heritage and Environment</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Australian Heritage Grants Program	6,054	5,589	465
<b>Payments to corporate entities (draw-down)</b>			
Sydney Harbour Federation Trust	20,584	20,584	–
<b>Total for Program 1.4</b>	<b>26,638</b>	<b>26,173</b>	<b>465</b>
<b>Program 1.5: Environmental Regulation</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
<i>Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)– Water Resources Amendment</i>	518	–	518
<b>Expenses not requiring appropriation in the Budget year</b>			
Write-down and impairment of assets	–	500	(500)
<b>Total for Program 1.5</b>	<b>518</b>	<b>500</b>	<b>18</b>
<b>Program 1.6: Management of Hazardous Wastes, Substances and Pollutants</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
National Environment Protection Council	429	475	(46)
<i>Less special account</i>	(429)	(475)	46
Per- and-Poly-Fluorinated Alkyl Substances Research Grant	1,257	1,257	–
Product Stewardship Investment Fund	8,361	3,403	4,958
Securing the Future of Jabiru Township	9,000	1,098	7,902
Surf Life Saving Cleaner Outboard Engines Scheme	250	–	250
<b>Special account</b>			
Ozone Protection & Synthetic Greenhouse Gas Account	14,711	10,890	3,821
National Environment Protection Council Special Account	680	713	(33)
<b>Expenses not requiring appropriation in the Budget year</b>			
Write-down and impairment of assets	–	25	(25)
<b>Total for Program 1.6</b>	<b>34,259</b>	<b>17,386</b>	<b>16,873</b>

**Table 58** Expenses for Outcome 1, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Outcome 1: Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act No. 1)	200,622	123,344	77,278
Special Appropriations	27,370	27,370	–
Special account	295,219	225,085	70,134
Payments to corporate entities (draw-downs)	77,647	77,647	–
Expenses not requiring appropriation in the Budget year	–	38,589	(38,589)
<b>Departmental expenses</b>			
Departmental appropriation <b>1,2</b>	281,984	236,144	45,840
Expenses not requiring appropriation in the Budget year <b>3</b>	11,793	47,350	(35,557)
<b>Total expenses for Outcome 1</b>	<b>894,635</b>	<b>775,529</b>	<b>119,106</b>
Average staffing level (number) 2020–21	1,106	1,082	

\* Original budget as presented in the *Portfolio Budget Statements 2020–21* (PBS 2020–21). **1** Departmental Appropriation combines Ordinary annual services (Appropriation Acts No. 1) and Retained Revenue Receipts under section 74 of the PGPA Act. **2** Departmental appropriation allocations are notional and reflect the current structure of the department. **3** Departmental 'Expenses not requiring appropriation in the Budget year' is made up of depreciation expenses, amortisation expense, write down and impairment of assets and resources received free of charge.

## Expenses for Outcome 2

Table 59 provides the expenses for Outcome 2: advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.

**Table 59** Expenses for Outcome 2, 2020–21

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 2.1: Antarctica: Science, Policy and Presence</b>			
<b>Administered expenses</b>			
Expenses not requiring appropriation in the Budget year	12	11	1
<b>Total for Program 2.1</b>	<b>12</b>	<b>11</b>	<b>1</b>
<b>Outcome 2: Totals by appropriation type</b>			
<b>Administered expenses</b>			
Expenses not requiring appropriation in the Budget year	12	11	1
<b>Departmental expenses</b>			
Departmental appropriation <b>1,2</b>	188,940	131,879	57,061
Expenses not requiring appropriation in the Budget year <b>3</b>	78,532	61,421	17,111
<b>Total expenses for Outcome 2</b>	<b>267,484</b>	<b>193,311</b>	<b>74,173</b>
Average staffing level (number) 2020–21	448	418	

\* Original budget as presented in the PBS 2020–21. **1** Departmental Appropriation combines Ordinary annual services (Appropriation Acts No. 1) and Retained Revenue Receipts under section 74 of the PGPA Act.

**2** Departmental appropriation allocations are notional and reflect the current structure of the department.

**3** Departmental 'Expenses not requiring appropriation in the Budget year' is made up of depreciation expenses, amortisation expense, write down and impairment of assets and resources received free of charge.

## Expenses for Outcome 3

Table 60 provides the expenses for Outcome 3: more sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.

**Table 60** Expenses for Outcome 3, 2020–21

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 3.2: Sustainable Management – Natural Resources</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Agriculture Stewardship Package	9,546	2,900	6,646
National Carp Control Plan	400	400	–
Pest Animal and Weeds Management	5,374	5,270	104
<b>Total for Program 3.2</b>	<b>15,320</b>	<b>8,570</b>	<b>6,750</b>
<b>Program 3.3: Forestry Industry</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
National Bushfire Recovery Fund – Forestry Recovery Development Fund	10,000	10,000	–
National Forestry Industries Plan	4,140	2,870	1,270
National Institute for Forest Products Innovation	800	800	–
<b>Special appropriations</b>			
<i>Forestry Marketing and Research and Development Services Act 2007 section 9(1) – payments and matching payments to an industry services body and Commonwealth administration expenses</i>	9,110	10,066	(956)
<b>Total for Program 3.3</b>	<b>24,050</b>	<b>23,736</b>	<b>314</b>
<b>Program 3.4: Fishing Industry</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Capacity Building for Fisheries Representatives	100	100	–
Fisheries Habitat Restoration	4,000	133	3,867
Fisheries Resources Research Fund	600	562	38



**Table 60** Expenses for Outcome 3, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Special appropriations</b>			
<i>Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020 – Eat Seafood Australia</i>	4,000	4,000	–
<i>Primary Industries Research and Development Act 1989 sections 30A(3) and 30B(9) – Fisheries R&amp;D Corporation</i>	22,878	24,441	(1,563)
<b>Total for Program 3.4</b>	<b>31,578</b>	<b>29,236</b>	<b>2,342</b>
<b>Program 3.5: Horticulture Industry</b>			
<b>Administered expenses</b>			
<b>Special appropriations</b>			
<i>Horticulture Marketing and Research and Development Services Act 2000 section 16(9) – payments to industry services body</i>	112,682	111,316	1,366
<b>Total for Program 3.5</b>	<b>112,682</b>	<b>111,316</b>	<b>1,366</b>
<b>Program 3.6: Wool Industry</b>			
<b>Administered expenses</b>			
<b>Special appropriations</b>			
<i>Wool Services Privatisation Act 2000 section 31(4) – funding contract with research body</i>	47,520	50,218	(2,698)
<b>Total for Program 3.6</b>	<b>47,520</b>	<b>50,218</b>	<b>(2,698)</b>
<b>Program 3.7: Grains Industry</b>			
<b>Administered expenses</b>			
<b>Special appropriations</b>			
<i>Primary Industries Research and Development Act 1989 section 30(3) – Grains R&amp;D Corporation – Other Grains</i>	88,504	106,194	(17,690)
<i>Primary Industries Research and Development Act 1989 section 30(3) – Grains R&amp;D Corporation – Wheat</i>	88,364	120,024	(31,660)
<b>Total for Program 3.7</b>	<b>176,868</b>	<b>226,218</b>	<b>(49,350)</b>
<b>Program 3.8: Dairy Industry</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Further Support for the Australian Dairy Industry	400	400	–
<b>Special appropriations</b>			
<i>Dairy Produce Act 1986 section 6(1) – payments under funding contract</i>	52,653	53,261	(608)
<b>Total for Program 3.8</b>	<b>53,053</b>	<b>53,661</b>	<b>(608)</b>

**Table 60** Expenses for Outcome 3, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 3.9: Meat and Livestock Industry</b>			
<b>Administered expenses</b>			
<b>Special appropriations</b>			
<i>Australian Meat and Live-stock Industry Act 1997</i> section 63(2) – payments to marketing body	77,294	75,541	1,753
<i>Australian Meat and Live-stock Industry Act 1997</i> section 64(2) – payments to research body	26,691	25,590	1,101
<i>Australian Meat and Live-stock Industry Act 1997</i> section 64A(2) – payments to marketing body	3,388	2,962	426
<i>Australian Meat and Live-stock Industry Act 1997</i> section 64B(2) – payments to research body	678	593	85
<i>Australian Meat and Live-stock Industry Act 1997</i> section 64C(2) – payments to marketing body	6,832	6,450	382
<i>Australian Meat and Live-stock Industry Act 1997</i> section 64D(2) – payments to research body	10,248	9,675	573
<i>Australian Meat and Live-stock Industry Act 1997</i> section 66(1) – Commonwealth contribution to research body	87,111	85,295	1,816
<i>Pig Industry Act 2001</i> section 10(1) – payments under funding contract	22,748	23,467	(719)
<b>Total for Program 3.9</b>	<b>234,990</b>	<b>229,573</b>	<b>5,417</b>
<b>Program 3.10: Agricultural Resources</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
A Competitive Agriculture Sector – boosting farm profits through rural research and development	18,500	17,769	731
A Competitive Agriculture Sector – improved access to agricultural and veterinary chemicals	2,050	2,050	–
Agricultural and Veterinary Chemicals Minor Use Program	135	135	–
AgriFutures Australia	9,358	9,358	–
Beef Week and Beef Australia	2,700	2,700	–
Changes to the Seasonal Worker Program	525	525	–
Educating Kids about Agriculture	4,000	3,250	750
National Agricultural Workforce Strategy	350	325	25

**Table 60** Expenses for Outcome 3, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
National Farm Safety Education Fund	1,000	500	500
Promoting the Importance of Bees to Agricultural Production	750	1,350	(600)
Regional Agricultural Show Development Program	20,000	19,973	27
Starting Farm Co-operatives Program	1,500	1,500	–
Wine Tourism and Cellar Door Grant	10,000	10,000	–
<b>Payments to corporate entities (draw-down)</b>			
Australian Pesticides and Veterinary Medicines Authority	1,613	1,613	–
Relocation of the Australian Pesticides and Veterinary Medicines Authority	2,787	2,787	–
<b>Special appropriations</b>			
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i> section 58(6) – amounts payable to the Australian Pesticides and Veterinary Medicines Authority	35,713	39,507	(3,794)
<i>Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020</i> – Supporting Agricultural Shows	36,335	34,746	1,589
<i>Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020</i> – Supporting Agricultural Field Days	2,690	–	2,690
<i>Egg Industry Service Provision Act 2002</i> section 8(1) – payments under funding contract	11,106	10,761	345
<i>Primary Industries Research and Development Act 1989</i> , s. 30(3) – Cotton Research and Development Corporation	4,014	4,154	(140)
<i>Primary Industries Research and Development Act 1989</i> section 30(3) – Rural Industries Research and Development Corporation	23,352	24,686	(1,334)
<i>Sugar Research and Development Services Act 2013</i> section 7 – payment to industry services body	27,979	28,108	(129)
<i>Wine Australia Act 2013</i> section 32 – payments to the Authority	30,540	31,002	(462)
PGPA Act section 77 – Repayments	–	4	(4)
<b>Expenses not requiring appropriation in the Budget year</b>			
Write-down and impairment of assets	–	1,744	(1,744)
<b>Total for Program 3.10</b>	<b>246,997</b>	<b>248,547</b>	<b>(1,550)</b>

**Table 60** Expenses for Outcome 3, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 3.11: Drought Programs</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Communities Combating Pests and Weeds	7,000	7,000	–
Future Drought Fund – Administration Costs	157	105	52
<b>Payments to corporate entities (draw-down)</b>			
Regional Investment Corporation	15,794	15,794	–
Regional Investment Corporation – Drought Loans	28,929	28,929	–
Regional Investment Corporation – Agristarter Loans	1,039	1,039	–
<b>Special account</b>			
Future Drought Resilience Special Account	100,000	64,988	35,012
<b>Expenses not requiring appropriation in the Budget year</b>			
Drought Concessional Loans Scheme – administration	127	127	–
Drought Recovery Concessional Loans Scheme – state administration	234	234	–
Farm Business Concessional Loans Scheme – discount expenses	715,541	419,626	295,915
Farm Business Concessional Loans Scheme – state administration	980	980	–
Write-down and impairment of assets	–	97	(97)
Impairment Loss on Financial Instruments	–	3,355	(3,355)
<b>Total for Program 3.11</b>	<b>869,801</b>	<b>542,274</b>	<b>327,527</b>
<b>Program 3.12: Rural Programs</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Assistance for Farmers and Farm Communities in Drought – Farm Hub	90	90	–
Rural Financial Counselling Service	26,743	25,777	966
<b>Special appropriations</b>			
<i>Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020</i> – Financial Counselling for Regional Small Business	4,785	4,785	–

**Table 60** Expenses for Outcome 3, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<i>Farm Household Support Act 2014</i> section 105 – payments for Farm Household Allowance	155,038	180,368	(25,330)
<b>Expenses not requiring appropriation in the Budget year</b>			
<i>Farm Household Support Act 2014</i> section 105 – payments for Farm Household Allowance	5,706	–	5,706
Write-down and impairment of assets	–	1,803	(1,803)
Impairment Loss on Financial Instruments	–	858	(858)
<b>Total for Program 3.12</b>	<b>192,362</b>	<b>213,681</b>	<b>(21,319)</b>
<b>Program 3.13: International Market Access</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Agriculture Trade and Market Access Cooperation Program	1,500	1,500	–
Expansion of the Agricultural Trade and Market Access program – support improved market diversification	–	4,000	(4,000)
Enhancing Industry Action on Non-Tariff Measures	100	–	100
Food and Agriculture Organization of the United Nations	15,713	15,154	559
Indonesia-Australia Red Meat and Cattle Partnership	500	500	–
International Agricultural Cooperation	4,240	–	4,240
International Organisations Contributions	1,966	2,338	(372)
<b>Expenses not requiring appropriation in the Budget year</b>			
Write-down and impairment of assets	–	7	(7)
<b>Total for Program 3.13</b>	<b>24,019</b>	<b>23,499</b>	<b>520</b>
<b>Outcome 3: Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act No. 1)	164,237	149,334	14,903
Special Appropriations	992,253	1,067,214	(74,961)
Special account	100,000	64,988	35,012
Payments to corporate entities (draw-downs)	50,162	50,162	–
Expenses not requiring appropriation in the Budget year	722,588	428,831	293,757

**Table 60** Expenses for Outcome 3, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Departmental expenses</b>			
Departmental appropriation <b>1,2</b>	132,282	158,783	(26,501)
Expenses not requiring appropriation in the Budget year <b>3</b>	3,606	24,624	(21,018)
<b>Total expenses for Outcome 3</b>	<b>2,165,128</b>	<b>1,943,936</b>	<b>221,192</b>
Average staffing level (number) 2020–21	617	687	

\* Original budget as presented in the PBS 2020–21. **1** Departmental Appropriation combines Ordinary annual services (Appropriation Acts No. 1) and Retained Revenue Receipts under section 74 of PGPA Act. **2** Departmental appropriation allocations are notional and reflect the current structure of the department. **3** Departmental 'Expenses not requiring appropriation in the Budget year' is made up of depreciation expenses, amortisation expense, write down and impairment of assets and resources received free of charge.

## Expenses for Outcome 4

Table 61 provides the expenses for Outcome 4: safeguard Australia's animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

**Table 61** Expenses for Outcome 4, 2020–21

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 4.1: Biosecurity and Export Services</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Centre of Excellence for Biosecurity Risk Analysis and Research	1,834	1,834	–
Enhancing Australia's Biosecurity System – Priority Pest and Disease Planning and Response	4,044	4,000	44
Livestock Exports Global Assurance Program	1,400	1,400	–
Modernising Agricultural Trade – Protecting Australia's Clean, Green Brand	3,000	2,988	12
Package Assisting Small Exporters	2,583	2,487	96
Priorities for Australia's Biosecurity System – Environmental Protection Officer	825	825	–

**Table 61** Expenses for Outcome 4, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
Reducing Regulatory Burden and Streamlining Audit Arrangements in the Dairy Sector	2,475	306	2,169
Stronger Farmers, Stronger Economy – improvements to access premium markets – improve biosecurity	–	143	(143)
<b>Total for Program 4.1</b>	<b>16,161</b>	<b>13,983</b>	<b>2,178</b>
<b>Program 4.2: Plant and Animal Health</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Animal Biosecurity and Response Reform	997	888	109
Commonwealth Membership of Animal Health Australia and Plant Health Australia	2,117	2,364	(247)
International Organisations Contribution – World Organisation for Animal Health	250	345	(95)
Other Exotic Disease Preparedness Program	671	662	9
Payment to CSIRO – Contribution to the operating costs of the Australian Animal Health Laboratory	8,525	8,525	–
Plant Biosecurity and Response Reform	1,402	1,402	–
Smart Fruit Fly Management – Collaborative National Approach	2,800	2,800	–
Stronger Farmers, Stronger Economy – strengthening research, skills and management of natural resources – immediate assistance fund	2,023	575	1,448
<b>Special appropriations</b>			
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996 section 5 – appropriation</i>	7,408	7,069	339
<i>Plant Health Australia (Plant Industries) Funding Act 2002 section 6 – appropriation</i>	4,291	4,971	(680)
<i>Plant Health Australia (Plant Industries) Funding Act 2002 section 10B – payments to Plant Health Australia from Emergency Plant Pest Response levies and charges</i>	2,745	3,226	(481)
<b>Expenses not requiring appropriation in the Budget year</b>			
Other expenses 1	–	351	(351)
<b>Total for Program 4.2</b>	<b>33,229</b>	<b>33,178</b>	<b>51</b>

**Table 61** Expenses for Outcome 4, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Special Accounts</b>			
Biosecurity, Imported Food and Export Certification Special Account	349,712	398,154	(48,442)
National Residue Survey Account – PGPA Act section 80 [ <i>National Residue Survey Administration Act 1992</i> section 6(1)]	11,176	11,552	(377)
<b>Outcome 4: Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act No. 1)	34,946	31,544	3,402
Special appropriations	14,444	15,266	(822)
Expenses not requiring appropriation in the Budget year	–	351	(351)
<b>Departmental expenses</b>			
Departmental appropriation <b>2,3</b>	352,546	295,271	57,275
Special Accounts	360,888	409,706	(48,818)
Expenses not requiring appropriation in the Budget year <b>4</b>	14,006	10,365	3,641
<b>Total expenses for Outcome 4</b>	<b>776,830</b>	<b>762,503</b>	<b>14,327</b>
Average staffing level (number) 2020–21	3,738	3,599	

\* Original budget as presented in the PBS 2020–21. **1** Relates to Fair value losses – Other financial Instruments.

**2** Departmental Appropriation combines Ordinary annual services (Appropriation Acts No. 1) and Retained Revenue Receipts under section 74 of the PGPA Act. **3** Departmental appropriation allocations are notional and reflect the current structure of the department. **4** Departmental 'Expenses not requiring appropriation in the Budget year' is made up of depreciation expenses, amortisation expense, write down and impairment of assets and resources received free of charge.



## Expenses for Outcome 5

Table 62 provides the expenses for Outcome 5: improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.

**Table 62** Expenses for Outcome 5, 2020–21

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Program 5.1: Water Reform</b>			
<b>Administered expenses</b>			
<b>Ordinary annual services (Appropriation Act No. 1)</b>			
Commonwealth Contribution under the Murray–Darling Basin Agreement	13,913	12,560	1,353
Sustainable Rural Water Use and Infrastructure Program	147,885	47,643	100,242
<b>Payments to corporate entities (draw-down)</b>			
Murray–Darling Basin Authority	44,756	44,766	(10)
Murray–Darling Basin Authority – Murray–Darling Communities Investment Package	8,628	8,628	–
Murray–Darling Basin Authority – Strengthening Compliance in the Murray–Darling Basin	8,613	8,613	–
<b>Special Accounts</b>			
Water Efficiency Labelling Scheme Account	2,038	2,025	13
Water for the Environment Special Account	121,555	43,845	77,710
Water Resources Special Account	510	293	217
Expenses not requiring appropriation in the Budget year	7,759	7,923	(164)
Write-down and impairment of assets	–	1,059	(1,059)
<b>Total for Program 5.1</b>	<b>355,657</b>	<b>177,355</b>	<b>178,302</b>

**Table 62** Expenses for Outcome 5, 2020–21 (continued)

Item	Budget* \$000 (a)	Actual Expenses \$000 (b)	Variation \$000 (a)–(b)
<b>Outcome 5: Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act No. 1)	161,798	60,203	101,595
Payments to corporate entities (draw-downs)	61,997	62,007	(10)
Special accounts	124,103	46,163	77,940
Expenses not requiring appropriation in the Budget year	7,759	8,982	(1,223)
<b>Departmental expenses</b>			
Departmental appropriation <b>1,2</b>	39,348	32,255	7,093
Expenses not requiring appropriation in the Budget year <b>3</b>	560	1,919	(1,359)
<b>Total expenses for Outcome 5</b>	<b>395,565</b>	<b>211,529</b>	<b>184,036</b>
Average staffing level (number) 2020–21	138	123	

\* Original budget as presented in the *PBS 2020–21*. **1** Departmental Appropriation combines Ordinary annual services (Appropriation Acts No. 1) and Retained Revenue Receipts under section 74 of the PGPA Act. **2** Departmental appropriation allocations are notional and reflect the current structure of the department. **3** Departmental 'Expenses not requiring appropriation in the Budget year' is made up of depreciation expenses, amortisation expense, write down and impairment of assets and resources received free of charge.

## Appendix C:

# Human resources statistics

This appendix provides the human resources statistics for our department. It includes Parks Australia and staff on leave without pay, but excludes statutory appointed positions.

### All employees

**Table 63** All ongoing employees, 2020–21

Jurisdiction	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	329	36	365	213	93	306	0	0	0	671
Qld	292	30	322	167	89	256	0	0	0	578
SA	82	15	97	37	18	55	0	0	0	152
Tas	164	9	173	90	44	134	0	1	1	308
Vic	284	23	307	178	78	256	0	0	0	563
WA	127	6	133	74	46	120	0	0	0	253
ACT	1,250	102	1,352	1,714	551	2,265	9	3	12	3,629
NT	78	6	84	49	11	60	0	0	0	144
External territories <sup>a</sup>	15	0	15	6	2	8	0	0	0	23
Overseas	14	0	14	6	0	6	0	0	0	20
<b>Total</b>	<b>2,635</b>	<b>227</b>	<b>2,862</b>	<b>2,534</b>	<b>932</b>	<b>3,466</b>	<b>9</b>	<b>4</b>	<b>13</b>	<b>6,341</b>

<sup>a</sup> Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

**Table 64** All non-ongoing employees, 2020–21

Jurisdiction	Male				Female				Indeterminate				Total
	Full-time	Part-time	Casual	Total male	Full-time	Part-time	Casual	Total female	Full-time	Part-time	Casual	Total indeterminate	
NSW	10	2	34	46	11	3	16	30	0	0	0	0	76
Qld	15	3	23	41	9	7	10	26	0	0	1	1	68
SA	0	0	10	10	0	1	2	3	0	0	0	0	13
Tas	31	5	11	47	22	9	5	36	0	0	0	0	83
Vic	18	2	22	42	17	2	10	29	0	0	0	0	71
WA	3	0	17	20	4	1	22	27	0	0	0	0	47
ACT	31	6	16	53	44	28	41	113	0	0	1	1	167
NT	15	2	50	67	18	2	66	86	0	0	2	2	155
External territories <sup>a</sup>	69	1	4	74	11	1	0	12	0	0	0	0	86
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>192</b>	<b>21</b>	<b>187</b>	<b>400</b>	<b>136</b>	<b>54</b>	<b>172</b>	<b>362</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>766</b>

<sup>a</sup> Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

**Table 65** All ongoing employees, 2019–20

Jurisdiction	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	338	38	376	191	114	305	0	0	0	681
Qld	300	32	332	172	86	258	0	0	0	590
SA	89	14	103	42	20	62	0	0	0	165
Tas	157	9	166	90	39	129	0	0	0	295
Vic	304	22	326	201	79	280	0	0	0	606
WA	137	5	142	82	42	124	0	0	0	266
ACT	1,218	118	1,336	1,599	530	2,129	4	1	5	3,470
NT	77	7	84	54	12	66	0	0	0	150
External territories <sup>a</sup>	17	2	19	10	3	13	0	0	0	32
Overseas	9	0	9	9	0	9	0	0	0	18
<b>Total</b>	<b>2,646</b>	<b>247</b>	<b>2,893</b>	<b>2,450</b>	<b>925</b>	<b>3,375</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>6,273</b>

<sup>a</sup> Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

**Table 66** All non-ongoing employees, 2019–20

Jurisdiction	Male				Female				Indeterminate				Total
	Full-time	Part-time	Casual	Total male	Full-time	Part-time	Casual	Total female	Full-time	Part-time	Casual	Total indeterminate	
NSW	12	1	41	54	10	1	24	35	0	0	0	0	89
Qld	22	4	34	60	11	6	19	36	0	0	0	0	96
SA	0	0	15	15	1	0	4	5	0	0	0	0	20
Tas	33	5	8	46	23	9	3	35	0	0	0	0	81
Vic	22	6	28	56	21	16	13	50	0	0	0	0	106
WA	3	0	10	13	4	0	22	26	0	0	0	0	39
ACT	41	11	29	81	69	30	49	148	0	0	1	1	230
NT	13	2	88	103	9	7	96	112	0	0	1	1	216
External territories <sup>a</sup>	73	1	10	84	6	1	5	12	0	0	0	0	96
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>219</b>	<b>30</b>	<b>263</b>	<b>512</b>	<b>154</b>	<b>70</b>	<b>235</b>	<b>459</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>973</b>

<sup>a</sup> Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

## Classification and gender

**Table 67** APS Act ongoing employees, classification and gender, 2020–21

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	9	0	9	4	0	4	0	0	0	13
SES 2 <b>a</b>	19	0	19	22	0	22	0	0	0	41
SES 1	67	0	67	61	5	66	0	0	0	133
EL 2	374	18	392	335	61	396	1	0	1	789
EL 1	569	41	610	598	239	837	2	0	2	1,449
APS 6 <b>b</b>	552	54	606	622	227	849	2	2	4	1,459
APS 5 <b>c</b>	311	19	330	394	127	521	3	0	3	854
APS 4 <b>d</b>	627	68	695	420	212	632	1	2	3	1330
APS 3 <b>e</b>	88	25	113	66	58	124	0	0	0	237
APS 2	16	0	16	9	3	12	0	0	0	28
APS 1	3	2	5	3	0	3	0	0	0	8
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2,635</b>	<b>227</b>	<b>2862</b>	<b>2,534</b>	<b>932</b>	<b>3,466</b>	<b>9</b>	<b>4</b>	<b>13</b>	<b>6,341</b>

**a** Includes Chief of Division Grade 1 (classification of the Chief Scientist in Australian Antarctic Division). **b** Includes APS Meat Inspector 4 and DAFF Band 2 Work Level 6B. **c** Includes APS Meat Inspector 3. **d** Includes APS Meat Inspector 2. **e** Includes graduates.

**Table 68** APS Act non-ongoing employees, classification and gender, 2020–21

Classification	Male				Female				Indeterminate				Total
	Full-time	Part-time	Casual	Total male	Full-time	Part-time	Casual	Total female	Full-time	Part-time	Casual	Total indeterminate	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	1	0	1	2	0	0	0	0	0	0	0	0	2
SES 1	0	0	1	1	1	0	0	1	0	0	0	0	2
EL 2	10	3	3	16	10	4	2	16	0	0	0	0	32
EL 1	19	2	2	23	10	8	0	18	0	0	0	0	41
APS 6	34	3	31	68	25	9	20	54	0	0	0	0	122
APS 5	30	1	3	34	27	8	1	36	0	0	0	0	70
APS 4 a	49	5	69	123	50	13	46	109	0	0	0	0	232
APS 3	45	7	36	88	10	9	54	73	0	0	1	1	162
APS 2	2	0	6	8	0	3	3	6	0	0	1	1	15
APS 1	2	0	35	37	3	0	46	49	0	0	2	2	88
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>192</b>	<b>21</b>	<b>187</b>	<b>400</b>	<b>136</b>	<b>54</b>	<b>172</b>	<b>362</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>766</b>

a Includes APS Meat Inspector 2.



**Table 69** APS Act ongoing employees, classification and gender, 2019–20

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	7	0	7	4	0	4	0	0	0	11
SES 2 <b>a</b>	20	0	20	18	0	18	0	0	0	38
SES 1	64	1	65	61	2	63	0	0	0	128
EL 2	342	18	360	271	61	332	0	0	0	692
EL 1	553	50	603	534	223	757	0	0	0	1,360
APS 6 <b>b</b>	572	53	625	631	225	856	1	0	1	1,482
APS 5 <b>c</b>	292	24	316	386	131	517	1	0	1	834
APS 4 <b>d</b>	677	68	745	451	217	668	1	1	2	1,415
APS 3 <b>e</b>	102	31	133	85	63	148	1	0	1	282
APS 2	16	0	16	5	3	8	0	0	0	24
APS 1	1	2	3	4	0	4	0	0	0	7
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2,646</b>	<b>247</b>	<b>2,893</b>	<b>2,450</b>	<b>925</b>	<b>3,375</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>6,273</b>

**a** Includes Chief of Division Grade 1 (classification of the Chief Scientist in Australian Antarctic Division). **b** Includes APS Meat Inspector 4 and DAFF Band 2 Work Level 6B. **c** Includes APS Meat Inspector 3. **d** Includes APS Meat Inspector 2. **e** Includes graduates.

**Table 70** APS Act non-ongoing employees, classification and gender, 2019–20

Classification	Male				Female				Indeterminate				Total
	Full-time	Part-time	Casual	Total male	Full-time	Part-time	Casual	Total female	Full-time	Part-time	Casual	Total indeterminate	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	1	1	1	3	0	0	0	0	0	0	0	0	3
SES 1	1	0	1	2	0	0	0	0	0	0	0	0	2
EL 2	5	2	1	8	9	3	2	14	0	0	0	0	22
EL 1	21	3	0	24	18	2	0	20	0	0	0	0	44
APS 6	42	5	34	81	33	11	22	66	0	0	0	0	147
APS 5	27	2	1	30	21	10	2	33	0	0	0	0	63
APS 4 a	66	8	99	173	65	20	64	149	0	0	0	0	322
APS 3	53	8	46	107	7	15	72	94	0	0	0	0	201
APS 2	3	0	5	8	1	3	4	8	0	0	0	0	16
APS 1	0	1	75	76	0	6	69	75	0	0	2	2	153
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>219</b>	<b>30</b>	<b>263</b>	<b>512</b>	<b>154</b>	<b>70</b>	<b>235</b>	<b>459</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>973</b>

a Includes APS Meat Inspector 2.

## Employment type by full-time, part-time and casual status

**Table 71** APS Act employees by full-time, part-time and casual status, 2020–21

Classification	Ongoing			Non-ongoing				Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Casual	Total non-ongoing	
SES 3	13	0	13	0	0	0	0	13
SES 2 <b>a</b>	41	0	41	1	0	1	2	43
SES 1	128	5	133	1	0	1	2	135
EL 2	710	79	789	20	7	5	32	821
EL 1	1,169	280	1,449	29	10	2	41	1,490
APS 6 <b>b</b>	1,176	283	1,459	59	12	51	122	1,581
APS 5 <b>c</b>	708	146	854	57	9	4	70	924
APS 4 <b>d</b>	1,048	282	1,330	99	18	115	232	1,562
APS 3 <b>e</b>	154	83	237	55	16	91	162	399
APS 2	25	3	28	2	3	10	15	43
APS 1	6	2	8	5	0	83	88	96
Other	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5,178</b>	<b>1,163</b>	<b>6,341</b>	<b>328</b>	<b>75</b>	<b>363</b>	<b>766</b>	<b>7,107</b>

**a** Includes Chief of Division Grade 1 (classification of the Chief Scientist in Australian Antarctic Division). **b** Includes APS Meat Inspector 4 and DAFF Band 2 Work Level 6B. **c** Includes APS Meat Inspector 3. **d** Includes APS Meat Inspector 2. **e** Includes graduates.

**Table 72** APS Act employees by full-time, part-time and casual status, 2019–20

Classification	Ongoing			Non-ongoing			Total non-ongoing	Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Casual		
SES 3	11	0	11	0	0	0	0	11
SES 2 <b>a</b>	38	0	38	1	1	1	3	41
SES 1	125	3	128	1	0	1	2	130
EL 2	613	79	692	14	5	3	22	714
EL 1	1,087	273	1,360	39	5	0	44	1,404
APS 6 <b>b</b>	1,204	278	1,482	75	16	56	147	1,629
APS 5 <b>c</b>	679	155	834	48	12	3	63	897
APS 4 <b>d</b>	1,129	286	1,415	131	28	163	322	1,737
APS 3 <b>e</b>	188	94	282	60	23	118	201	483
APS 2	21	3	24	4	3	9	16	40
APS 1	5	2	7	0	7	146	153	160
Other	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5,100</b>	<b>1,173</b>	<b>6,273</b>	<b>373</b>	<b>100</b>	<b>500</b>	<b>973</b>	<b>7,246</b>

**a** Includes Chief of Division Grade 1 (classification of the Chief Scientist in Australian Antarctic Division). **b** Includes APS Meat Inspector 4 and DAFF Band 2 Work Level 6B. **c** Includes APS Meat Inspector 3. **d** Includes APS Meat Inspector 2. **e** Includes graduates.

## Employment type by location

**Table 73** APS Act employment type by location, 2020–21

Jurisdiction	Ongoing	Non-ongoing	Total
NSW	671	76	747
Qld	578	68	646
SA	152	13	165
Tas	308	83	391
Vic	563	71	634
WA	253	47	300
ACT	3,629	167	3,796
NT	144	155	299
External territories <sup>a</sup>	23	86	109
Overseas	20	0	20
<b>Total</b>	<b>6,341</b>	<b>766</b>	<b>7,107</b>

<sup>a</sup> Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

**Table 74** APS Act employment type by location, 2019–20

Jurisdiction	Ongoing	Non-ongoing	Total
NSW	681	89	770
Qld	590	96	686
SA	165	20	185
Tas	295	81	376
Vic	606	106	712
WA	266	39	305
ACT	3,470	230	3,700
NT	150	216	366
External territories <sup>a</sup>	32	96	128
Overseas	18	0	18
<b>Total</b>	<b>6,273</b>	<b>973</b>	<b>7,246</b>

<sup>a</sup> Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

## Indigenous employment

**Table 75** APS Act Indigenous employment, 2020–21

Type	Total
Ongoing	197
Non-ongoing	113
<b>Total</b>	<b>310</b>

**Table 76** APS Act Indigenous employment, 2019–20

Type	Total
Ongoing	177
Non-ongoing	179
<b>Total</b>	<b>356</b>

## Employment arrangements of SES and non-SES employees

**Table 77** APS Act employment arrangements, 2020–21

Arrangement	SES	Non-SES	Total
Department of the Environment and Energy Enterprise Agreement	0	6,755	6,755
Department of Agriculture and Water Resources Meat Inspector Enterprise Agreement	0	195	195
Section 24(1) determinations	158 <sup>a</sup>	0	158
<b>Total</b>	<b>158</b>	<b>6,950</b>	<b>7,108</b>

<sup>a</sup> Includes the Director of National Parks substantive position.

## Salary ranges

**Table 78** APS Act employment salary ranges by classification, 2020–21

Classification	Minimum salary (\$)	Maximum salary (\$)
SES 3	335,683	397,102
SES 2	255,117	320,899
SES 1	196,103	250,170
EL 2 <b>a</b>	129,562	237,813
EL 1 <b>a</b>	110,092	156,609
APS 6 <b>a</b>	84,150	118,608
APS 5 <b>a</b>	74,765	88,631
APS 4 <b>a</b>	68,534	82,752
APS 3 <b>a</b>	60,791	77,231
APS 2 <b>a</b>	53,501	63,842
APS 1	46,594	53,501
Other	n/a	n/a
<b>Minimum/maximum range</b>	<b>46,594</b>	<b>397,102</b>

Notes: The maintenance of employee salary on commencement from another APS agency or salaries negotiated through individual flexibility arrangements can exceed the salary ranges for non-SES classifications. **n/a** not applicable. **a** These ranges include pay points available in limited circumstances to employees meeting specialist requirements.

## Performance pay

In 2020–21 we did not provide performance pay to any employees.

## Non-salary benefits

Non-salary benefits provided to our employees were:

- SES Band 3. Superannuation and car parking is part of the remuneration package.
- SES Band 1 and 2. Superannuation is part of the remuneration package.
- Non-SES officers. Superannuation is part of the remuneration package. In exceptional cases, employees may have private use of a Commonwealth vehicle where it is deemed necessary for the performance of their duties.

## Appendix D:

# Executive remuneration

**Table 79** Information about remuneration for key management personnel

Short-term benefits			Post-employment benefits			Other long-term benefits			
Name	Position Title	Base salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)	Superannuation contributions (\$)	Long service leave (\$)	Other long-term benefits (\$)	Termination benefits (\$)	Total remuneration (\$)
Andrew Metcalfe	Secretary	850,325	0	4,026	23,632	12,457	0	0	890,440
Andrew Tongue	Deputy secretary	401,111	0	3,905	75,203	9,792	0	0	490,011
Christopher Locke	Deputy secretary	93,071	0	0	16,583	2,091	0	0	111,745
Cindy Briscoe	Deputy secretary	386,730	0	1,686	70,610	9,530	0	0	468,556
David Hazlehurst	Deputy secretary	383,727	0	0	72,726	9,529	0	0	465,981
Dean Knudson	Deputy secretary	301,948	0	548	41,505	6,838	0	0	350,839
James Larsen a	Deputy secretary	366,533	0	626	57,845	6,005	0	0	431,009
James Tregurtha	Deputy secretary	88,586	0	506	13,011	1,990	0	0	104,092
Lyn O'Connell	Deputy secretary	379,321	0	4,009	69,831	9,530	0	0	462,691
Matthew Cahill	Deputy secretary	21,679	0	233	1,701	783	0	0	24,396
Rosemary Deininger	Deputy secretary	394,139	0	2,152	69,851	9,530	0	0	475,671

<sup>a</sup> Occupied deputy secretary and Director of National Parks positions between 10 August 2020 and 28 February 2021, and remunerated as a deputy secretary during this period.



**Table 80** Information about remuneration for senior executives

Remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits			Other long-term benefits			Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)			
\$0 – \$220,000	51	72,476	0	649	19,054	-1,257	0	7,153	98,075			
\$220,001 – \$245,000	13	181,658	0	0	34,598	14,680	0	0	230,936			
\$245,001 – \$270,000	14	187,718	0	0	37,528	8,447	0	23,518	257,211			
\$270,001 – \$295,000	13	215,766	0	0	37,625	26,758	0	0	280,149			
\$295,001 – \$320,000	21	203,221	0	472	39,949	60,641	0	7,356	311,639			
\$320,001 – \$345,000	24	224,707	0	37	41,680	65,078	0	0	331,503			
\$345,001 – \$370,000	15	238,616	0	772	45,588	53,942	0	15,335	354,253			
\$370,001 – \$395,000	6	253,916	0	0	49,104	82,471	0	0	385,490			
\$395,001 – \$420,000	7	241,514	0	42,347	47,420	76,336	0	0	407,617			
\$420,001 – \$445,000	4	252,416	0	26,552	47,753	75,103	0	33,238	435,063			
\$445,001 – \$470,000	1	215,551	0	130,919	41,970	66,973	0	0	455,413			
\$470,001 – \$495,000	1	218,119	0	151,689	40,416	66,973	0	0	477,197			
\$495,001 – \$520,000	1	142,073	0	0	43,095	15,646	0	297,844	498,658			

**Table 81** Information about remuneration for other highly paid staff

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 (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)			
\$230,001 – \$245,000	17	160,708	0	1,150	30,361	42,991	0	0	0	0	235,210
\$245,001 – \$270,000	6	175,722	0	279	30,405	45,518	0	0	0	0	251,924
\$270,001 – \$295,000	5	177,478	0	31,286	31,405	47,127	0	0	0	0	287,296
\$295,001 – \$320,000	3	148,829	0	77,713	31,817	45,160	0	0	0	0	303,518
\$320,001 – \$345,000	3	149,651	0	112,682	27,271	45,160	0	0	0	0	334,764
\$345,001 – \$370,000	1	156,570	0	114,973	31,992	45,160	0	0	0	0	348,695
\$370,001 – \$395,000	2	150,124	0	161,506	27,478	43,488	0	0	0	0	382,596
\$395,001 – \$420,000	1	160,411	0	166,213	28,518	45,340	0	0	0	0	400,481
\$420,001 – \$445,000	1	123,458	0	13,561	20,450	263,166	0	0	0	0	420,635

## Appendix E:

# Service standards

**Table 82** Service standards, client contact services, 2020–21

Service standard description	Target	Result
For calls received through the national contact number 1800 900 090 we will answer your call within 5 minutes.	80% of calls are answered within our service standard.	73% <sup>a</sup>
Correspondence by online forms. For general enquiries received through the department's online contact form we will provide immediate confirmation of receipt and respond to your request within 10 business days of receipt.  If we cannot fully answer your query in that time we will advise you of when a complete response can be expected. Wherever possible, we will respond earlier. For some services, such as permit and grant applications, specific service standards may exist.	80% of requests are answered within our service standard.	87%
Bookings by phone/email. We will confirm your booking request, cancellation of amendment within one business day.	95% of bookings are confirmed within our service standard.	100%

<sup>a</sup> Not achieved due to a 12% increase in calls, mainly on documentation processing wait times.

**Table 83** Service standards, import services, 2020–21

Service standard description	Target	Result
Inspection of goods at an approved premises. We will provide this service within 3 business days of confirmation of your scheduled appointment. During periods of significant short-term increases in trade activity, there may be delays. If this is the case, we will consult you to agree on a mutually suitable time for your appointment.	95% of inspections to be provided within our service standard.	94% <b>a</b>
Treatments. We will provide you or your representative with treatment direction within 2 business days after an inspection. The time we take to process your goods depends on the nature of treatment or the mandatory duration of quarantine periods.	95% of treatments are conducted within our service standard.	91% <b>b</b>
Inspection of non-commercial vessels. On arrival at a port at which the department has a permanent staff presence, we will aim to provide an initial inspection within one business day from you advising the department of your arrival. In periods of increased arrivals, such as regattas, the time to attend an inspection may be slightly longer.	95% of inspections to be provided within our service standard.	98%
Assess/issue import documentation lodged via Cargo Online Lodgement System (COLS). We will process your lodgement within 1 business day of receipt for urgent items. Non-urgent items will be processed within 2 business days of receipt. Lodgement processing may take longer if: <ul style="list-style-type: none"> <li>• they require policy advice</li> <li>• incomplete or incorrect information is provided</li> <li>• additional information is required to continue the assessment (applicants will be notified of this by the assessing officers).</li> </ul>	80% of assessments are processed within our service standard.	Urgent: 83% Non-urgent: 65% <b>c</b>

**Table 83** Service standards, import services, 2020–21 (continued)

Service standard description	Target	Result
<p>Assess/issue import documentation lodged via email. We will process your lodgement within 3 business day of receipt. Lodgement processing may take longer if:</p> <ul style="list-style-type: none"> <li>• they require policy advice</li> <li>• incomplete or incorrect information is provided</li> <li>• additional information is required to continue the assessment (applicants will be notified of this by the assessing officers).</li> </ul> <p>Email lodgement is to be used only for items listed as per industry notice 20–2016.</p>	80% of assessments are processed within our service standard.	96%
<p>Attendance in-office for clearing of imported or exported goods. We aim to attend to you within 30 minutes of you arriving at the office. During peak periods throughout a business day and when there are significant short-term increases in trade activity, there may be delays in our larger offices. You can expect to spend about 15 minutes with a departmental officer for each standard transaction that is accompanied by valid documentation. Urgent and non-commercial client personal effects will be considered higher priority.</p>	80% of clearances are processed within our service standard.	Unable to measure <b>d</b>
<p>Import permits – applications using BICON. We will issue import permits within 20 business days of completed applications being received and paid for in full. Applications may take longer if:</p> <ul style="list-style-type: none"> <li>• they require technical assessment</li> <li>• incomplete or incorrect information is provided by the applicant</li> <li>• additional information is required to continue the assessment (applicants will be notified of this by the assessing officers)</li> <li>• it is a novel product or has been prepared in a novel manner.</li> </ul>	90% of import permits are issued within our service standard.	83%

**a** Results varied across locations (91% in New South Wales, 90% in Victoria, and service standard achieved in all other states). The results were marginally below the service standard despite significant increases in workload, managing the response to khapra beetle, diversion of cargo from major ports due to industry action, resourcing for offshore clearance of military, resourcing for assistance to South Australia for management of fruit fly in the Riverland region. **b** Some factors are outside of our control, such as reliance on the importer or their agent to advise of their preferred treatment option within the required time frame following inspection. **c** 50% of late lodgements were categorised as urgent, partly because the client lodged one business day or less from the estimated date of arrival. This meant available resourcing was dedicated to processing the urgent lodgements. We have improved management of non-urgent lodgements and clients lodging further in advance and are making related refinements to COLS. **d** We no longer record results for this standard because of the decommissioning of old technology. From May 2021 we temporarily ceased client-facing import document assessments. We continued front counter services for export document assessments.

**Table 84** Service standards, export services, 2020–21

Service standard description	Target	Result
Inspection of goods at an export-registered establishment. We will aim to provide an officer to inspect goods at an export-registered establishment within 3 business days of your request for an appointment. Inspection times are based on availability so we may be able to provide the service within a shorter time frame.	95% of inspections are provided within our service standard.	99%
Inspection of goods for airfreight exports. We will aim to provide an inspection for goods exported by airfreight within 24 hours of your request for an appointment. During periods of increased trade activity, there may be delays in meeting your requested inspection time.	95% of inspections are provided within our service standard.	96%
Inspection of goods for sea freight exports. We will aim to provide an inspection for goods exported by sea freight within 24 hours of your request for an appointment. During periods of increased trade activity, there may be delays in meeting your requested inspection time.	95% of inspections are provided within our service standard.	99%
Inspection of bulk vessels for export appointment. We will aim to provide a physical inspection within 3 business days of a confirmed appointment.	95% of inspections are provided within our service standard.	99%
Assess/issue export documentation. We will process your lodgement within one business day for airfreight. We will process your lodgement within 3 business days for sea freight.	95% of assessments are processed within our service standard.	Air: 92% Sea: 57% <b>a</b>
Plant export authorised officer application – application assessment. When an application is received and the application fee has been paid, we will aim to assess your application within 15 business days.	90% of application assessments are processed within our service standard.	75% <b>b</b>
Plant export authorised officer application – Deed of Obligations. When an assessment tool that has a competent result is received, we will require a further 10 business days to process an invoice for the appointment fee.	90% of requests are processed within our service standard.	100%
Plant export authorised officer application – Instrument of Appointment. When all training, assessment and further documentation have been completed and all fees have been paid, we will require a further 10 business days to provide the Instrument of Appointment.	90% of Instruments of Appointment are issued within our service standard.	100%

**a** We consistently met standards except for December 2020 to early April 2021. In this period grain exports were significantly higher than forecast because of excellent growing conditions. **b** As part of the implementation of the new export legislation in March 2021, we have introduced fit and proper person tests. These tests are in-depth and take longer than 15 business days to complete. We are reviewing the suitability of a 15-day service standard for this item, recognising we depend on other agencies to complete the fit and proper person tests.

**Table 85** Service standards, live animal export services, 2020–21

Service standard description	Target	Result
<p>Inspection of goods – registered establishment, approved premises, airside or vessel. We will:</p> <ul style="list-style-type: none"> <li>• service an appointment made 3 business days prior to the required inspection</li> <li>• only conduct inspections in well-lit areas.</li> </ul> <p>Wherever reasonable, we will seek to accommodate bookings and changes made inside the 3 business days period. However, we cannot guarantee that we will be able to service this request.</p> <p>Fees may apply for changing or cancelling an appointment/inspection as per the current charging guidelines.</p>	95% of inspections are conducted within our service standard.	98%
<p>Assess/issue export documents for live animals. We will:</p> <ul style="list-style-type: none"> <li>• assess your documents during our standard hours of service (6:30 am to 6:30 pm)</li> <li>• advise you as soon as practical if there are missing, incomplete, incorrect or ineligible documents.</li> </ul>	95% export documents are processed within our service standard.	98%
<p>Application for (or renewal of) an export licence or variation of an export licence. We will:</p> <ul style="list-style-type: none"> <li>• assess and decide on your application within 40 business days of receiving it</li> <li>• advise you as soon as practical if there are missing, incomplete, incorrect or ineligible documents.</li> </ul> <p>Wherever possible, we will respond earlier, however the complexity of the application and the volume of applications being processed will increase processing time.</p>	90% of export licences are processed within our service standard.	75% <b>a</b>
<p>Registering, varying or renewing a registered establishment. We will:</p> <ul style="list-style-type: none"> <li>• assess and make a decision on your application within 40 business days of receiving it</li> <li>• advise you as soon as practical if there are missing, incomplete, incorrect or ineligible documents.</li> </ul> <p>Wherever possible, we will respond earlier, however the complexity of the application and the volume of applications being processed will increase processing time.</p>	90% of registrations and renewals are processed within our service standard.	80% <b>a</b>

**Table 85** Service standards, live animal export services, 2020–21 (continued)

Service standard description	Target	Result
<p>Registration of accredited veterinarians for livestock export. We will:</p> <ul style="list-style-type: none"> <li>• assess and decide on your application within 10 business days of receipt</li> <li>• advise you as soon as practical if there are missing, incomplete, incorrect or ineligible documents.</li> </ul>	90% of registrations are processed within our service standard.	83% <b>a</b>
<p>Applying for or renewing an approved arrangement and/or approved export program. We will:</p> <ul style="list-style-type: none"> <li>• assess your application, audit your business and decide within 40 business days of receiving it</li> <li>• advise you as soon as practical if there are missing, incomplete, incorrect or ineligible documents</li> <li>• give you at least 5 business days' notice of your audit.</li> </ul>	90% of applications are processed within our service standard.	33% <b>a</b>
<p>Applying for a variation to an approved arrangement and/or approved export program. We will:</p> <ul style="list-style-type: none"> <li>• assess and decide on your application within 20 business days of receiving it</li> <li>• contact you as soon as practical if there are missing, incomplete, incorrect or ineligible documents.</li> </ul> <p>Applications for variations which include more than 5 standard export plans (SEP) will wherever possible be assessed and a decision made within 20 business days of receipt.</p> <p>However, due to the many possible variables and complexities involved, the department reserves the right to vary the time frame according to the quantity and complexity of SEPs.</p>	90% of applications are processed within our service standard.	83% <b>a</b>
Submitting a notice of intention (NOI) without an approved arrangement. We will decide on your application within 10 business days of receipt of a complete application. Variations that require reassessment will be assessed and decided on within 7 business days of receipt.	95% of NOIs are processed within our service standard.	100%
<p>Submitting an NOI with an approved arrangement. We will:</p> <ul style="list-style-type: none"> <li>• assess and approve or reject NOIs for consignments under approved arrangements within 3 business days of receipt.</li> </ul>	95% of NOIs are processed within our service standard.	77% <b>b</b>
<p>Exporter Supply Chain Assurance System (ESCAS) applications and variations. New ESCAS applications – Assess and make a decision on the application within 10 business days of receipt. ESCAS Variations – Assess and make a decision on the application within 10 business days of receipt.</p>	90% of applications and variations are processed within our service standard.	Applications: 48% Variations: 79%



**Table 85** Service standards, live animal export services, 2020–21 (continued)

Service standard description	Target	Result
Non-compliance reported by a third party. We will assess and decide on a reported non-compliance within: <ul style="list-style-type: none"> <li>• 3 months if it involves a single compliance issue for one exporter</li> <li>• 6 months if it involves multiple issues or exporters. <b>c</b></li> </ul>	90% of investigations are completed within our service standard.	Single: n/a <b>d</b> Multiple: 50%
Assess self-reported non-conformances. We will: <ul style="list-style-type: none"> <li>• assess and decide on a reported non-compliance within 3 months <b>c</b></li> <li>• advise exported as soon as practical if there is missing, incomplete or incorrect information</li> <li>• advise exporters as soon as practical of regulatory action/s to be applied as the result of an assessment</li> </ul>	90% of non-compliance are processed within our service standard.	70%

Notes: We work with each applicant so their application can be recommended for approval wherever possible. Some applications require significant amendments and revisions which may take time. Some applications may be delayed while importing country requirements are negotiated or clarified. In every case, we advised on any incomplete, incorrect or ineligible documents as soon as practicable. **n/a** not applicable. **a** Does not include irregular applications, such as those made for the implementation of the Australian Standards for the Export of Livestock. To ensure trade was not affected, these were processed differently because of volume and complexity. Resources dedicated to the implementation of standards and new legislation impacted service delivery times for regular applications. **b** Increased engagement with trading partners due to COVID-19 affected service delivery. **c** Time frames are calculated between date of receipt and date of publication. ESCAS reports are published quarterly. The report may have been finalised, or a decision made, prior to its publication. **d** No reports meeting this definition were received during the reporting period.

**Table 86** Service standards, notifiable mortality incidents, 2020–21

Service standard description	Target	Result
Assess and report on a notifiable mortality incident within 6 months. Within the 6-month period the department will: <ul style="list-style-type: none"> <li>• provide relevant exporter with details of the notifiable mortality incident</li> <li>• advise exporters as soon as practical if there is missing, incomplete or incorrect information</li> <li>• advise exporters as soon as practical of any regulatory action/s to be applied as a result of the assessment.</li> </ul>	90% processed within our service standard.	0%

Note: Regulatory actions are not dependent on publishing reports. Where significant issues or non-compliances are identified they are addressed immediately and well ahead of publication.

## Appendix F: National Disability Strategy

The [National Disability Strategy 2010–2020](#) is Australia’s overarching framework for disability reform. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into those Australian policies and programs that affect people with disability, their families and carers.

All levels of government are accountable for the strategy. Progress reports are on the [Department of Social Services website](#). Disability reporting is included the Australian Public Service Commission’s State of the Service reports. These reports are on the [Commission’s website](#).

## Appendix G:

# Correction of material errors in previous annual report

The Department of Agriculture, Water and the Environment *Annual report 2019–20* contained the following errors:

- Figure 10 Levy administration revenue and costs, 2015–16 to 2019–20 (page 52 of the 2019–20 report). The cost as a % of levy for 2019–20 was reported as 1.01%. The correct figure was 1.03%. The 2019–20 result has been correctly included in Figure 6 (page 37) of this year's annual report.
- On page 43 of the 2019–20 report, we reported that 30,905 products were registered in the WELS scheme on 30 June 2019. The correct figure was 29,952 registered products.



Part 5:

# Financial statements





## INDEPENDENT AUDITOR'S REPORT

**To the Minister for Agriculture and Northern Australia**

**To the Minister for the Environment**

**To the Minister for Resources and Water**

### Opinion

In my opinion, the financial statements of the Department of Agriculture, Water and the Environment (the Entity) for the year ended 30 June 2021:

- (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 2021 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 as at 30 June 2021 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 and forming part of 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 (including Independence Standards)* (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.

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Key audit matter	How the audit addressed the matter
<p><b>Accuracy and completeness of Own Source Revenue</b></p> <p><i>Refer to Note 2A 'Revenue from Contracts with Customers' and Note 18 'Regulatory Charging Summary'</i></p> <p>I considered this area a key audit matter due to the significant value of revenue from import and export regulatory functions, the risk that the declaration process results in under-collection of import and export revenue, and the complex administrative and information technology (IT) system arrangements that support the collection of fees and charges.</p> <p>The Entity collects a range of legislated fees and charges for import and export regulatory functions. Information is captured through multiple business systems via manual data entry and online applications.</p> <p>As fees and charges revenue is dependent on the declared volume and nature of import and export activity, the Entity undertakes a revenue assurance program to obtain assurance that declarations made accurately report the value, volume and nature of goods declared.</p> <p>In 2020–21, total own source revenue from import and export regulatory functions was \$418.4 million.</p>	<p>To audit the accuracy and completeness of own source revenue, I performed the following procedures:</p> <ul style="list-style-type: none"> <li>assessed the design and operating effectiveness of the Entity's revenue assurance programs that provide the Entity with assurance over the completeness and accuracy of own source revenue;</li> <li>tested the design and operating effectiveness of the Entity's assurance processes over the interface and transfer of data between revenue business systems and the finance system, including the IT general and application controls for the significant systems that record receipts;</li> <li>agreed the fees and charges recorded in business systems, which are used to calculate own source revenue, to legislation;</li> <li>tested, on a sample basis, that revenue transaction calculations were accurate based on the information declared by the importer or exporter; and</li> <li>tested the year end amount of revenue accrued by agreeing inputs used in calculations to information in the revenue business systems and Australian Bureau of Agricultural and Resource Economics and Sciences estimates.</li> </ul>
Key audit matter	How the audit addressed the matter
<p><b>Valuation of Other Provisions</b></p> <p><i>Refer to Note 7B 'Reconciliation of Other Provisions'</i></p> <p>I considered this area a key audit matter because significant management judgement is used to determine the value of the provision.</p> <p>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.</p> <p>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 7B.</p> <p>The Other Provisions balance at 30 June 2021 was \$650.3 million.</p>	<p>To audit the valuation of other provisions, I performed the following procedures:</p> <ul style="list-style-type: none"> <li>assessed the accuracy and completeness of the fixed asset data used in the model by the Entity;</li> <li>considered the competence and objectivity of management's valuation expert and evaluated the appropriateness, rationale and consistent application of the estimation methods;</li> <li>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;</li> <li>considered the reasonableness of useful lives of assets, the inflation rates and the discount rates applied; and</li> <li>tested the calculation logic and arithmetic accuracy of the model.</li> </ul>

Key audit matter	How the audit addressed the matter
<p><b>Accuracy and completeness of primary industry levies and charges</b></p> <p><i>Refer to Note 20A 'Levies and Charges'</i></p> <p>I considered this area a key audit matter as there is a risk of under-collection arising from the submission of inaccurate levy returns and declarations, whether accidental or deliberate.</p> <p>Levies are collected from primary industry producers and agents using a self-assessment regime.</p> <p>The Entity undertakes a risk based National Compliance Program to obtain assurance that levy returns and declarations completely and accurately report the value and quantity of agricultural commodities declared.</p> <p>For the 2020–21 reporting period the total levies reported were \$541.0 million.</p>	<p>To audit the accuracy and completeness of primary industry levies and charges revenue, I performed the following procedures:</p> <ul style="list-style-type: none"> <li>assessed the design and operating effectiveness of the IT general and application controls implemented by the Entity to confirm the integrity of data within the levies' IT system. This included an assessment of the completeness and accuracy of data transferred between the levies' IT system and the finance system;</li> <li>assessed the design and operating effectiveness of the Entity's National Compliance Program that provides the Entity with assurance over the accuracy and completeness of submitted returns and levies collected;</li> <li>agreed changes of levy rates recorded in the levies IT system to approvals signed by the Minister; and</li> <li>tested a sample of revenue transactions by agreeing calculations to supporting documentation, and sighted approvals.</li> </ul>
Key audit matter	How the audit addressed the matter
<p><b>Valuation of Loans to State and Territory Governments and Farm Businesses</b></p> <p><i>Refer to Note 21B 'Loan receivables'</i></p> <p>I considered this area a key audit matter given the significance of this balance to the Entity's receivable balances and the significant judgement in, and complexity of, calculations to determine the valuation of the loan balances.</p> <p>The Entity is responsible for administering a range of low interest loans to farm businesses. Loans are made to the State and Territory Governments and to farm businesses through the Regional Investment Corporation, who are responsible for the ongoing maintenance and management of the loans and reporting to the Entity on loan transactions.</p> <p>Impairment of the valuation of loan balances is calculated using a 12 month expected credit losses valuation model. This model is dependent on assumptions that require significant judgement about the value of security held against each loan, the impact of drought conditions, and macroeconomic factors including interest rates and commodity pricing. The Entity engaged an expert to assist in calculating the impairment of loans.</p> <p>The loans receivable balance at 30 June 2021 was \$1,504.2 million.</p>	<p>To audit the valuation of the loans to State and Territory Governments and farm business, I performed the following procedures:</p> <ul style="list-style-type: none"> <li>assessed the reasonableness of the methodology and key assumptions applied to the impairment assessment supporting the valuation of the loans against accepted industry benchmarks; and</li> <li>assessed the Entity's monitoring of loans and service payments collected to assess the accuracy and completeness of information provided by the State and Territory Governments and the Regional Investment Corporation.</li> </ul>



Key audit matter	How the audit addressed the matter
<p><b>Valuation of water assets</b></p> <p><i>Refer to Note 22A 'Administered – Non-Financial Assets - Water entitlements'</i></p> <p>I considered this area a key audit matter because of the significant judgment required to determine the appropriate valuation model for water assets. The Entity reports water assets as intangible assets, with indefinite useful lives, and measures these assets using the cost model, where an active market does not exist. Assets with indefinite useful lives are required to be assessed for impairment at least annually. 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 judgement in determining appropriate transactions from water trade data and broker pricing data used to estimate the recoverable amount of water assets.</p> <p>The water assets balance at 30 June 2021 was \$4,023.1 million.</p>	<p>To audit the valuation of water assets I performed the following procedures:</p> <ul style="list-style-type: none"> <li>• assessed the reasonableness of the Entity's conclusion that an active market does not exist for water assets against the Australian Accounting Standards requirements through assessing: <ul style="list-style-type: none"> <li>○ the frequency, spread and volume of transactions; and</li> <li>○ the availability of reliable, complete and timely publicly available pricing information;</li> </ul> </li> <li>• considered the competence and objectivity of management's valuation expert; and</li> <li>• assessed the appropriateness, rationale and consistent application of the methodology used in estimating the recoverable amount of water assets. This included assessing the valuation expert's: <ul style="list-style-type: none"> <li>○ identification of suitable proxy trades for water catchments where no trade data was available;</li> <li>○ exclusion of trade data where reported trade prices were deemed as unreasonable outliers;</li> <li>○ use of a volume weighted average price for determining the recoverable amount of water assets; and</li> <li>○ evaluation of the determined recoverable amount to estimates from other sources including broker pricing data, expert analysis and recent Commonwealth purchases of water assets.</li> </ul> </li> </ul>

#### 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

13 September 2021

## **DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**

### **Financial Statements**

*for the period ended 30 June 2021*

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT STATEMENT BY THE SECRETARY AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2021 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 Agriculture, Water and the Environment will be able to pay its debts as and when they fall due.

Signed.....

Andrew Metcalfe AO  
Secretary

9 September 2021

Signed.....

Paul Pak Poy  
A/g Chief Finance Officer

9 September 2021

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Overview

#### Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with the:

- *Public Governance, Performance and Accountability Rule 2014*;
- *PGPA (Financial Reporting) Rule 2015 (FRR)*; and
- 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 are 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, revised or amended standards and interpretations that were issued prior to the sign-off date and are applicable in the current reporting period have been considered and did not have a material impact on the department's financial statements.

#### Budgetary Reporting

Certain budget figures have been reclassified from the disclosure in the department's Portfolio Budget Statements to align budget reporting with the disclosure and classification in the financial statements.

#### Taxation

The department is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST). Revenues, expenses, assets and liabilities are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office and for receivables and payables.

#### 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 same policies as for departmental items, including the application of Australian Accounting Standards.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Breach of Section 83 of the Constitution

Section 83 of the *Commonwealth of Australia Constitution Act 1900* (the Constitution) provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation by law.

From May 2006 to October 2020, the department breached section 83 of the Constitution in relation to payments totalling \$28 836 made to the Rural Industries Research and Development Corporation (trading as AgriFutures Australia) under the *Primary Industries Research and Development Act 1989* (PIRD Act). The breaches were made in connection with levies incorrectly received for non-leviable activities, where equivalent amounts were incorrectly paid under the PIRD Act. In 2021 the department refunded the one affected entity and recovered all amounts incorrectly paid under the PIRD Act.

In 2020-21, the department identified four amounts totalling \$23 232 drawn without any legislative basis and inconsistent with section 83 of the Constitution. All amounts have subsequently been recovered.

In 2020-21, the department identified one special appropriation with statutory conditions for payments which could result in potential breaches of the Constitution. Total payments of \$180.730 million under the *Farm Household Support Act 2014* (FHA Act) were made during 2020-21. As at 30 June 2021, \$8.377 million worth of overpayments have been recorded as debts, and within this there may be amounts that relate to potential breaches. It should be noted that it is impossible to eliminate the potential for section 83 breaches for FHA Act payments made by Services Australia on behalf of the department. In the majority of cases, information provided by customers is relied upon to estimate the entitlements paid. This information provided by customers is not always accurate or is subject to circumstances which can result in a breach of section 83 of the Constitution.

### Events After the Reporting Period

#### Departmental

There have been no events after the reporting period that had the potential to significantly affect the ongoing structure and financial activities of the department.

#### Administered

There have been no events after the reporting period that had the potential to significantly affect the ongoing structure and financial activities of the department.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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# DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2021

		2021	2020	Original Budget 2021
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1A	732 851	774 785	711 308
Suppliers	1B	473 570	407 532	553 136
Depreciation and amortisation	4	167 638	157 035	166 569
Grants	1C	8 563	7 798	6 965
Finance costs	1D	11 149	14 517	25 328
Impairment loss on financial instruments		1 085	580	919
Write-down and impairment of other assets	1E	13 872	760	-
Other expenses	1F	989	31 542	260
<b>Total expenses</b>		<b>1 409 717</b>	<b>1 394 549</b>	<b>1 464 485</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Revenue from contracts with customers	2A	418 373	405 336	371 851
Interest	2B	145	347	144
Rental income	2C	821	1 515	-
Other revenue	2D	31 485	35 362	24 765
<b>Total own-source revenue</b>		<b>450 824</b>	<b>442 560</b>	<b>396 760</b>
<b>Gains</b>				
Other gains	2E	44 847	1 755	1 618
<b>Total gains</b>		<b>44 847</b>	<b>1 755</b>	<b>1 618</b>
<b>Total own-source income</b>		<b>495 671</b>	<b>444 315</b>	<b>398 378</b>
<b>Net cost of services</b>		<b>914 046</b>	<b>950 234</b>	<b>1 066 107</b>
Revenue from Government		966 063	818 512	954 716
<b>Surplus/(Deficit)</b>		<b>52 017</b>	<b>(131 722)</b>	<b>(111 391)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserves		139 117	(17 935)	-
<b>Total other comprehensive income/(loss)</b>		<b>139 117</b>	<b>(17 935)</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>		<b>191 134</b>	<b>(149 657)</b>	<b>(111 391)</b>

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



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT STATEMENT OF FINANCIAL POSITION

for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget 2021 \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3A	57 763	29 743	25 728
Trade and other receivables	3B	481 837	306 442	270 147
Other investments		16 000	16 000	15 500
<b>Total financial assets</b>		<b>555 600</b>	<b>352 185</b>	<b>311 375</b>
<b>Non-financial assets<sup>1</sup></b>				
Land and buildings	4	540 374	619 880	636 376
Leasehold improvements	4	33 741	41 672	-
Property, plant and equipment	4	685 969	578 445	667 098
Heritage and cultural assets	4	72 500	72 319	72 319
Computer software	4	153 577	157 246	230 375
Inventories		9 837	10 004	10 004
Prepayments		7 020	14 281	14 282
<b>Total non-financial assets</b>		<b>1 503 018</b>	<b>1 493 847</b>	<b>1 630 454</b>
<b>Total assets</b>		<b>2 058 618</b>	<b>1 846 032</b>	<b>1 941 829</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	5A	73 922	45 762	45 501
Grants		38	-	-
Other payables	5B	36 032	23 771	23 721
<b>Total payables</b>		<b>109 992</b>	<b>69 533</b>	<b>69 222</b>
<b>Interest bearing liabilities</b>				
Leases	6A	368 625	425 452	406 353
<b>Total interest bearing liabilities</b>		<b>368 625</b>	<b>425 452</b>	<b>406 353</b>
<b>Provisions</b>				
Employee provisions	7A	252 201	243 626	245 502
Other provisions	7B	650 338	754 552	771 979
<b>Total provisions</b>		<b>902 539</b>	<b>998 178</b>	<b>1 017 481</b>
<b>Total liabilities</b>		<b>1 381 156</b>	<b>1 493 163</b>	<b>1 493 056</b>
<b>Net assets</b>		<b>677 462</b>	<b>352 869</b>	<b>448 773</b>
<b>EQUITY</b>				
Contributed equity		1 229 864	1 096 405	1 303 701
Asset revaluation reserves		542 744	403 627	403 627
Industry reserves		64 104	51 903	51 903
Accumulated deficit		(1 159 250)	(1 199 066)	(1 310 458)
<b>Total equity</b>		<b>677 462</b>	<b>352 869</b>	<b>448 773</b>

1. Right-of-use assets are included in Land and buildings and Property, plant and equipment.

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

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2021*

	2021 \$'000	2020 \$'000	Original Budget 2021 \$'000
<b>CONTRIBUTED EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	1 096 405	894 816	1 096 405
<b>Transactions with owners</b>			
<b>Distributions to owners</b>			
Returns of Appropriations	(3 212)	-	-
Restructuring	-	4 246	-
<b>Contributions by owners</b>			
Equity injection - Appropriations	65 407	132 242	136 032
Departmental capital budget	71 264	65 101	71 264
<b>Total transactions with owners</b>	<b>133 459</b>	<b>201 589</b>	<b>207 296</b>
<b>Closing balance as at 30 June</b>	<b>1 229 864</b>	<b>1 096 405</b>	<b>1 303 701</b>
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	(1 199 066)	(1 096 574)	(1 199 067)
Adjustment on initial application of AASB 15/AASB 1058	-	(4 911)	-
Adjustment on initial application of AASB 16	-	22 932	-
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	52 017	(131 722)	(111 391)
<b>Total comprehensive income</b>	<b>52 017</b>	<b>(131 722)</b>	<b>(111 391)</b>
Total comprehensive income attributable to Australian Government	52 017	(131 722)	(111 391)
Transfers between equity components	(12 201)	11 209	
<b>Closing balance as at 30 June</b>	<b>(1 159 250)</b>	<b>(1 199 066)</b>	<b>(1 310 458)</b>
<b>ASSET REVALUATION RESERVE</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	403 627	421 562	403 627
<b>Comprehensive income</b>			
Other comprehensive income/(loss)	139 117	(17 935)	-
<b>Total comprehensive income</b>	<b>139 117</b>	<b>(17 935)</b>	<b>-</b>
Total comprehensive income attributable to Australian Government	139 117	(17 935)	-
<b>Closing balance as at 30 June</b>	<b>542 744</b>	<b>403 627</b>	<b>403 627</b>
<b>INDUSTRY RESERVE</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	51 903	63 112	51 903
Transfers between equity components	12 201	(11 209)	
<b>Closing balance as at 30 June</b>	<b>64 104</b>	<b>51 903</b>	<b>51 903</b>

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

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2021

	2021 \$'000	2020 \$'000	Original Budget 2021 \$'000
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	352 869	282 916	352 868
Adjustment on initial application of AASB15/AASB 1058	-	(4 911)	-
Adjustment on initial application of AASB 16	-	22 932	-
<b>Adjusted opening balance</b>	<b>352 869</b>	<b>300 937</b>	<b>352 868</b>
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	52 017	(131 722)	(111 391)
Other comprehensive income/(loss)	139 117	(17 935)	-
<b>Total comprehensive income</b>	<b>191 134</b>	<b>(149 657)</b>	<b>(111 391)</b>
Total comprehensive income attributable to Australian Government	191 134	(149 657)	(111 391)
<b>Transactions with owners</b>			
<b>Distributions to owners</b>			
Returns of Appropriations	(3,212)	-	-
Restructuring	-	4 246	-
<b>Contributions by owners</b>			
Equity injection - Appropriations	65 407	132 242	136 032
Departmental capital budget	71 264	65 101	71 264
<b>Total transactions with owners</b>	<b>133 459</b>	<b>201 589</b>	<b>207 296</b>
Transfers between equity components	-	-	-
<b>Closing balance as at 30 June</b>	<b>677 462</b>	<b>352 869</b>	<b>448 773</b>

### Accounting policy

#### Equity Injections

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

#### Industry Reserves

Each cost recovered program holds a separate industry reserve. Programs in surplus are held within the industry reserve balance. Programs in deficit are held against the accumulated deficit of the department.

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

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget 2021 \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		864 341	866 367	954 401
Sale of goods and rendering of services		441 088	397 335	370 655
Interest		145	347	144
GST received		52 853	45 831	43 406
Other		74 653	119 363	23 713
<b>Total cash received</b>		<b>1 433 080</b>	<b>1 429 243</b>	<b>1 392 319</b>
<b>Cash used</b>				
Employees		745 315	773 517	709 419
Suppliers		522 294	479 703	593 827
Interest payments on lease liabilities		4 646	5 053	8 228
Grants		8 588	9 486	6 965
Section 74 receipts transferred to OPA		41 652	49 708	-
Other		11 854	42 541	259
<b>Total cash used</b>		<b>1 334 349</b>	<b>1 360 008</b>	<b>1 318 698</b>
<b>Net cash from operating activities</b>		<b>98 731</b>	<b>69 235</b>	<b>73 621</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Proceeds from sales of property, plant and equipment		624	516	-
Investments realised		16 000	17 500	16 000
Interest		75	74	-
<b>Total cash received</b>		<b>16 699</b>	<b>18 090</b>	<b>16 000</b>
<b>Cash used</b>				
Purchase of land and buildings		6 745	16 766	-
Purchase of other property, plant and equipment		57 001	66 572	263 661
Purchase of software		37 313	41 764	-
Investments made		16 000	16 000	15 500
<b>Total cash used</b>		<b>117 059</b>	<b>141 102</b>	<b>279 161</b>
<b>Net cash used by investing activities</b>		<b>(100 360)</b>	<b>(123 012)</b>	<b>(263 161)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		38 606	47 113	172 873
Departmental capital budget		52 622	58 273	71 264
<b>Total cash received</b>		<b>91 228</b>	<b>105 386</b>	<b>244 137</b>
<b>Cash used</b>				
Principal payments of lease liabilities <sup>1</sup>		61 579	59 831	58 612
Other financing cash used		-	16 081	-
<b>Total cash used</b>		<b>61 579</b>	<b>75 912</b>	<b>58 612</b>
<b>Net cash from financing activities</b>		<b>29 649</b>	<b>29 474</b>	<b>185 525</b>
<b>Net increase / (decrease) in cash held</b>		<b>28 020</b>	<b>(24 303)</b>	<b>(4 015)</b>
Cash and cash equivalents at the beginning of the reporting period		29 743	54 046	29 743
<b>Cash and cash equivalents at the end of the reporting period</b>	3A	<b>57 763</b>	<b>29 743</b>	<b>25 728</b>

1. Total cash outflow for leases for the period ended 30 June 2021 was \$78 821 220. It includes principal payments, interest payments and short-term or low value lease payments.

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

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Budget Variance Commentary

The following tables provide a comparison of the original budget as presented in the 2020-21 Portfolio Budget Statements to the 2020-21 final outcome as presented in accordance with Australian Accounting Standards for the department. The budget is not audited. Explanations of major variances are provided below.

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than +/- 10% of the original budget and +/- \$10 million for a line item; or
- the variance between budget and actual is greater than +/-2% of the relevant sub-total (i.e. total expenses, total income, total assets or total liabilities) and +/- \$10 million; or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the department.

Major variances and explanations	Affected line items
<u>Statement of Comprehensive Income</u>	
Total expenses were \$54.8 million lower than the original budget estimate mainly as a result of:	
<ul style="list-style-type: none"> <li>• Lower than budgeted supplier expenses of \$79.6 million due to a combination of operational delays in the department's Antarctic Program and delays in engaging external service providers to support activities across the department.</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers</li> </ul>
<ul style="list-style-type: none"> <li>• Lower than budgeted finance costs of \$14.2 million primarily related to changes in the discount rates used for unwinding Antarctic makegood provisions and the remeasurement of lease liabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Finance costs</li> </ul>
<ul style="list-style-type: none"> <li>• Offset by higher than budgeted employee benefits expenses of \$21.5 million primarily due to the budget allocation for superannuation and leave entitlements; and \$13.9 million for write-down and impairment of other assets that was not budgeted.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee benefits</li> <li>• Write-down and impairment of other assets</li> </ul>
Total own-source revenue was \$54.1 million higher than the original budget mainly as a result of:	
<ul style="list-style-type: none"> <li>• Higher than budgeted revenue from contracts with customers of \$46.5 million. The result was due to higher than expected import activities associated with stronger economic conditions than anticipated following the COVID-19 pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue from contracts with customers</li> </ul>
Other gains were \$43.2 million higher than the original budget as a result of:	
<ul style="list-style-type: none"> <li>• The restoration provision for Antarctic solid waste disposal was reviewed and updated for changes in key economic and engineering assumptions in 2020-21</li> </ul>	<ul style="list-style-type: none"> <li>• Other gains</li> </ul>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Major variances and explanations	Affected line items
resulting in a gain of \$49.6 million; offset by the initial recognition of the provision for remediation in Jabiru of \$5.1 million. The changes were not budgeted.	<ul style="list-style-type: none"> <li>Asset revaluation reserve</li> </ul>
<p><u>Statement of Financial Position</u></p> <p>Total assets were \$116.8 million higher than the original budget estimate mainly as a result of:</p> <ul style="list-style-type: none"> <li>Cash and cash equivalents were \$32.0 million higher than budget mainly due to receipts into the Biosecurity, Imported Food and Export Certifications Special Account 2020 being higher than budgeted.</li> <li>Trade and other receivables were \$211.7 million higher than the original budget primarily due to unspent appropriation relating to the operating surplus attributable to the department of \$136.7 million, increased supplier payables of \$28.4 million, and delays in Antarctic capital projects.</li> <li>Non-financial asset balance was \$127.4 million lower than the original budget primarily due to underspent capital purchases. The largest underspends were due to operating delays in Antarctic-related programs.</li> </ul> <p>Total liabilities were \$111.9 million lower than the original budget as a result of:</p> <ul style="list-style-type: none"> <li>Other provisions were \$121.6 million lower than the budget primarily as the provisions for Antarctic solid waste disposal and make good were reviewed and updated for changes in key economic and engineering assumptions in 2020-21</li> <li>Lease liabilities were \$37.7 million lower than budget primarily due to remeasurement calculations.</li> <li>Offset by movements in several other liabilities the largest being supplier payables being higher than budget by \$28.4 million predominately due to increased accruals.</li> </ul> <p><u>Cash Flow Statement</u></p> <p>The variance explanations above impacted on the cash received and cash used. The net increase in cash held during 2020-21 was \$32.0 million higher than the original budget primarily due to receipts into the Biosecurity, Imported Food and Export Certifications Special Account 2020.</p>	
	<ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Trade and other receivables</li> <li>Land and buildings</li> <li>Leasehold improvements</li> <li>Computer software</li> <li>Other provisions</li> <li>Leases</li> <li>Supplier payables</li> <li>Net increases/(decreases) in cash held</li> </ul>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 1: Expenses

	2021 \$'000	2020 \$'000
<b>Note 1A: Employee Benefits</b>		
Wages and salaries	545 072	581 466
Superannuation:		
Defined contribution plans	65 014	64 305
Defined benefit plans	52 098	48 781
Leave and other entitlements	64 401	73 625
Separation and redundancies	4 067	4 159
Other employee expenses	21 359	23 519
<b>Total employee benefits (gross)</b>	<b>752 011</b>	<b>795 855</b>
Special account administration activities	(19 160)	(21 070)
<b>Total employee benefits (net)</b>	<b>732 851</b>	<b>774 785</b>

#### Accounting policy

##### Employee Benefits

Accounting policies for employee related expenses are contained in Note 5B and 7A.

### Note 1B: Suppliers

#### Goods and services supplied or rendered

Contractors and consultants	201 773	128 112
IT services	114 390	100 689
General goods and services	48 349	41 871
Property operating expense	27 431	29 207
Travel	10 455	22 841
Analytical testing	11 602	11 998
Inventory consumed	11 969	11 936
Office equipment, stores and consumables	12 205	10 113
Staff development and recruitment	11 501	9 101
Legal expenditure	13 398	8 825
Quarantine services	5 136	3 311
<b>Total goods and services supplied or rendered</b>	<b>468 209</b>	<b>378 004</b>

Goods supplied	72 586	63 016
Services rendered	395 623	314 988
<b>Total goods and services supplied or rendered</b>	<b>468 209</b>	<b>378 004</b>

#### Other suppliers

Workers compensation expenses	8 511	11 110
Short-term leases	12 587	33 531
Low value leases	9	93
<b>Total other suppliers</b>	<b>21 107</b>	<b>44 734</b>
<b>Total suppliers (gross)</b>	<b>489 316</b>	<b>422 738</b>
Special account administration activities	(15 746)	(15 206)
<b>Total suppliers (net)</b>	<b>473 570</b>	<b>407 532</b>

The department has short-term lease commitments of \$8 927 072 as at 30 June 2021.

The above lease disclosures should be read in conjunction with the accompanying notes 1D, 2C, 2E, 4 and 6.

#### Accounting Policy

##### Short-term leases and leases of low-value assets

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less, or leases of low-value assets (less than \$10 000). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021	2020
	\$'000	\$'000
<b>Note 1C: Grants</b>		
Public sector:		
Australian Government entities (related parties)	98	634
State and Territory Governments	2 476	3 003
Private sector:		
Not-for-profit organisations	4 384	1 326
For profit organisations	-	64
Universities	1 009	1 052
Individuals	-	33
Overseas	596	1 301
Community grant hub charges	-	390
<b>Total grants (gross)</b>	<b>8 563</b>	<b>7 803</b>
Special account administration activities	-	(5)
<b>Total grants (net)</b>	<b>8 563</b>	<b>7 798</b>

### Accounting policy

#### Special account administration activities

The activities of the National Environment Protection Council Special Account, the National Heritage Trust of Australia Account, the Ozone Protection Account and the Water Efficiency Labelling Scheme Account are included in the department's administered financial statements.

In accordance with the department's cash management practices, the department makes some payments initially from the departmental bank account, including for employees, suppliers and grants costs. Such payments are subsequently adjusted to record payments as though they had been paid directly from the special account in accordance with the PGPA Rule. For transparency purposes the department has shown the grossed-up amounts and an offsetting amount for each relevant departmental note. No amounts have been transferred from a special account to a departmental annual appropriation.

In 2020-21, the department paid a total of \$34 905 391 (2020: \$36 280 125) that was later adjusted as payments made from special accounts.

### Note 1D: Finance Costs

Interest on lease liabilities	4 646	5 053
Unwinding of discount rates on makegood provision	6 485	9 464
Other interest payments	18	-
<b>Total finance costs</b>	<b>11 149</b>	<b>14 517</b>

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 2C, 2E, 4 and 6.

### Note 1E: Write-Down and Impairment of Other Assets

Impairment of intangibles	10 936	194
Impairment of property, plant and equipment	37	57
Impairment of leasehold improvements	10	132
Write-off of non-financial assets	2 889	377
<b>Total write-down and impairment of other assets</b>	<b>13 872</b>	<b>760</b>



**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2021</b>	2020
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Note 1F: Other Expenses</u></b>		
Refunds of prior year revenue	-	12 070
Increase in base restitution provision	-	18 668
Official Development Assistance	<b>895</b>	804
Other	<b>94</b>	-
<b>Total other expenses</b>	<b>989</b>	31 542

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 2: Income

	2021	2020
	\$'000	\$'000

#### Own-Source Revenue

##### Note 2A: Revenue from Contracts with Customers

Rendering of services	418 362	405 295
Sale of goods	11	41
<b>Total revenue from contracts with customers</b>	<b>418 373</b>	<b>405 336</b>

#### Disaggregation of revenue from contracts with customers

Cost recovery activity		
Biosecurity arrangement	282 833	250 536
Food export arrangement	78 736	91 299
Plant export arrangement	18 098	17 904
Live animal export arrangement	5 713	8 423
Other cost recovery	17 129	18 393
Other services	15 864	18 781
<b>Total revenue from contracts with customers</b>	<b>418 373</b>	<b>405 336</b>

#### Accounting policy

##### Regulatory cost recovery activities

The department's main source of revenue from contracts with customers is from the cost recovery of regulatory activities, including biosecurity, food export, plant export and live animal export arrangements. The department uses a combination of regulatory fees and charges depending on the charging legislation which governs the relevant activity.

The department's charging framework ensures that all user groups contribute to the biosecurity regulatory system. Those user groups that use more regulatory resources contribute more to the regulatory framework, reflecting their higher usage of the system. All regulatory charging undertaken by the department is undertaken in accordance with the relevant charging legislation and is consistent with the requirements set out in the Australian Government Charging Framework. For further information refer to Note 18.

Fees are used to recover the costs of direct intervention and certification activities undertaken for particular importers or regulated entities. The nature of the interventions and certifications is short-term and the department recognises revenue at a point in time on completion of services.

Cost recovery charges are imposed when activities are provided to a group of individuals or organisations. This recovers costs not directly linked to a specific individual or organisation but form part of the costs of the overall biosecurity regulatory system. This provides individuals access to the system and permission to undertake import and export activities.

From an accounting standards perspective, the department considers the charges to be akin to licences or permits. Payment by users provides them with permission to access the system. The department has opted to recognise the revenue using the short-term recognition exemption applicable to licences as the permissions provided are short-term for a financial year or for a specific export or import.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Other services

The department also has other revenue from general contracts that are enforceable through legal or equivalent means and have specific performance obligations that transfer goods or services to a customer. Contracts are considered to be enforceable where there are specific rights specified in the agreement, the parties can reasonably be expected to act on their obligations.

The department provides services to other entities and individuals, including undertaking functions or incurring costs on behalf of other Australian Government entities in accordance with Memorandum of Understandings.

Revenue is recognised over time as costs are incurred (where the department is entitled to recover the costs) or point in time on completion of services depending on the nature of the services being provided.

A contract liability for unearned revenue is recorded for obligations under contracts for which payment has been received in advance. Contract liabilities unwind as "revenue from contracts with customers" upon satisfaction of the performance obligations under the terms of the contract. The department reports contract liabilities as unearned income in Note 5B.

	2021 \$'000	2020 \$'000
<b>Note 2B: Interest</b>		
Deposits	145	347
<b>Total interest</b>	<b>145</b>	<b>347</b>

### **Accounting policy**

Interest revenue is recognised using the effective interest method.

<b>Note 2C: Rental Income</b>		
Sub-leasing right-of-use assets	821	1 515
<b>Total rental income</b>	<b>821</b>	<b>1 515</b>

### **Operating Leases**

The department has sub-leases for rental of commercial space and staff housing. These leases are classified as operating leases for financial reporting purposes.

### **Maturity Analysis of Operating Lease Income Receivables**

	2021 \$'000	2020 \$'000
Within 1 year	76	70
One to two years	-	25
<b>Total undiscounted lease payments receivable</b>	<b>76</b>	<b>95</b>

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1D, 2E, 4 and 6.

# DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b>Note 2D: Other Revenue</b>		
Resources received free of charge		
ANAO audit fee	1 000	1 000
Other	2 550	1 702
Grants received	-	70
Insurance and other recoveries	2 109	3 730
Levies	10 660	11 544
Agricultural levies administration	4 495	4 722
State contributions	4 019	4 458
Research contributions	2 752	2 634
Recovery from other agencies	2 022	1 662
Repayment of prior year grant expenditure	137	1 254
Other	1 741	2 586
<b>Total other revenue</b>	<b>31 485</b>	<b>35 362</b>

## 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.

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 or as contributions by owners.

	2021 \$'000	2020 \$'000
<b>Note 2E: Other Gains</b>		
Assets now recognised	96	5
Write-down of provisions and payables	-	744
Foreign exchange gains	114	343
Gain from asset sales:		
Proceeds from sale	624	516
Carrying value of assets sold	(544)	(354)
Gain on derecognition of makegood:		
Carrying value of liability derecognised	-	13
Reversal of impairment losses - financial asset	-	488
Net decrease in makegood provisions	44 491	-
Gains arising from termination of leases	46	-
Other	20	-
<b>Total other gains</b>	<b>44 847</b>	<b>1 755</b>

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1D, 2C, 4 and 6.

## Accounting policy

### Sale of Assets

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

### Other Gains

Gains may be realised or unrealised and are recognised on a net basis.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Revenue from Government

Departmental amounts appropriated for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the department gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

### Note 3: Financial Assets

	2021 \$'000	2020 \$'000
<b>Note 3A: Cash and Cash Equivalents</b>		
Cash in special accounts	53 919	25 266
Cash on hand or on deposit	3 844	4 477
<b>Total cash and cash equivalents</b>	<b>57 763</b>	<b>29 743</b>
<b>Note 3B: Trade and Other Receivables</b>		
<b>Goods and services receivables in connection with</b>		
Goods and services	37 411	50 185
<b>Total goods and services receivables</b>	<b>37 411</b>	<b>50 185</b>
<b>Appropriations receivables</b>		
Operating	256 586	113 212
Departmental capital budget	25 488	8 846
Equity injection	145 948	120 359
<b>Total appropriations receivables</b>	<b>428 022</b>	<b>242 417</b>
<b>Other receivables</b>		
Statutory receivables	13 489	9 648
Interest	48	123
Other	6 833	7 679
<b>Total other receivables</b>	<b>20 370</b>	<b>17 450</b>
<b>Total trade and other receivables (gross)</b>	<b>485 803</b>	<b>310 052</b>
<b>Less impairment loss allowance</b>	<b>(3 966)</b>	<b>(3 610)</b>
<b>Total trade and other receivables (net)</b>	<b>481 837</b>	<b>306 442</b>

During the 2021 financial year, credit terms for goods and services were within 30 days (2020: 30 days).

### Accounting policy

#### Financial Assets

Trade receivables, loans and other receivables are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance. These are held for the purpose of collecting the contractual cash flows where the payments are of principal and interest only.

# DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 4: Non-Financial Assets

Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles	Land and Buildings <sup>1</sup> \$'000	Leasehold Improvements <sup>1</sup> \$'000	Heritage and cultural <sup>2</sup> \$'000	Other property, plant and equipment <sup>2</sup> \$'000	Computer Software <sup>3</sup> \$'000	Total \$'000
<b>As at 1 July 2020</b>						
Gross book value	722 639	74 199	72 500	176 178	258 854	1 304 370
Work in progress	24 526	2 810	-	482 195	53 042	562 573
Accumulated depreciation, amortisation and impairment	(127 285)	(35 337)	(181)	(79 928)	(154 650)	(397 381)
<b>Total as at 1 July 2020</b>	<b>619 880</b>	<b>41 672</b>	<b>72 319</b>	<b>578 445</b>	<b>157 246</b>	<b>1 469 562</b>
<b>Additions</b>						
By purchase	5 766	2 618	-	57 001	6 197	71 582
Internally developed	-	-	-	-	31 116	31 116
Right-of-use assets	2 599	-	-	4 912	-	7 511
Revaluations and impairments recognised in other comprehensive income	12 415	1 097	181	59 177	-	72 870
Impairments recognised in the net cost of services	-	(10)	-	(37)	(10 936)	(10 983)
Reclassification	-	(295)	-	583	(288)	-
Depreciation and amortisation expense	(22 970)	(11 341)	-	(28 437)	(27 463)	(90 211)
Depreciation on right-of-use assets	(61 867)	-	-	(15 560)	-	(77 427)
Remeasurement of right-of-use assets	(14 288)	-	-	30 579	-	16 291
Disposals						
By write off right-of-use assets	(680)	-	-	(37)	-	(717)
By write-off	-	-	-	(594)	(2 295)	(2 889)
By sale	(481)	-	-	(63)	-	(544)
<b>Total as at 30 June 2021</b>	<b>540 374</b>	<b>33 741</b>	<b>72 500</b>	<b>685 969</b>	<b>153 577</b>	<b>1 486 161</b>
<b>Total as at 30 June 2021 represented by:</b>						
Gross book value	633 363	33 665	72 500	222 430	244 013	1 205 971
Work in progress	28 874	1 337	-	501 983	63 973	596 167
Accumulated depreciation, amortisation and impairment	(121 863)	(1 261)	-	(38 444)	(154 409)	(315 977)
<b>Total as at 30 June 2021</b>	<b>540 374</b>	<b>33 741</b>	<b>72 500</b>	<b>685 969</b>	<b>153 577</b>	<b>1 486 161</b>
<b>Carrying amount of right-of-use assets<sup>4</sup></b>	<b>338 450</b>	<b>-</b>	<b>-</b>	<b>27 569</b>	<b>-</b>	<b>366 019</b>

- These classes of assets are held at fair value except for those classified as right-of-use assets under AASB 16 which are carried at cost.
- Land, buildings and other property, plant and equipment that met the definition of a heritage and cultural item were disclosed in the heritage and cultural asset class.
- The carrying amount of computer software included \$36 723 043 purchased software (2020: \$41 340 652) and \$116 854 434 internally developed software (2020: \$115 904 990).
- The above lease disclosure should be read in conjunction with Statement of Financial Position and the accompanying notes 1B, 1D, 2C, 2E and 6.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Disposal of non-financial assets

No significant items of non-financial assets included in Note 4 are expected to be sold or disposed of within the next 12 months.

### 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.

<b>2020-21 Capital Commitments</b>	<b>&lt; 1 year</b>	<b>1 year to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Buildings	36	-	-	36
Leasehold improvements	59	-	-	59
Property, plant and equipment	71 307	-	-	71 307
Intangibles	3 077	-	-	3 077
<b>Total commitments</b>	<b>74 479</b>	<b>-</b>	<b>-</b>	<b>74 479</b>

<b>2019-20 Capital Commitments</b>	<b>&lt; 1 year</b>	<b>1 year to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Buildings	964	-	-	964
Leasehold improvements	94	-	-	94
Property, plant and equipment	78 816	-	-	78 816
Intangibles	1 838	604	-	2 442
<b>Total commitments</b>	<b>81 712</b>	<b>604</b>	<b>-</b>	<b>82 316</b>

The property, plant and equipment capital commitments under one year for 2019-20 included \$65 million of payments for the new Antarctic Icebreaker RSV Nuyina. The majority of this amount remains a commitment at 30 June 2021 due to delays in commissioning the ship mainly as a result of travel restrictions caused by COVID-19.

### Accounting policy

Assets are recorded at cost on acquisition except as stated. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

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.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position. As a result of the machinery of government change, the asset recognition thresholds were reviewed to determine thresholds that the department applied from 1 July 2020. During 2020-21 the department applied the respective thresholds as outlined in the following table:

		DoEE	DoA
	2021	2020	2020
Land and buildings	\$50 000	\$50 000	\$0
Leasehold improvements	\$150 000	\$50 000	\$150 000
Property, plant and equipment	\$7 000 individual purchases/ \$50 000 group purchases	\$7 000 individual purchases	\$5 000 individual purchases/ \$50 000 group purchases
Internally developed software	\$200 000	\$10 000	\$200 000
Purchased software	\$150 000	\$10 000	\$150 000
Heritage and cultural	\$0	\$0	N/A

Purchases under the asset recognition thresholds are expensed in the year of acquisition.

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 restoration provisions in property leases taken up by the department where an obligation exists to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for the restoration recognised.

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

### Right of Use (ROU) Assets

ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount and initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by the department as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

ROU assets continue to be measured at cost after initial recognition.



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Revaluations and fair value measurement

All property, plant and equipment assets are measured at fair value.

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from their fair values at the reporting date. Expert revaluations for property, plant and equipment are conducted every three years, however further valuations are undertaken dependent 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 or deficit. Revaluation decrements for a class of assets are recognised in the surplus or deficit except to the extent that they reverse a previous revaluation increment for that class.

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

### Recurring and non-recurring fair value measurements – valuation processes

The department engaged the service of an expert valuer to conduct a detailed external valuation of non-financial assets (excluding intangibles) at 30 June 2021 and has relied upon those outcomes to establish carrying amounts. The expert valuer has provided written assurance to the department that the models developed are in compliance with AASB13 *Fair Value Measurement*.

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value.

### Depreciation and amortisation

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.

Intangible assets are amortised on a straight-line basis over their anticipated useful life.

As for the assessment undertaken on asset capitalisation thresholds, the department also reviewed the useful lives of the asset classes below as a result of the machinery of government change. Depreciation rates applying to each class of depreciable asset are based on the following useful lives for 2021:

	2021	2020
Buildings	<b>3 to 70 years</b>	3 to 70 years
Leasehold improvements	<b>Lesser of useful life or lease term</b>	Lesser of useful life or lease term
Property, plant and equipment	<b>1 to 100 years</b>	1 to 100 years
Internally developed software	<b>5 to 12 years</b>	5 to 12 years
Purchased software	<b>3 to 17 years</b>	3 to 17 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Impairment

All non-financial assets were assessed for impairment at 30 June 2021. 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 depreciated 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.

### Heritage and Cultural

The heritage and cultural asset class relates to the Antarctic Ice Core Collection. The department maintains preservation policies for the Ice Core Collection. More information about the heritage and cultural management in Antarctica is available on the Australian Antarctic Program website (<https://www.antarctica.gov.au/about-antarctica/history/cultural-heritage/managing/>).

### Inventories

Inventory is held for distribution and 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:

- a) raw materials and stores – purchase cost on a first-in-first-out basis;
- b) fuel – weighted average cost; and
- c) 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 \$11 967 523 (2020: \$11 935 628) (Note 1B Suppliers) held for distribution has been recognised as an expense.

No items of inventory were recognised at fair value less cost to sell. The majority of inventories are expected to be distributed in the next 12 months.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5: Payables

	2021 \$'000	2020 \$'000
<b>Note 5A: Suppliers</b>		
Trade creditors and accruals	73 922	45 762
<b>Total suppliers</b>	<b>73 922</b>	<b>45 762</b>
Settlement is usually made within 20 days (2020: 20 days).		
<b>Note 5B: Other Payables</b>		
Salaries and wages	11 396	9 963
Unearned income	12 042	5 132
Separations and redundancies	-	1 918
Superannuation	8 466	3 208
Other	4 128	3 550
<b>Total other payables</b>	<b>36 032</b>	<b>23 771</b>

#### Accounting policy

##### 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, identified the positions affected, assessed expressions of interest from employees and made formal offers.

Separation and redundancy is reported as a payable when an agreement has been reached with the relevant employee.

##### Superannuation

The majority of the department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). However, some staff have elected to be members of other private superannuation funds.

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 schedules and notes.

The department makes employer contributions to the defined benefits 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 schemes.

The liability for superannuation recognised at 30 June 2021 represents outstanding contributions.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 6: Interest Bearing Liabilities

	2021 \$'000	2020 \$'000
<b>Note 6A: Leases</b>		
Lease liabilities	368 625	425 452
<b>Total leases</b>	<b>368 625</b>	<b>425 452</b>
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Within 1 year	69 924	64 985
Between 1 to 5 years	146 987	188 633
More than 5 years	175 345	199 493
<b>Total leases</b>	<b>392 256</b>	<b>453 111</b>

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1D, 2C, 2E and 4.

#### Accounting policy

For all new contracts entered into, the department considers whether the contract contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease (if that rate is readily determinable), or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 7: Provisions

	2021	2020
	\$'000	\$'000
<b>Note 7A: Employee Provisions</b>		
Leave	252 201	243 626
<b>Total employee provisions</b>	<b>252 201</b>	<b>243 626</b>

#### Accounting policy

Liabilities for short-term employee benefits and termination benefits due within 12 months of the end of the reporting period are measured at their nominal amounts.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the department's employer superannuation contribution rates to the extent that 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 2021. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

### Note 7B: Reconciliation of Other Provisions

	Antarctic solid waste disposal sites <sup>1</sup> \$'000	Antarctic regions <sup>2</sup> \$'000	Other localities <sup>3</sup> \$'000	Other provisions \$'000	Total \$'000
<b>As at 1 July 2020</b>	<b>302 173</b>	<b>421 734</b>	<b>18 575</b>	<b>12 070</b>	<b>754 552</b>
Additional provisions made/(amounts reversed)	(24 228)	(35 423)	(4 694)	9 309	(55 036)
Amounts used	-	-	-	(10 909)	(10 909)
Change in discount rate	(25 405)	(17 753)	(1 596)	-	(44 754)
Unwinding of discount <sup>4</sup>	3 468	2 679	338	-	6 485
<b>Total as at 30 June 2021</b>	<b>256 008</b>	<b>371 237</b>	<b>12 623</b>	<b>10 470</b>	<b>650 338</b>

1. The impact of the change in the valuation and the change in the discount rate on the provision for restoration of the Antarctic solid waste disposal sites were taken to the Statement of Comprehensive Income and are reported under other gains in Note 2E.

2. The impact of the change in the valuation and the change in the discount rate on the provision for restoration of Antarctic regions was taken to the asset revaluation reserve.

3. The impact of the change in valuation and the change in the discount rate on the provision for other localities was taken to the asset revaluation reserve and to the Statement of Comprehensive Income.

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 2020-21, 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.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Accounting Policy

#### Accounting Judgements and Estimates

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.

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 assumptions made, estimated indexation factors, discount rates at the reporting date, and estimated cash flow timings.

#### Provision for Restoration Obligations - Antarctic Solid Waste Disposal Sites

This provision represents Australia's responsibility to clean up the past and present solid waste disposal sites it has generated in Antarctica.

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.

The estimate is dependent upon four key parameters/variables: discount rate, cost escalation factor, nominal cost estimates and shipping assumptions.

	2021	2020	
Discount rate	1.70%	1.15%	Based on the government bond rate which best reflects the expected period over which restoration activities will be completed. For 2021, this rate is the 14-year Australian government bond rate as at 30 June 2021.
Cost escalation factor	2.90%	3.06%	The 2021 factor is based on the 15 year National BPI Average (Rawlinson's Building Cost Guide) as at 30 June 2021.
Nominal cost estimates	Key nominal cost drivers were re-assessed by an external consulting engineer as at 30 June 2021. 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 2021. 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 \$3 525 000 (1.4%). For every 0.1% change in the cost escalation factor the impact is \$3 480 000 (1.4%).

#### Provision for Restoration Obligations – Antarctic and Sub-Antarctic Regions

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 at Australia's Antarctic and sub-Antarctic Stations, within Australian Territories.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The estimate is dependent upon five key parameters/variables: shipping assumptions, discount rate, cost escalation factor, asset replacement costs and asset remaining useful lives.

	2021	2020	
Shipping assumptions	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 2021. 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 government bond rate as at 30 June 2021 used in the calculation.
Cost escalation factor	2.90%	3.06%	Per the Antarctic Solid Waste Disposal Sites.
Asset replacement costs	These are calculated in accordance with the department's policy in Note 4. 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 2021.  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.		
Asset remaining useful lives			

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 \$2 777 000 (0.7%). For every 0.1% change in the cost escalation factor the impact is \$2 743 000 (0.7%).

### Provision for Restoration Obligations – Other Localities

The department currently recognises 38 (2020: 36) provisions for premises requiring restoration to their original condition at the conclusion of the lease. The provisions reflect the present value of this obligation.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 8: Current/Non-current Distinction Assets and Liabilities

	2021 \$'000	2020 \$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	57 763	29 743
Trade and other receivables	481 837	306 442
Other investments	16 000	16 000
Prepayments	6 139	11 164
Inventories	7 612	7 779
<b>Total no more than 12 months</b>	<b>569 351</b>	<b>371 128</b>
<b>More than 12 months</b>		
Land and buildings	540 374	619 880
Leasehold improvements	33 741	41 672
Property, plant and equipment	685 969	578 445
Heritage and cultural assets	72 500	72 319
Computer software	153 577	157 246
Prepayments	881	3 117
Inventories	2 225	2 225
<b>Total more than 12 months</b>	<b>1 489 267</b>	<b>1 474 904</b>
<b>Total assets</b>	<b>2 058 618</b>	<b>1 846 032</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	73 922	45 762
Grants	38	-
Other payables	35 921	23 663
Leases	68 843	59 984
Employee provisions	64 229	70 040
Other provisions	6 395	14 053
<b>Total no more than 12 months</b>	<b>249 348</b>	<b>213 502</b>
<b>More than 12 months</b>		
Other payables	111	108
Leases	299 782	365 468
Employee provisions	187 972	173 586
Other provisions	643 943	740 499
<b>Total more than 12 months</b>	<b>1 131 808</b>	<b>1 279 661</b>
<b>Total liabilities</b>	<b>1 381 156</b>	<b>1 493 163</b>



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 9: Restructuring

##### Note 9A: Departmental Restructuring

	2020 Climate Change and Energy Department of Industry, Science, Energy and Resources <sup>1</sup> \$'000	2020 All functions Department of Agriculture <sup>2</sup> \$'000
<b>FUNCTIONS ASSUMED</b>		
<b>Assets recognised</b>		
Cash and cash equivalents	-	52 021
Trade and other receivables	-	263 995
Other investments	-	17 500
Land, Buildings and leasehold improvements	-	181 919
Property, plant and equipment	-	27 636
Computer software	-	119 233
Inventories	-	2 110
Prepayments	-	12 488
<b>Total assets recognised</b>	-	676 901
<b>Liabilities recognised</b>		
Suppliers	-	15 665
Other payables	-	26 163
Leases	-	139 230
Employee provisions	-	169 168
Other provisions	-	3 508
<b>Total liabilities recognised</b>	-	353 734
<b>Net assets assumed</b>	-	323 168
<b>Income assumed</b>		
Recognised by the receiving entity	-	199 272
Recognised by the losing entity	-	646 966
<b>Total income assumed</b>	-	846 238
<b>Expenses assumed</b>		
Recognised by the receiving entity	-	391 874
Recognised by the losing entity	-	476 886
<b>Total expenses assumed</b>	-	868 760
<b>FUNCTIONS RELINQUISHED</b>		
<b>Assets relinquished</b>		
Cash and cash equivalents	16 081	-
Trade and other receivables	678	-
Property, plant and equipment	8 135	-
Intangibles	2 883	-
Prepayments	717	-
<b>Total assets relinquished</b>	28 494	-
<b>Liabilities relinquished</b>		
Suppliers	259	-
Other payables	3 074	-
Leases	6 491	-
Employee provisions	20 693	-
Other provisions	2 223	-
<b>Total liabilities relinquished</b>	32 740	-
<b>Net liabilities relinquished</b>	4 246	-

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Climate Change and Energy functions of the former Department of the Environment and Energy were relinquished to the Department of Industry, Science, Energy and Resources as a result of the Administrative Arrangement Order on 1 February 2020.
2. All functions of the Department of Agriculture were relinquished to the Department of Agriculture, Water and the Environment (formerly known as the Department of Environment and Energy) as a result of the Administrative Arrangement Order on 1 February 2020.

### **Note 9B: Departmental Restructuring - Department of Agriculture**

	2020
	All functions Department of Agriculture, Water and the Environment <sup>1</sup>
	\$'000
<b>FUNCTIONS RELINQUISHED</b>	
<b>Assets relinquished</b>	
Cash and cash equivalents	52 021
Trade and other receivables	263 995
Other investments	17 500
Land, Buildings and leasehold improvements	181 919
Property, plant and equipment	27 636
Computer software	119 233
Inventories	2 110
Prepayments	12 488
<b>Total assets relinquished</b>	<b>676 901</b>
<b>Liabilities relinquished</b>	
Suppliers	15 665
Other payables	26 163
Leases	139 230
Employee provisions	169 168
Other provisions	3 508
<b>Total liabilities relinquished</b>	<b>353 734</b>
<b>Net (assets) relinquished</b>	<b>(323 168)</b>

1. All functions of the Department of Agriculture were relinquished to the Department of Agriculture, Water and the Environment (formerly known as the Department of Environment and Energy) as a result of the Administrative Arrangement Order on 1 February 2020.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 10: Contingent Assets and Liabilities

	Claims for damages or costs	
	2021 \$'000	2020 \$'000
<b>Contingent assets</b>		
Balance from previous period	2 774	2 911
New contingent assets recognised	-	2 784
Re-measurement	-	(10)
Assets realised	(2 558)	(2 911)
<b>Total contingent assets</b>	<b>216</b>	<b>2 774</b>
<b>Net contingent assets (liabilities)</b>	<b>216</b>	<b>2 774</b>

#### Quantifiable Contingencies

At 30 June 2021 the department had contingent assets of \$0.216 million (2020: \$2.774 million). This amount relates to insurance recoveries for losses arising from insured events and insurance claims which are still pending at 30 June 2021.

#### Unquantifiable Contingencies

At 30 June 2021 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 2021, the department had a number of legal claims lodged against it for damages and costs. The department is responding to these claims in accordance with its obligations under the Legal Services Directions 2017. It is not possible to estimate the amount of any eventual payments in relation to these matters.

The department has unquantifiable contingencies in relation to potential under or overpayment of superannuation resulting from interpretations of Enterprise Agreements and other employee arrangements. A quantifiable contingency has not yet been determined and uncertainty exists.

In 2019-20 the department disclosed a contingent liability in relation to claims for the compensation for alleged losses due to the temporary suspension of exports of live animals to Indonesia that was put in place on 7 June 2011. The Department of Finance, which has responsibility for Comcover (the Australian Government's general insurance fund), has assumed insurance responsibility for the potential claims under its insurance arrangements with the department. As such, this is no longer considered to be a contingent liability for the department.

#### **Accounting policy**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant 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 measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 11: Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the department, directly or indirectly, including any director (whether executive or otherwise) of the department. This includes those personnel who have temporarily performed the relevant roles for a period of more than twelve weeks. The department has determined the key management personnel to be all Ministers and Assistant Ministers of the department, the Secretary and members of the Executive Board. Key management personnel remuneration is reported in the table below:

	2021 \$'000	2020 \$'000
<b>Department of Agriculture, Water and the Environment</b>		
Short-term employee benefits	3 685	4 099
Post-employment benefits	512	609
Other long-term benefits	78	117
Termination benefits	-	334
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>4 275</b>	<b>5 159</b>

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Ministers and Assistant Ministers of the department. The Ministers' and Assistant Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department.

The total number of key management personnel that are included in the above table is 11, being five substantive officers for the whole period, three substantive officers for part of the year, one officer that acted for more than 12 weeks of the year and was later substantive for the rest of the year and two acting officers for part of the year (2020: 16, being five substantive officers for the whole period, eight substantive officers for part of the year and three officers that acted for more than 12 weeks of the year).

### Note 12: Related Party Disclosures

#### Related party relationships

The department is an Australian Government controlled entity. Related parties to the department are key management personnel, including the Ministers and Assistant Ministers of the department and other Australian Government entities.

#### 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. 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, the department has determined there are no related party transactions that require separate disclosure (2020: Nil).

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 13: Financial Instruments

	2021	2020
	\$'000	\$'000
<b>Note 13A: Categories of Financial Instruments</b>		
<b>Financial assets at amortised cost</b>		
Negotiable securities - certificates of deposit	16 000	16 000
Cash and cash equivalents	57 763	29 743
Trade and other receivables (net)	40 326	54 377
<b>Total financial assets at amortised cost</b>	<b>114 089</b>	<b>100 120</b>
<b>Total financial assets</b>	<b>114 089</b>	<b>100 120</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	73 922	45 762
Grants payable	38	-
Lease liabilities	368 625	425 452
<b>Total financial liabilities measured at amortised cost</b>	<b>442 585</b>	<b>471 214</b>
<b>Total financial liabilities</b>	<b>442 585</b>	<b>471 214</b>

At 30 June 2021, there are 10 (2020: 10) certificates of deposit maturing at different dates within the next 12 months. Interest rates range from 0.34% to 0.90% (2020: 1.00% to 1.85%) payable upon maturity.

#### Note 13B: Net Gains or Losses from Financial Assets

<b>Held-to-maturity investments</b>		
Interest revenue	145	347
<b>Net gain on held-to-maturity investments</b>	<b>145</b>	<b>347</b>
<b>Financial assets at amortised cost</b>		
Impairment	(1 085)	(580)
<b>Net (losses) on financial assets at amortised cost</b>	<b>(1 085)</b>	<b>(580)</b>
<b>Net (losses) on financial assets</b>	<b>(940)</b>	<b>(233)</b>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Accounting policy

#### **Financial assets**

Under AASB 9 *Financial Instruments* the department 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 department's business model for managing the financial assets and contractual cash flow characteristics of the item on initial recognition. Financial assets are recognised when the department becomes a party to the contract and, as a consequence, has 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 a trade date.

#### 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 assets 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 losses 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 assets 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.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the simplified 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 the risk has not increased.

The department has used the simplified approach for trade, contract and lease receivables. 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**

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'. All of the department's financial liabilities are categorised as other financial liabilities.

### 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).

All payables are expected to be settled within 12 months except where indicated.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 14: Appropriations

The comparative amounts represent the appropriations of the former Department of the Environment and Energy (DoEE) including Climate Change and Energy functions from 1 July 2019 until 31 January 2020; and the merged Department of Agriculture, Water and the Environment from 1 February 2020 until 30 June 2020.

#### Note 14A: Annual and Unspent Appropriations ('Recoverable GST exclusive')

	2021 \$'000	2020 \$'000
<b>Ordinary annual services</b>		
<b>Annual appropriation</b>		
Operating	971 742	498 316
Capital Budget <sup>1</sup>	71 264	58 241
PGPA Act section 74 receipts	41 652	49 708
PGPA Act section 75 transfers	-	142 058
<b>Total available appropriation</b>	<b>1 084 658</b>	<b>748 323</b>
Appropriation applied (current and prior years)	(917 595)	(674 719)
<b>Variance</b>	<b>167 063</b>	<b>73 604</b>
Opening unspent appropriation balance	126 534	52 930
<b>Closing unspent appropriation balance</b>	<b>293 597</b>	<b>126 534</b>
<b>Balance comprises appropriations as follows:<sup>2</sup></b>		
<i>Appropriation Act (No. 1) 2019-2020</i>	<i>2 000</i>	<i>122 057</i>
<i>Cash at bank - Appropriation Act (No. 1) 2019-2020</i>	<i>-</i>	<i>4 477</i>
<i>Appropriation Act (No. 1) 2020-2021</i>	<i>282 518</i>	<i>-</i>
<i>Supply Act (No. 1) 2020-2021</i>	<i>5 235</i>	<i>-</i>
<i>Cash at bank - Appropriation Act (No. 3) 2020-2021</i>	<i>3 844</i>	<i>-</i>
<b>Total unspent appropriation - ordinary annual services</b>	<b>293 597</b>	<b>126 534</b>
<b>Other Services</b>		
<b>Annual appropriation</b>		
Equity injections	65 407	127 119
PGPA Act section 75 transfers	-	4 348
<b>Total available appropriation</b>	<b>65 407</b>	<b>131 467</b>
Appropriation applied (current and prior years)	(38 606)	(45 818)
<b>Variance</b>	<b>26 801</b>	<b>85 649</b>
Opening unspent appropriation balance	124 227	38 578
Prior year Appropriation Acts repealed	( 3 868)	-
<b>Closing unspent appropriation balance</b>	<b>147 160</b>	<b>124 227</b>
<b>Balance comprises appropriations as follows:<sup>2</sup></b>		
<i>Appropriation Act (No. 2) 2017-2018</i>	<i>-</i>	<i>3 868</i>
<i>Appropriation Act (No. 2) 2019-2020</i>	<i>67 865</i>	<i>66 653</i>
<i>Appropriation Act (No. 4) 2019-2020</i>	<i>1 891</i>	<i>11 717</i>
<i>Supply Act (No. 2) 2019-2020</i>	<i>21 579</i>	<i>41 989</i>
<i>Appropriation Act (No. 2) 2020-2021</i>	<i>36 290</i>	<i>-</i>
<i>Appropriation Act (No. 4) 2020-2021</i>	<i>946</i>	<i>-</i>
<i>Supply Act (No. 2) 2020-2021</i>	<i>18 589</i>	<i>-</i>
<b>Total unspent appropriation - other services</b>	<b>147 160</b>	<b>124 227</b>
<b>Total unspent appropriation</b>	<b>440 757</b>	<b>250 761</b>

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of the ordinary annual services, and are not separately identified in the Appropriation Acts.

2. The unspent annual appropriation is shown inclusive of PGPA Act section 51 withholdings against:

- *Appropriation Act (No. 1) 2019-2020* of \$2 000 000.
- *Appropriation Act (No. 2) 2019-2020* of \$1 212 000.
- *Appropriation Act (No. 1) 2020-2021* of \$5 679 000.



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 15: Appropriations – Department of Agriculture

The following tables represents the appropriations of the former Department of Agriculture (DoA) from 1 July 2019 until 31 January 2020.

#### Note 15A: Annual and Unspent Appropriations ('Recoverable GST exclusive') - Department of Agriculture

	2020
	\$'000
<b>Annual appropriation</b>	
Operating	394 986
Capital budget <sup>1</sup>	9 793
PGPA Act Section 74 receipts	15 434
<b>Total available appropriation</b>	420 213
Appropriation applied (current and prior years)	(267 385)
<b>Variance</b>	152 828
Opening unspent appropriation balance	69 064
<b>Closing unspent appropriation balance</b>	221 892
<b>Balance comprises appropriations as follows:</b>	
<i>Supply Act (No. 1) 2019-2020</i>	12 239
<i>Appropriation Act (No. 1) 2019-2020</i>	207 541
<i>Cash on hand - Appropriation Act (No.1) 2019-2020</i>	2 112
<b>Total unspent appropriation - ordinary annual services</b>	221 892
<b>Other Services - Equity</b>	
<b>Annual appropriation</b>	
Equity injection	5 123
<b>Total available appropriation</b>	5 123
Appropriation applied (current and prior years)	(1 295)
<b>Variance</b>	3 828
Opening unspent appropriation balance	520
<b>Closing unspent appropriation balance</b>	4 348
<b>Balance comprises appropriations as follows:</b>	
<i>Appropriation Act (No. 2) 2018-2019</i>	437
<i>Supply Act (No. 2) 2019-2020</i>	418
<i>Appropriation Act (No. 2) 2019-2020</i>	3 493
<b>Total unspent appropriation - other services</b>	4 348
<b>Total unspent appropriation<sup>2</sup></b>	226 240

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

2. Unspent appropriation of \$224 128 000 (excluding cash on hand) was transferred to the Department of Agriculture, Water and the Environment (formerly known as the Department of the Environment and Energy) as a result of the Administrative Arrangement Order on 1 February 2020 (in accordance with PGPA Act Section 75 transfers).

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 16: Net Cash Appropriation Arrangements

	2021 \$'000	2020 \$'000
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b>191 134</b>	<b>(149 657)</b>
<i>Plus:</i> depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) <sup>1,2</sup>	<b>75 677</b>	<b>73 442</b>
<i>Plus:</i> depreciation of right-of-use assets funded through appropriations <sup>2</sup>	<b>58 111</b>	<b>67 929</b>
<i>Less:</i> lease principal repayments funded through appropriations <sup>2</sup>	<b>(49 145)</b>	<b>(59 831)</b>
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>275 777</b>	<b>(68 117)</b>
Adjustments for changes in asset revaluation reserve	<b>(139 117)</b>	<b>17 935</b>
<b>Operating profit/(loss) attributable to the department</b>	<b>136 660</b>	<b>(50 182)</b>

1. The department's depreciation charges for 2021 were comprised of:

- amounts funded by cost recovery arrangements totalling \$33 849 994 (2020: \$15 663 655); and
- unfunded totalling \$133 788 480 (2020: \$141 371 720).

2. As outlined in Note 2A, the department undertakes a number of cost recovery activities including biosecurity, food export, plant export and live animal export arrangements. Non-financial assets are used to support and deliver these activities. For assets funded through cost recovery arrangements, depreciation/amortisation and lease principal repayments are excluded from this note.

From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with appropriation through equity injections reported in a separate department capital budget statement. Capital budgets are provided to meet costs associated with replacement of minor assets or maintenance costs that are eligible to be capitalised.

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the cash impact on implementation of AASB 16 Leases and it does not directly reflect a change in appropriation arrangements.

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 17: Special Accounts**

	Australian Quarantine and Inspection Service Special Account <sup>1</sup>		Biosecurity, Imported Food and Export Certification Special Account 2020 <sup>2</sup>		Energy Special Account 2015 <sup>3</sup>	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	23 120	34 209	-	-	-	10 140
Increases	87 000	537 246	598 246	-	-	10 054
<b>Total increases</b>	<b>87 000</b>	<b>537 246</b>	<b>598 246</b>	<b>-</b>	<b>-</b>	<b>10 054</b>
<b>Available for payments</b>	<b>110 120</b>	<b>571 455</b>	<b>598 246</b>	<b>-</b>	<b>-</b>	<b>20 194</b>
Decreases	(110 120)	(548 335)	(546 407)	-	-	(20 194)
<b>Total departmental decreases</b>	<b>(110 120)</b>	<b>(548 335)</b>	<b>(546 407)</b>	<b>-</b>	<b>-</b>	<b>(20 194)</b>
<b>Total decreases</b>	<b>(110 120)</b>	<b>(548 335)</b>	<b>(546 407)</b>	<b>-</b>	<b>-</b>	<b>(20 194)</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>23 120</b>	<b>51 839</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance made up of:</b>						
Cash held in the Official Public Account	-	21 025	50 464	-	-	-
Cash held in entity bank accounts	-	2 095	1 375	-	-	-
<b>Total balance carried to the next period</b>	<b>-</b>	<b>23 120</b>	<b>51 839</b>	<b>-</b>	<b>-</b>	<b>-</b>

	National Residue Survey Account <sup>4</sup>	
	2021	2020
	\$'000	\$'000
Balance brought forward from previous period	2 146	1 079
Increases	11 241	11 409
Increases - Investments	16 000	17 500
<b>Total increases</b>	<b>27 241</b>	<b>28 909</b>
<b>Available for payments</b>	<b>29 387</b>	<b>29 988</b>
Decreases	(11 307)	(11 842)
Decreases - Investments	(16 000)	(16 000)
<b>Total departmental decreases</b>	<b>(27 307)</b>	<b>(27 842)</b>
<b>Total decreases</b>	<b>(27 307)</b>	<b>(27 842)</b>
<b>Total balance carried to the next period</b>	<b>2 080</b>	<b>2 146</b>
<b>Balance made up of:</b>		
Cash held in the Official Public Account	2 080	2 146
Cash held in entity bank accounts	-	-
<b>Total balance carried to the next period</b>	<b>2 080</b>	<b>2 146</b>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The following special accounts are appropriated under *Public Governance, Performance and Accountability Act 2013* section 78

Special Account	Establishing Instrument	Purpose
1. Australian Quarantine and Inspection Service Special Account	<i>Financial Management and Accountability Determination 2010/11 – Australian Quarantine and Inspection Service Special Account Establishment 2010</i>	This special account was repealed on 3 September 2020. An amount equal to the closing balance of this special account was credited into the Biosecurity, Imported Food and Export Certification Special Account 2020 on 3 September 2020. For the purposes of providing quarantine, inspection and certification services for: <ul style="list-style-type: none"> <li>passengers, cargo, mail, animals, plants, and animal or plant products arriving in Australia; and</li> <li>agricultural products exported from Australia.</li> </ul>
2. Biosecurity, Imported Food and Export Certification Special Account 2020	<i>PGPA Act Determination (Biosecurity, Imported Food and Export Certification Special Account 2020)</i>	This special account commenced on 3 September 2020. An amount equal to the closing balance of the Australian Quarantine and Inspection Service Special Account was credited into this new special account on 3 September 2020. For the purposes of providing biosecurity, inspection and certification services for: <ul style="list-style-type: none"> <li>passengers, cargo, mail, animals, plants, and animal or plant products arriving in Australia; and</li> <li>agricultural products and food exported from Australia.</li> </ul>
3. Energy Special Account 2015	<i>PGPA Act (Energy Special Account 2015-Establishment) Determination 2015/07</i>	As a result of the Administrative Arrangement Order on 1 February 2020, this special account was transferred to Department of Industry, Science, Energy and Resources. For the purposes of conducting activities that contribute to policy development in the energy and resources sectors.

The following special account is appropriated under *Public Governance, Performance and Accountability Act 2013* section 80

Special Account	Establishing Instrument	Purpose
4. National Residue Survey Account	<i>National Residue Survey Administration Act 1992; section 6(1)</i>	For the purposes of conducting national residue surveys and to provide for collection of the National Residue Survey levy imposed by various acts. The department held \$16 000 000 in term deposits as a result of investments made under s58 of the PGPA Act. This includes amounts realised and automatically reinvested in term deposits.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 18: Regulatory Charging Summary

	2021 \$'000	2020 \$'000
<b>Amounts applied</b>		
Departmental		
Annual appropriations	127 059	114 296
Own source revenue	439 015	397 173
<b>Total amounts applied</b>	<b>566 074</b>	<b>511 469</b>
<b>Expenses</b>		
Departmental	511 237	528 172
<b>Total expenses</b>	<b>511 237</b>	<b>528 172</b>
<b>Revenue</b>		
Departmental	403 875	388 519
<b>Total revenue</b>	<b>403 875</b>	<b>388 519</b>
<b>Amounts written off</b>		
Departmental	655	220
<b>Total amounts written off</b>	<b>655</b>	<b>220</b>

#### Competitive Neutrality

The department operates a number of cost recovery arrangements across the Biosecurity, Export Certification and other business service areas in accordance with the Australian Government Charging Framework and are not for profit activities. The department is not subject to competitive neutrality arrangements for this reason. The Administered component of these activities is disclosed at Note 34.

#### Departmental Regulatory Charging Activities

- Dairy Exports Program Services
- Fish and Egg Export Program Services
- Hazardous Waste Permits
- Horticulture Exports Program Services
- Import Clearance Program Services
- Levies Revenue Service
- Live Animal Export Program Services
- Meat Export Program Services
- Non-road Spark Ignition Engines and Equipment (NRSIEE)
- Environmental Assessments under the *Environmental Protection and Biodiversity Conservation Act 1999*
- National Residue Survey Services
- Grain and Seed Export Program Services
- Passenger Program Services
- Post Entry Plant Quarantine Program Services
- Sea Dumping Permit Applications
- Seaports Program Services
- Voluntary Product Stewardship Accreditation
- Wildlife Trade Permits
- Ozone Protection and Synthetic Greenhouse Gas Management Program
- Non-Prescribed Goods Export Program Services

The following regulatory charging activities were transferred to the Department of Industry, Science, Energy and Resources on 1 February 2020. This note accounts for these activities for the period 1 July 2019 to 31 January 2020.

- Application Fees to vary Fuel Standards
- Commercial Building Disclosure
- Greenhouse and Energy Minimum Standards

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Documentation (Cost Recovery Implementation Statements) for the above activities is available at:

- Environment regulatory charging activities: [www.environment.gov.au/about-us/accountability-reporting/cost-recovery](http://www.environment.gov.au/about-us/accountability-reporting/cost-recovery)
- Agriculture regulatory charging activities: for 2020-21 Exports Cost Recovery Implementation Statements, visit [www.agriculture.gov.au/fees/cost-recovery-implementation-statements](http://www.agriculture.gov.au/fees/cost-recovery-implementation-statements). Exports Cost Recovery Implementation Statements for the period from 1 July 2021 are available at [www.agriculture.gov.au/fees/cost-recovery-2021-22-budget](http://www.agriculture.gov.au/fees/cost-recovery-2021-22-budget)  
For Biosecurity Cost Recovery Implementation Statements, visit: [www.agriculture.gov.au/fees/cost-recovery/biosecurity-cris](http://www.agriculture.gov.au/fees/cost-recovery/biosecurity-cris)

### Industry Rebates and Program Results

The cost recovered activities including biosecurity, export certification, quota management and National Residue Survey are maintained on a program basis with many of the programs aligning to an industry sector. The management of each program, including the establishment of the level and structure of fees and charges, is conducted in consultation with an Industry Consultative Committee, as applicable, and the Department of Finance.

Where fees and charges are collected for a cost recovered program exceed its costs during a financial year, the excess revenue is reported in total compressive income (loss) for the period. The amount of excess revenue is transferred from retained earnings into an industry reserve.

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2021*

		2021	2020	Original Budget 2021
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Levy disbursements and Commonwealth contributions	19A	858 567	819 872	803 849
Grants	19B	471 067	314 470	841 055
Payments to corporate Commonwealth entities	19C	229 239	362 324	229 229
Suppliers	19D	236 669	220 863	246 956
Direct personal benefits - Income support for farmers		180 368	134 377	155 038
Council of Australian Governments Reform Fund		25 818	-	30 000
Depreciation and amortisation	22A	7 934	7 918	7 771
Concessional loan discount		419 626	143 156	715 541
Impairment loss on financial instruments	19E	4 456	3 429	-
Write-down and impairment of assets	19F	5 549	28 195	5 706
Other expenses	19G	37 798	494	-
<b>Total expenses</b>		<b>2 477 091</b>	<b>2 035 098</b>	<b>3 035 145</b>
<b>Income</b>				
<b>Revenue</b>				
<b>Taxation revenue</b>				
Levies and charges	20A	541 007	474 261	481 126
<b>Total taxation revenue</b>		<b>541 007</b>	<b>474 261</b>	<b>481 126</b>
<b>Non-taxation revenue</b>				
Revenue from contracts with customers	20B	19 811	19 560	12 295
Agriculture Future Drought Resilience Special Account		100 000	-	100 000
Interest	20C	33 857	21 349	107 216
Snowy Hydro Limited Dividends		-	108 500	-
Other revenue	20D	10 378	16 883	23 030
<b>Total non-taxation revenue</b>		<b>164 046</b>	<b>166 292</b>	<b>242 541</b>
<b>Total revenue</b>		<b>705 053</b>	<b>640 553</b>	<b>723 667</b>
<b>Gains</b>				
Reversal of impairment losses	22A	8 190	36 903	-
Other gains	20E	6 209	81 251	-
<b>Total gains</b>		<b>14 399</b>	<b>118 154</b>	<b>-</b>
<b>Total income</b>		<b>719 452</b>	<b>758 707</b>	<b>723 667</b>
<b>Net cost of services</b>		<b>1 757 639</b>	<b>1 276 391</b>	<b>2 311 478</b>
<b>Deficit</b>		<b>(1 757 639)</b>	<b>(1 276 391)</b>	<b>(2 311 478)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserves		6 625	16 318	-
<b>Items subject to subsequent reclassification to net cost of services</b>				
Gains/(losses) on financial assets at fair value through other comprehensive income		102 215	36 175	-
<b>Total other comprehensive income</b>		<b>108 840</b>	<b>52 493</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(1 648 799)</b>	<b>(1 223 898)</b>	<b>(2 311 478)</b>

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

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**  
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**  
*as at 30 June 2021*

		2021	2020	Original Budget 2021
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	21A	2 223 061	1 896 517	1 907 572
Loan receivables	21B	1 504 193	924 129	3 112 858
Trade, taxation and other receivables	21C	115 119	106 726	102 224
Investments in corporate Commonwealth entities	21D	1 329 140	1 175 958	1 227 377
<b>Total financial assets</b>		<b>5 171 513</b>	<b>4 103 330</b>	<b>6 350 031</b>
<b>Non-financial assets</b>				
Land	22A	618	582	582
Infrastructure	22A	538 163	537 868	530 109
Plant and equipment	22A	1 800	1 820	1 820
Flooding easements	22A	814	814	814
Heritage and cultural	22A	996	976	964
Water entitlements	22A	4 023 066	4 011 959	4 164 865
Inventories	22B	10 990	11 078	11 078
Prepayments		7 711	9 336	7 998
<b>Total non-financial assets</b>		<b>4 584 158</b>	<b>4 574 433</b>	<b>4 718 230</b>
<b>Total assets administered on behalf of Government</b>		<b>9 755 671</b>	<b>8 677 763</b>	<b>11 068 261</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Levy disbursements and Commonwealth contributions	23A	132 617	93 075	121 238
Grants	23B	17 861	8 512	11 088
Suppliers		76 725	58 016	58 013
Personal benefits - Income support to farmers		2 716	2 725	2 725
Corporate Commonwealth entities		17 735	17 735	-
Other payables		3 597	35	35
<b>Total payables</b>		<b>251 251</b>	<b>180 098</b>	<b>193 099</b>
<b>Provisions</b>				
Loan commitments to farm businesses	24A	312 195	95 278	95 278
Remediation provision	24B	37 447	-	-
<b>Total provisions</b>		<b>349 642</b>	<b>95 278</b>	<b>95 278</b>
<b>Total liabilities administered on behalf of Government</b>		<b>600 893</b>	<b>275 376</b>	<b>288 377</b>
<b>Net assets</b>		<b>9 154 778</b>	<b>8 402 387</b>	<b>10 779 884</b>

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



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT ADMINISTERED RECONCILIATION SCHEDULE

for the period ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>8 402 387</b>	<b>28 833 729</b>
<b>Adjusted opening assets less liabilities</b>	<b>8 402 387</b>	<b>28 833 729</b>
<b>Net cost of services</b>		
Income	719 452	758 707
Expenses		
Payments to entities other than corporate Commonwealth entities	(2 247 852)	(1 672 774)
Payments to corporate Commonwealth entities	(229 239)	(362 324)
<b>Other comprehensive income</b>		
Revaluations transferred to reserves		
Non-financial assets	6 625	16 318
Investments in corporate Commonwealth entities	102 215	36 175
<b>Transfers (to)/from the Australian Government</b>		
Appropriation transfers from Official Public Account		
Administered assets and liabilities appropriations	921 902	427 479
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	629 400	672 280
Payments to corporate Commonwealth entities	272 836	203 480
Special appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	63 544	-
Payments to corporate Commonwealth entities	7 370	150 589
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	671 434	662 703
Payments to corporate Commonwealth entities	332 612	308 706
Special account statutory credits	315 000	355 581
Appropriation transfers to Official Public Account		
Transfers to Official Public Account	(812 731)	(885 071)
Restructuring	26A -	(21 102 737)
Personal Benefits - Withholding	(177)	(454)
<b>Closing assets less liabilities as at 30 June</b>	<b>9 154 778</b>	<b>8 402 387</b>

### Accounting Policy

#### *Administered Cash Transfers to and from the Official Public Account (OPA)*

Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the OPA which is 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 statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT**  
**ADMINISTERED CASH FLOW STATEMENT**  
*for the period ended 30 June 2021*

	2021 \$'000	2020 \$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Taxes	532 254	495 753
Sales of goods and rendering of services	20 057	21 313
Dividends	-	108 500
Special account transfers	100 000	-
GST received	85 788	125 130
Interest	70	153
Other	10 728	12 712
<b>Total cash received</b>	<b>748 897</b>	<b>763 561</b>
<b>Cash used</b>		
Levy disbursements and Commonwealth contributions	834 484	893 622
Grants	522 512	377 046
Suppliers	229 678	221 781
Personal benefits	180 730	134 354
Payments to corporate Commonwealth entities	229 239	344 589
Other	23 589	572
<b>Total cash used</b>	<b>2 020 232</b>	<b>1 971 964</b>
<b>Net cash used by operating activities</b>	<b>(1 271 335)</b>	<b>(1 208 403)</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Repayments of loans	175 651	122 292
Interest received from loans	8 667	18 427
<b>Total cash received</b>	<b>184 318</b>	<b>140 719</b>
<b>Cash used</b>		
Loan advances	936 831	390 550
Corporate Commonwealth entity investments	50 967	269 480
Purchase of water entitlements	8	17 661
<b>Total cash used</b>	<b>987 806</b>	<b>677 691</b>
<b>Net cash used by investing activities</b>	<b>(803 488)</b>	<b>(536 972)</b>
<b>Net decrease in cash held</b>	<b>(2 074 823)</b>	<b>(1 745 375)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1 896 517</b>	<b>7 165 145</b>
<b>Cash from Official Public Account for</b>		
Appropriations	2 899 098	2 425 237
Special accounts	315 000	355 581
<b>Total cash from Official Public Account</b>	<b>3 214 098</b>	<b>2 780 818</b>
<b>Cash to Official Public Account for:</b>		
Appropriations	812 731	885 071
Special accounts transferred due to restructure	-	5 419 000
<b>Total cash to Official Public Account</b>	<b>812 731</b>	<b>6 304 071</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2 223 061</b>	<b>1 896 517</b>

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

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Budget Variance Commentary

The following tables provide a comparison of the original budget as presented in the 2020-21 Portfolio Budget Statements to the 2020-21 final outcome as presented in accordance with Australian Accounting Standards for the department. The budget is not audited. Explanations of major variances are provided below.

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than +/- 10% of the original budget and +/- \$10 million for a line item; or
- the variance between budget and actual is greater than +/- 2% of the relevant sub-total (i.e. total expenses, total income, total assets or total liabilities) and +/- \$10 million; or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the department.

Major variances and explanations	Affected line items
<u>Administered Schedule of Comprehensive Income</u>	
Total expenses were \$558.1 million lower than the original budget mainly as a result of:	<ul style="list-style-type: none"> <li>• Total expenses</li> </ul>
<ul style="list-style-type: none"> <li>• Lower than budgeted grants and supplier expenses of \$206.6 million due to government's decision to end water buybacks through the Sustainable Rural Water Use and Infrastructure Program (SRWUIP), delays by Basin states in bringing forward efficiency measures including the establishment of the off-farm efficiency programs and less than anticipated water use in the regulated catchments.</li> </ul>	<ul style="list-style-type: none"> <li>• Grant expenses</li> <li>• Supplier expenses</li> <li>• Direct personal benefits expense</li> <li>• Concessional loan discount expense</li> </ul>
<ul style="list-style-type: none"> <li>• Lower than budgeted grants expenses of \$41.6 million relating to Future Drought Resilience Programs driven by government's decision to open the Future Drought Fund Innovation program in 2021-22 instead of 2020-21 and lower than estimated program costs and applicants across other programs.</li> </ul>	
<ul style="list-style-type: none"> <li>• Higher than budgeted personal benefits expenses of \$25.3 million primarily due to an increase in Farm Household Allowance income support as a result of additional supplement payments and the extension of coronavirus economic stimulus measures.</li> </ul>	
<ul style="list-style-type: none"> <li>• Lower than budgeted concessional loan discount expense of \$295.9 million primarily due to lower than expected loan approvals and lower than expected discounts provided on loans approved.</li> </ul>	
<ul style="list-style-type: none"> <li>• Higher than budgeted other expenses of \$37.8 million primarily due to the Jabiru remediation provision as outlined in Note 24B and Note 27.</li> </ul>	<ul style="list-style-type: none"> <li>• Other expenses</li> </ul>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<p>Total income was \$4.2 million lower than the original budget mainly as a result of:</p> <ul style="list-style-type: none"> <li>• Higher than budgeted levies and charges revenue of \$59.9 million mainly due to favourable seasonal conditions leading to significantly larger wheat, coarse grains, oilseeds and grain legumes harvests.</li> <li>• Lower than budgeted interest revenue of \$73.4 million primarily due to lower than expected loan settlements in 2020-21.</li> <li>• Lower than budgeted other revenue of \$12.7 million primarily due to a reduction in farm household allowance debts raised, lower than budgeted contributions from State and Territory Governments to the National Environment Protection Council Special Account and a reduction in quarantine fines due to travel restrictions as a result of COVID-19.</li> </ul>	<ul style="list-style-type: none"> <li>• Total income</li> <li>• Levies and charges</li> <li>• Interest</li> <li>• Other revenue</li> </ul>
<p>Total other comprehensive income was \$108.8 million higher than original budget as a result of increases to the net assets of portfolio corporate Commonwealth entities. The largest net asset increases were reported against Grains Research and Development Corporation and Sydney Harbour Federation Trust.</p>	<ul style="list-style-type: none"> <li>• Total other comprehensive income</li> <li>• Gains on financial assets through other comprehensive income</li> </ul>
<p><u>Administered Schedule of Assets and Liabilities</u></p> <p>Total assets balance was \$1 312.6 million lower than the original budget mainly as a result of:</p> <ul style="list-style-type: none"> <li>• Higher than budgeted cash and cash equivalents of \$315.5 million mainly driven by lower than budgeted grants expenses as explained above.</li> <li>• Lower than budgeted loan receivables of \$1 608.7 million primarily due to lower than anticipated loans to farm businesses managed by the Regional Investment Corporation.</li> <li>• Higher than budgeted trade, taxation and other receivables balance of \$12.9 million due to larger accruals for levies and charges as a result of increased agricultural production.</li> <li>• Lower than budgeted water entitlements of \$141.8 million due to lower acquisitions than expected largely driven by the government's decision (announced in September 2020 as part of the Murray-Darling Communities Investment Package) to stop water buybacks and focus on recovering water for the environment by modernising off-farm water delivery infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Total assets</li> <li>• Cash and cash equivalents</li> <li>• Loan receivables</li> <li>• Trade, taxation and other receivables</li> <li>• Water entitlements</li> </ul>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Total liabilities balance was \$312.5 million higher than the original budget mainly as a result of:

- Higher than budgeted payables of \$30.1 million mainly due to increased accruals for levy disbursements and Commonwealth contributions and increased supplier accruals for the Regional Land Partnership program, Environment Restoration Fund program and activities funded from the Reef Trust Special Account.
- Higher than budgeted corporate Commonwealth entities payables of \$17.7 million due to additional COVID-19 funding made available to the Australian Pesticides and Veterinary Medicines Authority.
- Higher than budgeted loan commitments to farm businesses of \$216.9 million for loans that have been approved but are yet to be settled. The department expects all approved loans to be settled in 2021-22.
- The recognition of a \$37.4 million provision for the remediation of Jabiru Township.
- Total payables
- Total provisions
- Levy disbursements and Commonwealth contributions
- Suppliers
- Corporate Commonwealth entities
- Loan commitments to farm businesses
- Remediation provision

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 19: Administered – Expenses

	2021 \$'000	2020 \$'000
<b>Note 19A: Levy Disbursements and Commonwealth Contributions</b>		
Levy disbursements		
Corporate Commonwealth entities	221 093	156 592
Other	313 466	337 695
Commonwealth contributions		
Corporate Commonwealth entities	128 916	140 847
Other	195 092	184 738
<b>Total levy disbursements and Commonwealth contributions</b>	<b>858 567</b>	<b>819 872</b>

Refer to Note 20A for more details on Levy disbursements and Note 27 for more details on the Commonwealth contributions

<b>Note 19B: Grants</b>		
Non-profit organisations	203 353	141 754
Australian Government entities (related parties)	54 450	63 239
Local Governments	20 203	18 361
For profit organisations	60 451	36 656
State and Territory Governments	55 295	15 920
Individuals	5 261	5 385
Universities	68 157	28 509
Other	3 337	3 220
Overseas	560	1 426
<b>Total grants</b>	<b>471 067</b>	<b>314 470</b>

#### Accounting policy

The department administers a number of grant schemes 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 but services have not been performed or criteria satisfied, this is considered a commitment.

<b>Note 19C: Payments to Corporate Commonwealth Entities</b>		
Australian Renewable Energy Agency	-	148 868
Murray-Darling Basin Authority	74 567	87 973
Director of National Parks	64 433	50 161
Australian Pesticides and Veterinary Medicines Authority	4 535	23 563
Wine Australia	10 000	26 062
Sydney Harbour Federation Trust	20 584	-
Regional Investment Corporation	45 762	15 477
AgriFutures Australia	9 358	10 220
<b>Total payments to corporate Commonwealth entities</b>	<b>229 239</b>	<b>362 324</b>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Accounting policy

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the department. The appropriation to the department is disclosed in Note 30 and Note 31.

	2021 \$'000	2020 \$'000
<b>Note 19D: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Regional Land payments	88 342	88 293
Contractors	46 995	27 848
NHT implementation costs	26 212	21 772
Membership fees	17 837	18 772
Statutory fees and charges	21 250	17 121
OPSGG implementation costs	10 803	12 753
Consultants	7 680	9 788
Reef Trust implementation costs	3 488	7 654
General goods and services	11 567	6 032
Oil stock tickets	-	4 580
Securing the Future of Jabiru Township	1 098	2 544
Administration charge - loans	1 341	2 001
Advertising	-	1 095
Legal services	56	610
<b>Total goods and services supplied or rendered</b>	<b>236 669</b>	<b>220 863</b>
Goods supplied	107	419
Services rendered	236 562	220 444
<b>Total goods and services supplied or rendered</b>	<b>236 669</b>	<b>220 863</b>
<b>Total supplier expenses</b>	<b>236 669</b>	<b>220 863</b>

### Accounting Policy

#### Regional Land payments

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.

#### Membership fees

Expenses associated with annual fees for Australia's participation in international organisations, councils and forums.

#### Statutory fees and charges

Statutory fees and charges associated with annual fees and water delivery charges for the management of the Commonwealth Environmental Water Holdings.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### NHT implementation costs

The NHT implementation costs represent funding provided to the Department of Agriculture, Water and the Environment, the Department of Industry, Science, Energy and Resources, Great Barrier Reef Marine Park Authority, the Department of Environment and Science (Queensland), the Department of Resources (Queensland) and Torres Strait Regional Authority to cover costs associated with implementation of Natural Heritage Trust of Australia's (NHT) activities.

### OPSGG implementation costs

The OPSGG implementation costs represent funding provided to the Department of Agriculture, Water and the Environment to cover costs associated with the implementation of Ozone Protection and Synthetic Greenhouse Gas (OPSGG) activities.

### Reef Trust implementation costs

The Reef Trust implementation costs represent funding provided to the Department of Industry, Science, Energy and Resources and Great Barrier Reef Marine Park Authority to cover costs associated with the implementation of Reef Trust activities.

### Securing the Future of Jabiru Township

The expense represents funding provided to the Director of National Parks to cover costs associated with removing asbestos and other contaminated material from Jabiru.

### Administration charge - loans

Administrative fees are paid to the jurisdictions for the delivery of administrative services relating to loans. These services include establishment, application processing, customer service and record keeping activities.

	2021 \$'000	2020 \$'000
<b>Note 19E: Impairment Loss on Financial Instruments</b>		
Impairment on loans	4 213	3 429
Impairment on trade and other receivables	243	-
<b>Total impairment loss on financial instruments</b>	<b>4 456</b>	<b>3 429</b>
<b>Note 19F: Write-Down and Impairment of Assets</b>		
Impairment on water assets	1 302	24 470
Impairment on financial assets	2 631	1 149
Debt waiver of personal benefits receivable	336	584
Remissions - Levies and charges	921	862
Write-off of non-financial assets	359	1 130
<b>Total write-down and impairment</b>	<b>5 549</b>	<b>28 195</b>
<b>Note 19G: Other Expenses</b>		
Other	351	494
Increase in remediation provision	37 447	-
<b>Total other expenses</b>	<b>37 798</b>	<b>494</b>

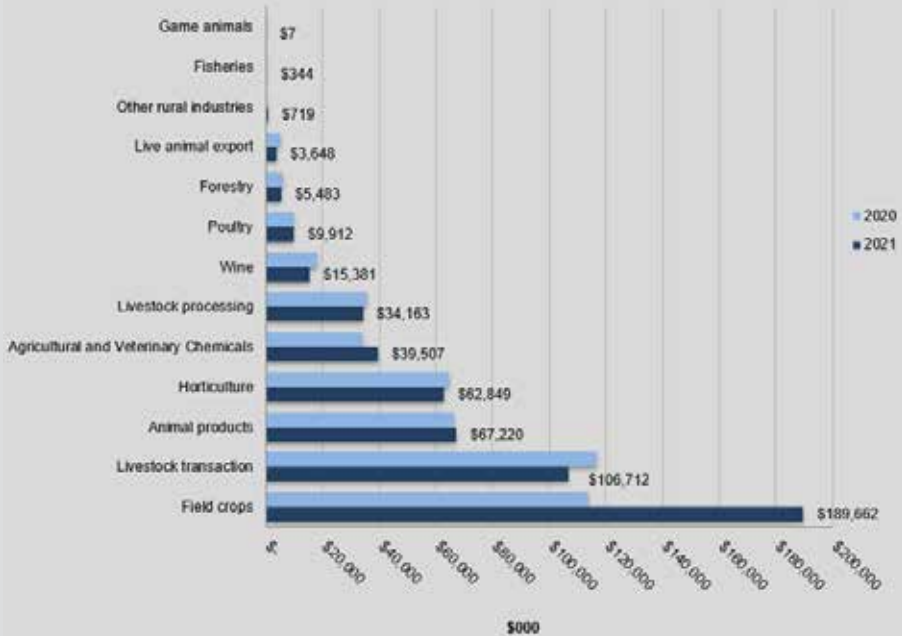


## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 20: Administered – Income

	2021 \$'000	2020 \$'000
<b>Revenue</b>		
<b>Taxation Revenue</b>		
<b>Note 20A: Levies and Charges</b>		
Primary industry levies	523 841	456 683
Primary industry charges	11 766	13 331
Other indirect levies	5 400	4 247
<b>Total levies and charges</b>	<b>541 007</b>	<b>474 261</b>

Figure 1: Primary levy revenue by industry\*



\*The above chart excludes other indirect levies

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Accounting policy

#### Levies and Charges

The department collects, administers and disburses agricultural levies and charges on behalf of Australia's primary industries. Agricultural levies collected by the department are disbursed, in conjunction with any relevant Commonwealth contribution, to research and development corporations and authorities for biosecurity preparedness, emergency plant pest and animal disease responses, marketing, research and development and residue testing.

Agricultural levies revenue are recognised on an accrual basis when the following conditions apply:

- the levy payer/commodity group can be reliably identified;
- the amount of levy payable can be reliably measured; and
- it is probable that the levy payable will be collected.

The amount of the levies revenue accrual recognised relies on the estimation of the amount of probable future levy return lodgements, which relate to leviable commodity transactions that have occurred in the current financial year, with reference to production in prior year and current year forecasts provided by the industries services bodies.

Other indirect levies represent import levies collected under the *Ozone Protection and Synthetic Greenhouse Gas (OPSGG) Management Act 1989* and levies collected on the import of non-road spark ignition engines and equipment (NRSIEE) under the *Product Emissions Standards Act 2017*.

	2021 \$'000	2020 \$'000
<b>Non-Taxation Revenue</b>		
<b><u>Note 20B: Revenue from Contracts with Customers</u></b>		
Rendering of services	19 684	19 463
Sale of goods	127	97
<b>Total revenue from contracts with customers</b>	<b>19 811</b>	<b>19 560</b>
<b>Major product / service line:</b>		
Regulatory fees	19 106	18 727
Service delivery	578	736
Sales of inventory	127	97
<b>Total</b>	<b>19 811</b>	<b>19 560</b>

### Accounting policy

#### Revenue

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

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021	2020
	\$'000	\$'000
<b><u>Note 20C: Interest</u></b>		
Loans	7 996	17 628
Unwinding of concessional loan discount	25 803	3 568
Other interest	58	153
<b>Total interest</b>	<b>33 857</b>	<b>21 349</b>
<b><u>Note 20D: Other Revenue</u></b>		
Refunds of prior year payments	4 416	11 139
Fines and penalties	1 220	3 110
Contributions from State and Territory Governments	1 076	251
Resources received free of charge - NHT audit fee	60	60
Other	3 606	2 323
<b>Total other revenue</b>	<b>10 378</b>	<b>16 883</b>
<b>Accounting policy</b>		
<b><u>Fines and penalties</u></b>		
The department's fines and penalties are primarily Biosecurity penalties and fines collected by the Department of Home Affairs, fines under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> and court awarded fines under the <i>OPSGG Management Act 1989</i> . As reporting is the responsibility of the principal department, these collections are recognised in the department's financial statements as administered items.		

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b>Gains</b>		
<b>Note 20E: Other Gains</b>		
Resources received free of charge - water entitlements	4 212	77 942
Joint operation gains	1 997	2 657
Change in fair value through profit or loss	-	378
Reversal of impairment losses - financial asset	-	262
Other	-	12
<b>Total other gains</b>	<b>6 209</b>	<b>81 251</b>

### Accounting policy

#### Resources Received Free of Charge

Contributions of assets at no cost 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. Water entitlement assets valued at \$4 212 000 were acquired in 2021 (2020: \$77 942 000) for no cost under the Water Efficiency Program and National Water Grid Authority (2020: under the Water Efficiency Program and SRWUIP program) and are included in asset additions in Note 22A.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 21: Administered – Financial Assets

	2021 \$'000	2020 \$'000
<b>Note 21A: Cash and Cash Equivalents</b>		
Cash in special accounts <sup>1</sup>	2 216 406	1 876 361
Cash on hand or on deposit	6 655	20 156
<b>Total cash and cash equivalents</b>	<b>2 223 061</b>	<b>1 896 517</b>
1. Excludes balance of the Special Account for Services for Other Entities and Trust Moneys which is at Note 32 and Note 33.		
<b>Note 21B: Loan Receivables</b>		
<b>Loans</b>		
State and Territory Governments	448 203	586 626
Farm businesses	1 071 784	349 188
<b>Total loans (gross)</b>	<b>1 519 987</b>	<b>935 814</b>
Less impairment loss allowance	(15 794)	(11 685)
<b>Total loans (net)</b>	<b>1 504 193</b>	<b>924 129</b>
<b>Note 21C: Trade, Taxation and Other Receivables</b>		
<b>Goods and services receivables</b>		
Goods and services	1 324	1 086
<b>Total goods and services receivables</b>	<b>1 324</b>	<b>1 086</b>
<b>Taxation receivables</b>		
Levies and charges	72 563	64 721
Indirect tax	4 224	2 828
Other tax	-	91
<b>Total taxation receivables</b>	<b>76 787</b>	<b>67 640</b>
<b>Other receivables</b>		
Statutory receivables	23 226	19 434
Personal benefits	8 377	9 156
Emergency response receivables	6 696	7 093
Interest receivable from loans	4 095	4 766
Other	1 543	2 175
<b>Total other receivables</b>	<b>43 937</b>	<b>42 624</b>
<b>Total trade, taxation and other receivables (gross)</b>	<b>122 048</b>	<b>111 350</b>
<b>Less impairment loss allowance</b>		
Goods and services receivables	(112)	(383)
Taxation receivables	(2 369)	(1 975)
Other receivables	(4 448)	(2 266)
<b>Total impairment loss allowance</b>	<b>(6 929)</b>	<b>(4 624)</b>
<b>Total trade, taxation and other receivables (net)</b>	<b>115 119</b>	<b>106 726</b>

Credit terms for goods and services were within 30 days (2020: 30 days).

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Reconciliation of the Impairment Allowance

#### Movements in relation to 2021

	Goods and services	Taxation receivables	Loans	Other receivables	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2020</b>	<b>(383)</b>	<b>(1 975)</b>	<b>(11 685)</b>	<b>(2 266)</b>	<b>(16 309)</b>
(Increase) / decrease recognised in net cost of services	271	(394)	(4 109)	(2 182)	(6 414)
<b>Total as at 30 June 2021</b>	<b>(112)</b>	<b>(2 369)</b>	<b>(15 794)</b>	<b>(4 448)</b>	<b>(22 723)</b>

#### Movements in relation to 2020

	Goods and services	Taxation receivables	Loans	Other receivables	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>	<b>(821)</b>	<b>(1 831)</b>	<b>(8 256)</b>	<b>(2 001)</b>	<b>(12 909)</b>
(Increase) / decrease recognised in net cost of services	438	(144)	(3 429)	(265)	(3 400)
<b>Total as at 30 June 2020</b>	<b>(383)</b>	<b>(1 975)</b>	<b>(11 685)</b>	<b>(2 266)</b>	<b>(16 309)</b>

### Loans to State and Territory Governments

At 30 June 2021, five loan schemes were in place for loans to State and Territory Governments. The loans were conditional on the State and Territory Governments entering into subsequent loans with farm businesses. Any amounts that were not loaned were returned to the Commonwealth. State and Territory loan schemes are closed and no longer accept loan applications. Loans to State and Territory Governments were made under the Farm Finance and Drought loan schemes for periods up to 5 years and the Dairy Recovery, Drought Recovery and Farm Business loan schemes for up to 10 years.

Loans are subject to biannual impairment assessments. No security is required on these loans to government agencies, but a charge over assets is registered by jurisdictions issuing the loans to farmers. If a State or Territory Government is unable to recover loans provided to program recipients, the respective liability to the Commonwealth will be reviewed in accordance with the applicable loan agreements.

Principal is repaid in full at maturity for the 5 year loans and is partially amortised during years 6 – 10 of the 10 year loans (with balance paid at maturity). Interest rates were fixed with a 6 monthly review period. Effective interest rates averaged 1.95% (2020: 2.89%) for Farm Finance loans, 1.44% (2020: 2.38%) for Drought loans, 1.00% (2020: 2.10%) for Dairy Recovery and Drought Recovery loans and 1.40% (2020: 2.28%) for Farm Business loans. Interest payments to the Commonwealth are due on the 10th day of the month following collection.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Loans to Farm Businesses

At 30 June 2021, five loan schemes were in place for loans provided to farm businesses and farm-related small businesses supporting primary production managed through the Regional Investment Corporation (RIC). Loans were made under the Farm Investment, Drought, AgRebuild, AgBiz and AgriStarter loan schemes for periods up to 10 years.

Loans are subject to biannual impairment assessments. Farm businesses must provide security on these loans. If the RIC are unable to recover loans provided to program recipients, the respective liability to the Commonwealth will be reviewed in accordance with section 11 of the *Regional Investment Corporation Operating Mandate Direction 2018*.

Principal is partially amortised during years 6 – 10 (with balance paid at maturity). Interest rates were fixed with a 6 monthly review period. Effective interest rates averaged 1.47% (2020: 1.49%) for RIC loans. Interest payments are due on the 10th day of the month following collection.

### Accounting Judgements and Estimates

#### Loans to State and Territory Governments and Farm Businesses

The impairment provision for the loans provided to State and Territory Governments and farm businesses has been calculated using an Expected Credit Loss (ECL) methodology and represents a best estimate of the potential loss that may arise in the event of loan default. The ECL calculation is a result of three key parameters:

- Probability of default (PD) - the likelihood of a loan recipient defaulting on repayment obligations,
- Loss given default (LGD) - the financial loss to the Commonwealth if a loan defaults; and
- Risk overlays - the uncertainty inherent in the loan portfolio.

The value of the provision varies from year to year due to changes in loan recipient's ability to repay which, in turn, may be impacted by macroeconomic factors, commodity prices, interest rates, and input prices. The department engaged an independent expert to ensure the provision is consistent with commercial practices and appropriate loan provisioning parameters. Due to the uncertainty of the impact of COVID-19 a conservative approach was applied in 2020, where an additional risk overlay was included. The overlay was decreased in 2021 due to the low impact on the loans portfolio observed.

#### Emergency response receivables

Emergency response receivables relate to arrangements where the Commonwealth initially funds an affected industry's share of the response to emergency plant pest or animal disease incursions. The industry must ensure that the Commonwealth is repaid within a reasonable period (usually defined as within 10 years). These receivables are usually repaid through statutory biosecurity levies. As there are no fixed repayment amounts, and only a maximum period of time in which to repay, these receivables are held at fair value through profit or loss. To estimate the fair value of the receivable balance, the department uses a discounted cash flow approach to adjust the receivable to the net present value of the anticipated cash flows.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b>Note 21D: Investments in Corporate Commonwealth Entities</b>		
AgriFutures Australia	57 506	53 812
Australian Pesticides and Veterinary Medicines Authority	40 544	33 771
Cotton Research and Development Corporation	23 177	30 495
Fisheries Research and Development Corporation	26 579	26 984
Grains Research and Development Corporation	275 919	217 260
Murray-Darling Basin Authority	135 601	123 948
Regional Investment Corporation	16 911	7 566
Wine Australia	10 205	20 976
Director of National Parks	256 038	227 276
Sydney Harbour Federation Trust	486 660	433 870
<b>Total investments in corporate Commonwealth entities</b>	<b>1 329 140</b>	<b>1 175 958</b>

All other investments are expected to be recovered in more than 12 months.

### 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 are not held-for-sale and measured at their fair value through other comprehensive income as at 30 June 2021. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the investment as at the end of the reporting period.

Gains on financial assets at fair value were \$102 215 000 (2020: gain \$36 175 000) in the Administered Schedule of Comprehensive Income. The gains reflect the net asset movements in the corporate Commonwealth entities.



# DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 22: Administered – Non-Financial Assets

### Note 22A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Land \$'000	Infrastructure \$'000	Plant and equipment \$'000	Flooding easements \$'000	Heritage and cultural' \$'000	Water entitlements \$'000	Computer software internally developed \$'000	Total \$'000
<b>As at 1 July 2020</b>								
Gross book value	582	905 860	4 664	814	998	4 055 910	2 799	4 971 627
Accumulated depreciation, amortisation and impairment	-	(367 992)	(2 844)	-	(22)	(43 951)	(2 799)	(417 608)
<b>Total as at 1 July 2020</b>	<b>582</b>	<b>537 868</b>	<b>1 820</b>	<b>814</b>	<b>976</b>	<b>4 011 959</b>	<b>-</b>	<b>4 554 019</b>
<b>Additions</b>								
Revaluations recognised in other comprehensive income	36	1 416	546	-	-	4 220	-	6 218
Impairments recognised in net cost of services	-	6 594	-	-	31	-	-	6 625
Reversal of impairments recognised in net cost of services	-	-	-	-	-	(1 302)	-	(1 302)
Depreciation expense	-	(7 587)	(336)	-	-	8 190	-	8 190
Disposals	-	-	-	-	(11)	-	-	(7 934)
By write-off	-	(128)	(230)	-	-	(1)	-	(359)
<b>Total as at 30 June 2021</b>	<b>618</b>	<b>538 163</b>	<b>1 800</b>	<b>814</b>	<b>996</b>	<b>4 023 066</b>	<b>-</b>	<b>4 565 457</b>
<b>Total as at 30 June 2021 represented by:</b>								
Gross book value	618	918 144	4 753	814	996	4 060 129	2 799	4 988 253
Accumulated depreciation and impairment	-	(379 981)	(2 953)	-	-	(37 063)	(2 799)	(422 796)
<b>Total as at 30 June 2021</b>	<b>618</b>	<b>538 163</b>	<b>1 800</b>	<b>814</b>	<b>996</b>	<b>4 023 066</b>	<b>-</b>	<b>4 565 457</b>

1. Property, plant and equipment that met the definition of a heritage and cultural item was disclosed in the heritage and cultural asset class.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Disposal of non-financial assets

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

### Revaluations of non-financial assets

Revaluations are conducted in accordance with the revaluation policy.

Infrastructure assets held by the River Murray Operation (RMO) joint operation are revalued by an independent, external valuer on a three-year cycle. For the year ended 30 June 2021 an internal management valuation, using the relevant Rawlinson's Building Price Index (BPI), was performed by the Murray-Darling Basin Authority (MDBA). Refer to the Joint Operations section below for more information on joint operation arrangements. A revaluation increment of \$6 594 000 (2020: increment of \$16 318 000) was recognised by the department.

All increments and decrements were recorded in the changes in asset revaluation reserve by asset class and included in the other comprehensive income section of the Administered Schedule of Comprehensive Income. No decrements were expensed.

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

There were no contractual commitments for the acquisition of water entitlements as at 30 June 2021 (2020: Nil).

There were no contractual commitments for the acquisition of property, plant and equipment as at 30 June 2021 (2020: Nil).

### Joint operations

The Australian Government is a joint operator in the following jointly controlled operations and assets:

	Principal activity	Share of Output 2021 %	2020 %
River Murray Operations joint operation	Asset Management	20	20
Living Murray Initiative joint operation	Asset Management	20	20

The Australian Government's interest, as a joint operator, in assets employed in the above joint operations is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2021 \$'000	2020 \$'000
<b>Joint Operations</b>		
<b>Non-current assets</b>		
<b>Land</b>		
River Murray Operations	618	582
<b>Infrastructure</b>		
River Murray Operations	538 163	537 868
<b>Plant and equipment</b>		
River Murray Operations	1 800	1 820
<b>Flooding easements</b>		
River Murray Operations	814	814
<b>Water entitlements</b>		
Living Murray Initiative	133 528	134 586
<b>Total non-current assets</b>	<b>674 923</b>	<b>675 670</b>
<b>Total assets</b>	<b>674 923</b>	<b>675 670</b>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Accounting policy

#### Joint Operations

The Australian Government is an operator of jointly controlled assets held in the RMO and Living Murray Initiative (LMI) joint operations. The Australian Government has control over its share of future economic benefits through its 20% share of the jointly controlled assets. The Australian Government recognises its share of the jointly controlled assets in its financial statements, classified according to the nature of the assets, its share of any liabilities incurred in respect of the joint operation and any income from the sale or use of its share of the output of the joint operation, together with its share of any expenses incurred by the joint operation.

#### Land, plant and equipment and flooding easements

Land, plant and equipment, and flooding easements assets recognised by the department represent the Commonwealth Government's share in the RMO.

RMO land, plant and equipment, and flooding easements are carried at cost, consistent with the FRR.

#### Infrastructure

Infrastructure assets recognised by the department represent the Commonwealth Government's share in the RMO.

RMO infrastructure assets are recorded at fair value in accordance with AASB 116 *Property, Plant and Equipment*, and AASB 13 *Fair Value Measurement*. Infrastructure assets are valued by an independent external valuer on behalf of the RMO every three years. In the intervening two years of the revaluation cycle, values are assessed by means of an internal management valuation. The latter is an indexation based valuation using the relevant BPI.

Due to COVID-19 related travel restrictions the independent external valuation for 2020-21 was deferred. An internal valuation, consistent with the previous two financial years has been undertaken instead. The appropriateness of the internal valuation for the 2020-21 financial year was reviewed by independent expert, Cardno (QLD) Pty Ltd who recommended to apply existing methodology for the interim revaluation.

#### Heritage 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>

#### Impairment

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. Water assets were assessed for impairment at 30 June 2021.

#### Depreciation

Depreciable infrastructure and plant and equipment assets are written-down over their estimated useful lives using the straight-line method of depreciation.

	2021	2020
Infrastructure	up to 400 years	up to 400 years
Plant and equipment	3 to 80 years	3 to 80 years
Heritage and cultural	100 years	100 years

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Water Entitlements

The department acquires water entitlements in the Murray Darling Basin to achieve the Government's environmental policy objectives under the *Water Act 2007*. Water entitlements are acquired in two ways, by direct purchase or 'free of charge'.

Under the Federal Financial Relations Framework, National Partnership Payments are processed centrally by the department of the Treasury and paid directly to each state treasury for delivery of services, including water efficiency projects that generate water savings.

State Treasuries are responsible for distributing the funding within their jurisdiction. In the Commonwealth, the Treasurer is accountable for the appropriations, estimates and payments under the framework. For National Partnership agreements, the primary responsibility for policy is with the relevant portfolio Minister. The department receives water entitlements 'free of charge' in accordance with the terms and conditions of payments made by the Treasury under the National Partnership on Water for the Future (refer to Note 20E).

Under the various water-related programs, there are a number of projects which improve the efficiency of irrigation infrastructure and generate savings in the use of water. As part of these arrangements, the Australian Government will receive a share of that water saving in the form of water entitlements for use in delivering the Government's environmental watering objectives.

Water entitlements received 'free of charge' are recognised as gains at their fair value using a valuation hierarchy. The valuation hierarchy prioritises recent comparable Commonwealth water purchases, followed by recent comparable prices on State registers, and may then require a cost-benefit analysis before an external or in-house valuation is undertaken. Comparable prices may include water entitlements for the equivalent category of entitlement (trading zone and security type) and excludes non-market or low value trades.

Once the department has finalised water entitlements as an asset in use, the *Water Act 2007* requires the department to transfer the entitlements to the Commonwealth Environmental Water Holder.

The department's remaining water entitlement holdings are as a result of the LMI joint operation and entitlements that are not yet classified as in use.

### Water Entitlements Impairment Testing

The department values water entitlements at cost, in the absence of an active market, in accordance with AASB 138 *Intangible Assets*. Water entitlements are classified as indefinite life intangible assets as there is no foreseeable limit to the period over which the assets are expected to generate future economic benefits. Consistent with AASB 136 *Impairment of Assets* and the FRR, they are subject to annual impairment testing.

Under AASB 136, the impairment test is carried out by comparing the carrying amount (per the department's asset register) to the recoverable amount of the water entitlements. The recoverable amount of the water entitlements is the higher of fair value less costs to sell and value in use. The recoverable amount calculation is performed at the lowest practical level, taking into account the quality and availability of data.

The department's valuation methodology calculates the recoverable amount of the water entitlements based on the best information available to reflect the amount that the department could obtain from the disposal of the water entitlements in an arm's length transaction between knowledgeable, willing parties. This approach is consistent with AASB 136.

The determination of impairment and impairment reversal is conducted annually based on the price provided an independent expert. The independent valuer considers the use of multiple data sources, such as:

- the water registry data (with appropriate adjustments);
- registry or broker data for catchments that have similar characteristics to the catchment in which the department holds water;
- broker pricing data;
- the department's own data on the value of entitlements; and
- evidence of other market participants.

An impairment loss recognised in prior periods will be reversed if there is any indication that the impairment may no longer exist or may have decreased. The increased carrying amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Data from State registers (excluding non-market or low value trades) has been relied upon to determine the impairment and the fair value of the water entitlements received 'free of charge' as required by the valuation hierarchy. To ensure the validity of the impairment and fair value of the water entitlements received 'free of charge' the department undertook additional reviews using broker data from an independent consultant. The broker data was sourced from surveys of water brokers and trading exchanges and supports the department's calculations.

	2021 \$'000	2020 \$'000
<b>Note 22B: Inventories</b>		
<b>Inventories held for sale</b>		
Finished goods	10 990	11 078
<b>Total inventories held for sale</b>	10 990	11 078
<b>Total inventory</b>	10 990	11 078

During 2021, \$87 551 of inventory held for sale was recognised as an expense (2020: \$66 785).

#### Accounting policy

##### National Halon Bank

In accordance with the Government's National Halon Management Strategy, the Government operates the National Halon Bank (NHB). 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 NHB 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 NHB 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. A program of work is underway to review Australia's critical use halon needs and ensure the management approach for the NHB is efficient and effective. This will involve reviewing and clarifying current NHB contractual arrangements; developing estimates of future halon needs and reviewing options for longer term halon management.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 23: Administered – Payables

	2021 \$'000	2020 \$'000
<b>Note 23A: Levy Disbursements and Commonwealth Contributions</b>		
Levy disbursements	56 890	34 744
Commonwealth contributions	75 727	58 331
<b>Total levy disbursements and Commonwealth contributions</b>	<b>132 617</b>	<b>93 075</b>
<b>Note 23B: Grants</b>		
Public sector		
Non-profit organisations	1 065	3 826
State and Territory Governments	482	789
Australian Government entities	2 325	-
Local Governments	-	691
Universities	12 100	2 641
Individuals	84	345
Overseas	-	110
For profit organisations	1 805	110
<b>Total grants</b>	<b>17 861</b>	<b>8 512</b>

All grants and suppliers are expected to be settled in no more than 12 months.

Settlement of grants was made according to the terms and conditions of each grant. This was usually within 20 days of grant recipients meeting their performance or eligibility criteria.

Settlement of suppliers was usually made within 20 days (2020: 20 days).

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 24: Administered – Provisions

#### Note 24A: Loan Commitments to Farm Businesses

	Loans to Farm Businesses \$'000
<b>As at 1 July 2020</b>	<b>95 278</b>
Additional commitments made	419 626
Commitments used	(193 883)
Commitments reversed	(8 826)
<b>Total as at 30 June 2021</b>	<b>312 195</b>

#### Accounting policy

Concessional loan commitments represent the concessional cost of commitments to provide loan advances at a below-market interest rate. Commitments to Farm Businesses and Farm-Related Small Businesses reflect the concessional cost of loan advances that were committed, but not paid, by the Regional Investment Corporation on behalf of the department as at 30 June 2021. All advances are expected to be paid in the 2021-22 financial year.

#### Accounting Judgements and Estimates

Concessional loan commitments are initially measured at their fair value, calculated as the present value of cash flows associated with loan advances committed, but not paid, at the time the commitment is made, discounted at the commercial market interest rate. The provision is subsequently measured at amortised cost and reduced for the concessional component as each loan is advanced.

#### Note 24B: Remediation Provision

	Remediation Provision \$'000
<b>As at 1 July 2020</b>	<b>-</b>
Additions	37 447
<b>Total as at 30 June 2021</b>	<b>37 447</b>

The impact of the provision for remediation of the Jabiru township was taken to the statement of comprehensive income and are reported under other expenses in Note 19G.

#### Accounting Judgements and Estimates

The Commonwealth (represented by the department) has responsibilities to support the Jabiru township transition to a post mining environment as a result of the closure of the Ranger Uranium Mine. The Commonwealth has committed to remediation works that will mitigate future risks in relation to buildings and contamination in Jabiru. The remediation provision is the best estimate of the associated costs. The value has been calculated using a discounted cash flow methodology and therefore the value of the provisions may vary from year to year due to changes in the underlying estimated costs, estimated indexation factors, discount rates at the reporting date, and estimated cash flow timings.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 25: Administered – Current/Non-current Distinction for Assets and Liabilities

	2021 \$'000	2020 \$'000
<b>Note 25A: Administered Current/Non-current Distinction for Assets and Liabilities</b>		
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	2 223 061	1 896 517
Loan receivables	68 852	136 296
Trade, taxation and other receivables	110 023	101 458
Inventories	156	170
Prepayments	2 554	2 810
<b>Total no more than 12 months</b>	<b>2 404 646</b>	<b>2 137 251</b>
<b>More than 12 months</b>		
Loan Receivables	1 435 341	787 833
Trade, taxation and other receivables	5 096	5 268
Investments in corporate Commonwealth entities	1 329 140	1 175 958
Land	618	582
Infrastructure	538 163	537 868
Plant and equipment	1 800	1 820
Flooding easements	814	814
Heritage and cultural	996	976
Water entitlements	4 023 066	4 011 959
Inventories	10 834	10 908
Prepayments	5 157	6 526
<b>Total more than 12 months</b>	<b>7 351 025</b>	<b>6 540 512</b>
<b>Total assets</b>	<b>9 755 671</b>	<b>8 677 763</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Levy disbursements and Commonwealth contributions	132 617	93 075
Grants	17 861	8 512
Suppliers	76 725	58 016
Personal benefits - Income support to farmers	2 716	2 725
Corporate Commonwealth entities	17 735	17 735
Other payables	3 597	35
Loan commitments to farm businesses	312 195	95 278
Remediation provision	9 003	-
<b>Total no more than 12 months</b>	<b>572 449</b>	<b>275 376</b>
<b>More than 12 months</b>		
Remediation provision	28 444	-
<b>Total more than 12 months</b>	<b>28 444</b>	<b>-</b>
<b>Total liabilities</b>	<b>600 893</b>	<b>275 376</b>



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 26: Administered – Restructuring

##### Note 26A: Administered Restructuring

	2020 Climate Change and Energy Department of Industry, Science, Energy and Resources <sup>1</sup> \$'000	2020 All Functions Department of Agriculture <sup>2</sup> \$'000
<b>FUNCTIONS ASSUMED</b>		
<b>Assets recognised</b>		
Cash and cash equivalents	-	1 253 868
Trade, taxation and other receivables	-	985 287
Investments in corporate Commonwealth entities	-	505 257
Land	-	1 467
Infrastructure	-	527 029
Plant and equipment	-	1 836
Flooding easements	-	814
Water entitlements	-	141 129
Prepayments	-	16 627
<b>Total assets recognised</b>	-	3 433 314
<b>Liabilities recognised</b>		
Levy disbursements and Commonwealth contributions	-	150 116
Grants	-	248
Suppliers	-	319
Loan commitments to farm businesses	-	37 298
<b>Total liabilities recognised</b>	-	187 981
<b>Net assets recognised</b>	-	3 245 333
<b>Income assumed</b>		
Recognised by the receiving entity	-	205 393
Recognised by the losing entity	-	383 327
<b>Total income assumed</b>	-	588 720
<b>Expenses assumed</b>		
Recognised by the receiving entity	-	672 001
Recognised by the losing entity	-	873 390
<b>Total expenses assumed</b>	-	1 545 391
<b>FUNCTIONS RELINQUISHED</b>		
<b>Assets relinquished</b>		
Cash and cash equivalents	5 419 000	-
Trade and other receivables	206	-
Other investments	15 683 409	-
Prepayments	190	-
<b>Total assets relinquished</b>	21 102 805	-
<b>Liabilities relinquished</b>		
Suppliers	68	-
<b>Total liabilities relinquished</b>	68	-
<b>Net assets relinquished</b>	21 102 737	-

1. The Climate Change and Energy functions were relinquished to the Department of Industry, Science, Energy and Resources as a result of the Administrative Arrangement Order effective 1 February 2020.

2. All functions of the Department of Agriculture were relinquished to the Department of Agriculture, Water and the Environment (formerly known as the Department of Environment and Energy) as a result of the Administrative Arrangement Order on 1 February 2020.

# DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 26B: Administered Restructuring - Department of Agriculture

	2020
	All functions Department of Agriculture, Water and the Environment <sup>1</sup>
	\$'000
<b>FUNCTIONS RELINQUISHED</b>	
<b>Assets relinquished</b>	
Cash and cash equivalents	1 253 868
Trade, taxation and other receivables	985 287
Investments in corporate Commonwealth entities	505 257
Land	1 467
Infrastructure	527 029
Plant and equipment	1 836
Flooding easements	814
Water entitlements	141 129
Prepayments	16 627
<b>Total assets relinquished</b>	<b>3 433 314</b>
<b>Liabilities relinquished</b>	
Levy disbursements and Commonwealth contributions	150 116
Grants	248
Suppliers	319
Loan commitments to farm businesses	37 298
<b>Total liabilities relinquished</b>	<b>187 981</b>
<b>Net assets relinquished</b>	<b>3 245 333</b>

1. All functions of the Department of Agriculture were relinquished to the Department of Agriculture, Water and the Environment (formerly known as the Department of Environment and Energy) as a result of the Administrative Arrangement Order on 1 February 2020.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 27: Administered – Contingent Assets and Liabilities

	2021	2020
	\$'000	\$'000
<b>Contingent liabilities</b>		
Balance from previous period	-	100 000
Obligations expired	-	(100 000)
<b>Total contingent liabilities</b>	-	-
<b>Net contingent liabilities</b>	-	-

#### Quantifiable Contingencies

The above table contains \$0 of contingent liabilities (2020: \$0).

#### Unquantifiable Contingencies

The Australian Government encourages expenditure on research and development to increase the competitiveness and sustainability of industries within Australia. Under several Acts, the Commonwealth provides contributions to a number of nominated entities responsible for undertaking research and development activities in respect of portfolio industries. These contributions are typically made on a matching basis. Under legislation, entities are eligible for matching contributions which are subject to annual "caps" based on the total cumulative amount of levies collected, amounts spent on qualifying research and development and the annual level of the determined gross value of production. The operation of these annual caps can result in annual entitlements being limited to less than full cumulative levy collections and/or cumulative qualifying research and development expenditure. However, unpaid balances may still be claimable, depending on the level of the caps determined in future years and are therefore carried forward from year to year.

At 30 June 2021, the Commonwealth had a maximum potential liability in respect of matching payments of approximately \$793 million (30 June 2020: \$714 million). The Commonwealth's actual future liability is contingent on a combination of several currently indeterminable independent factors which are beyond the control of both the department and the recipient entities, in particular the future annual levels of levy collections and determined gross values of production. The likelihood of meeting the eligibility requirements and the amount of future payments is uncertain. Hence, the total liability is considered unquantifiable.

Each area in the Murray-Darling Basin has a Baseline Diversion Limit, which is an estimate of how much water was used in the Basin by communities, industry and farmers, prior to the 2012 Basin Plan. On 1 July 2019 Sustainable Diversion Limits designed to keep the rivers and environment healthy took effect. The Australian Government has committed to bridge the gap between the Baseline Diversion Limit and the Sustainable Diversion Limits in the Basin Plan through water recovery. The Water Act 2007 provides a risk assignment framework whereby entitlement holders with reductions in water allocations, or changes in the reliability of water allocations (where the gap has not been bridged and an accredited water resource plan is in place), may be eligible for a payment from the Commonwealth. At 30 June 2021 two claims have been received and are being assessed for eligibility. The Commonwealth's actual future liability is contingent on a number of currently indeterminable factors which are beyond the control of the department, therefore it is not possible to estimate the amount of any eventual payments in relation to these claims.

A Remediation and Indemnity Deed (the Deed) for Jabiru was signed on 27 May 2021 between the Commonwealth of Australia (represented by the department), Kakadu Aboriginal Land Trust, Northern Land Council and Gundjeihmi Aboriginal Corporation Jabiru Town.

The Deed creates a legal obligation on the Commonwealth to indemnify all parties to the agreement against all loss, liability or expense for which they become liable and which arises from or in connection with:

- existing improvements and existing services at Jabiru not being in good repair;
- contamination of Jabiru;
- repair and removal costs for buildings and structures within Jabiru which do not meet the Minimum Standard; and
- defects in remediation work undertaken by or on behalf of the Commonwealth.

The Deed identifies remediation works which includes, renewal of essential services, removal of hazardous materials and chemicals, ensuring structures are compliant to Building Codes and ecological remediation to be undertaken by or on behalf of the Commonwealth. It is difficult to predict with sufficient reliability the full scope of potential claims that may arise in the future therefore it is not possible to estimate the amount of any eventual

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

payments in relation to these matters. The Commonwealth is currently undertaking remediation works to reduce associated risks and this has been provisioned at 30 June 2021.

**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.

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 28: Administered – Financial Instruments**

	2021 \$'000	2020 \$'000
<b>Note 28A: Categories of Financial Instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	2 223 061	1 896 517
Goods and services	1 212	703
Loans	1 504 193	924 129
Other receivables	50	1 766
Interest receivable from loans	4 095	4 766
<b>Total financial assets at amortised cost</b>	<b>3 732 611</b>	<b>2 827 881</b>
<b>Financial assets at fair value through profit or loss</b>		
Emergency response receivables	6 696	7 093
<b>Total financial assets at fair value through profit or loss</b>	<b>6 696</b>	<b>7 093</b>
<b>Financial assets at fair value through other comprehensive income</b>		
Investments in corporate Commonwealth entities	1 329 140	1 175 958
<b>Total financial assets at fair value through other comprehensive income</b>	<b>1 329 140</b>	<b>1 175 958</b>
<b>Total financial assets</b>	<b>5 068 447</b>	<b>4 010 932</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	76 725	58 016
Grants payable	17 861	8 512
<b>Total financial liabilities at amortised cost</b>	<b>94 586</b>	<b>66 528</b>
<b>Total financial liabilities</b>	<b>94 586</b>	<b>66 528</b>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b><u>Note 28B: Net Gains or Losses on Financial Assets</u></b>		
<b>Financial assets at amortised cost</b>		
Interest revenue	33 857	21 349
Impairment	(4 456)	(3 429)
Concessional loan discount	(419 626)	(143 156)
<b>Net gains / (losses) on financial assets at amortised cost</b>	<b>(390 225)</b>	<b>(125 236)</b>
<b>Financial assets at fair value through profit and loss</b>		
Gains / (losses) recognised in income statement	(351)	378
<b>Net gains / (losses) on financial assets at fair value through profit and loss</b>	<b>(351)</b>	<b>378</b>
<b>Financial assets at fair value through other comprehensive income</b>		
Gains / (losses) recognised in equity	102 215	36 175
Snowy Hydro Limited Dividends	-	108 500
<b>Net gains / (losses) on financial assets at fair value through other comprehensive income</b>	<b>102 215</b>	<b>144 675</b>
<b>Net gains / (losses) on financial assets</b>	<b>(288 010)</b>	<b>19 439</b>
<b><u>Note 28C: Net Gains or Losses on Financial Liabilities</u></b>		
There are no net gains or losses on financial liabilities.		
<b><u>Note 28D: Fair Value of Financial Instruments</u></b>		
<b>Financial assets</b>		
The net fair value of all monetary assets approximate their carrying amounts.		
<b>Financial liabilities</b>		
The net fair values of all monetary financial liabilities are approximated by their carrying amounts. Grants payable are recognised when a present obligation to another party is entered into and the amount can be reliably measured.		

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b>Note 28E: Credit Risk</b>		
<u>Loans</u>		
<b>Maximum exposure to credit risk (excluding any collateral or credit enhancement)</b>		
<b>Financial assets carried at amount not best representing maximum exposure to credit risk</b>		
Loans	1 765 159	999 671
<b>Total financial assets carried at amount not best representing maximum exposure to credit risk</b>	<b>1 765 159</b>	<b>999 671</b>
<p>The department's maximum exposure to credit risk is reduced significantly where the collateral held as security over all concessional loans is reflected in the impairment provision. If the fair value of security held were considered, the maximum exposure to the department is reduced to \$303 801 057 (2020: \$135 973 903).</p> <p>The department has engaged an independent expert in credit provisioning to assist in assessing the credit risk of the concessional loans portfolio.</p> <p>It has been determined that the credit risk of portfolio has not increased significantly since initial recognition. An assessment of individual loans internal credit risk ratings was undertaken and consideration given to the level of interest arrears within the reporting period.</p> <p>In alignment with commercial lending institutions in Australia default has been defined as being either 90+ days in interest arrears or non-repayment of the principal balance at the loan maturity date.</p> <p>The department assesses credit risk on a collective basis where each loans Internal Risk Rating has been mapped to S&amp;P Global Credit Ratings. Each mapped Internal Risk Rating is assigned a Probability of Default reflective of the estimated credit risk of each collective group of loans. Where specific loans are approaching default through missed interest payments, an additional credit risk premium is applied.</p> <p>The Internal Risk Ratings of individual loans are determined through both historical and forward-looking information.</p> <p>In measuring the Expected Credit Loss, an additional model overlay to conservatively reflect the uncertainty of COVID-19 on loan performance was applied in 2020. The overlay was decreased in 2021 due to the low impact of the pandemic observed on the loans portfolio during the year.</p>		

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Other financial assets

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 150 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.

The department's provision matrix for Expected Credit Loss 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 \$17 399 000 (2020: \$16 309 000) to the impairment loss allowance for loans, sales of goods and services receivables and other receivables.

The carrying amount of loans and goods and services receivables, net of impairment losses, represents the department's maximum exposure to credit risk as \$1 516 246 000 (2020: \$938 327 000).

### **Note 28F: 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 28G: 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. Interest-bearing items in the Administered Schedule of assets and liabilities include 'Loans to State and Territory Governments' and 'Loans to Farm Businesses', where interest earned totals \$7 996 000 (2020: \$17 628 000). Each loan scheme applies a variable interest rate reset twice a year subject to material changes in the average Commonwealth bond rate. The interest rates are set at a concessional rate according to intended outcomes of the program which currently includes a 2 year interest free period for most Drought, AgBiz and AgRebuild loans offered through the Regional Investment Corporation.

#### **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.



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 29: Administered – Fair Value Measurements

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.

#### Note 29A: Fair Value Measurements

##### Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2021

	Fair value measurements at the end of the reporting period		Category (Level 1, 2 or 3)	Valuation Technique(s) and Inputs Used
	2021 \$'000	2020 \$'000		
<b>Financial assets</b>				
Emergency response receivables	6 696	7 093	Level 3	Discounted cash flow
Investments in corporate Commonwealth entities	1 329 140	1 175 958	Level 3	Net asset balance
<b>Total financial assets</b>	<b>1 335 836</b>	<b>1 183 051</b>		
<b>Non-financial assets</b>				
Infrastructure	538 163	537 868	Level 3	Depreciated replacement cost
Heritage and cultural	996	976	Level 2	Market Approach
<b>Total non-financial assets</b>	<b>539 159</b>	<b>538 844</b>		
<b>Total fair value measurements</b>	<b>1 874 995</b>	<b>1 721 895</b>		

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.

# DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 29B: Reconciliation for Recurring Level 3 Fair Value Measurements

	Financial assets			
	Other receivables		Other investments	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July</b>	7 093	6 469	1 175 958	16 553 712
Total gains/(losses) recognised in net cost of services <sup>1</sup>	(351)	378	-	-
Total gains/(losses) recognised in other comprehensive income <sup>2</sup>	-	-	102 215	36 175
Equity injections	-	-	50 967	269 480
Advances	1 445	2 753	-	-
Repayments	(1 491)	(2 507)	-	-
Restructuring	-	-	-	(15 683 409)
<b>Total as at 30 June</b>	<b>6 696</b>	<b>7 093</b>	<b>1 329 140</b>	<b>1 175 958</b>
	Non-financial assets			
	Infrastructure		Total	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July</b>	537 868	527 029	1 720 919	17 087 210
Total gains/(losses) recognised in net cost of services <sup>1</sup>	(6 299)	(5 479)	(6 650)	(5 101)
Total gains/(losses) recognised in other comprehensive income <sup>2</sup>	6 594	16 318	108 809	52 493
Equity injections	-	-	50 967	269 480
Advances	-	-	1 445	2 753
Repayments	-	-	(1 491)	(2 507)
Restructuring	-	-	-	(15 683 409)
<b>Total as at 30 June</b>	<b>538 163</b>	<b>537 868</b>	<b>1 873 999</b>	<b>1 720 919</b>

1. These gains/losses are presented in the Schedule of Comprehensive Income under 'Other gains', 'Other expenses', and 'Depreciation'.

2. These gains are presented in the Schedule of Comprehensive Income under 'Gains on financial assets at fair value through other comprehensive income' and 'Changes in asset revaluation reserves'.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<b>Note 30: Administered – Appropriations</b>		
<b>Note 30A: Annual and Unspent Appropriations ('Recoverable GST exclusive')</b>		
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Ordinary annual services</b>		
Annual appropriations		
Operating	788 306	426 162
Payments to corporate Commonwealth entities	189 816	66 238
PGPA Act section 74 receipts	153	631
PGPA Act section 75 transfers	-	229 610
<b>Total available appropriation</b>	<b>978 275</b>	<b>722 641</b>
Appropriation applied (current and prior years)	(764 139)	(560 369)
<b>Variance<sup>1</sup></b>	<b>214 136</b>	<b>162 272</b>
Opening unspent appropriation balance	614 905	91 400
Prior year PGPA Act section 75 transfers	-	387 195
Prior year corporate Commonwealth entities PGPA Act section 75 transfers	-	1 782
Prior year Appropriation Acts repealed	(139 794)	(27 744)
<b>Closing unspent appropriation balance</b>	<b>689 247</b>	<b>614 905</b>
<b>Balance comprises appropriations as follows:<sup>2</sup></b>		
Appropriation Act (No. 1) 2017-2018 <sup>3</sup>	-	99 046
Appropriation Act (No. 3) 2017-2018 <sup>3</sup>	-	40 698
Appropriation Act (No. 5) 2017-2018 <sup>3</sup>	-	50
Appropriation Act (No. 1) 2018-2019 <sup>4</sup>	245 567	245 567
Appropriation Act (No. 1) 2018-2019 - AGWA <sup>4</sup>	1 775	1 775
Appropriation Act (No. 1) 2018-2019 - MDBA <sup>4</sup>	7	7
Appropriation Act (No. 3) 2018-2019 <sup>4</sup>	55 767	55 767
Supply Act (No. 1) 2019-2020	6 479	6 479
Appropriation Act (No. 1) 2019-2020	131 281	142 825
Appropriation Act (No. 3) 2019-2020	3 088	4 956
Appropriation Act (No. 5) 2019-2020 - APVMA	17 735	17 735
Supply Act (No. 1) 2020-2021	52 621	-
Appropriation Act (No. 1) 2020-2021	174 927	-
<b>Total unspent appropriation - ordinary annual services</b>	<b>689 247</b>	<b>614 905</b>
<b>Other services</b>		
Annual Appropriation		
Administered assets and liabilities	2 607 906	373 000
Payments to corporate Commonwealth entities	50 967	2 055
PGPA Act section 75 transfers	-	155 234
<b>Total available appropriation</b>	<b>2 658 873</b>	<b>530 289</b>
Appropriation applied (current and prior years)	(987 797)	(192 877)
<b>Variance<sup>5</sup></b>	<b>1 671 076</b>	<b>337 412</b>
Opening unspent appropriation balance	1 325 095	-
Prior year PGPA Act section 75 transfers	-	987 683
Prior year Appropriation Acts repealed	(310 491)	-
<b>Closing unspent appropriation balance</b>	<b>2 685 680</b>	<b>1 325 095</b>
<b>Balance comprises appropriations as follows:<sup>6</sup></b>		
Appropriation Act (No. 2) 2017-2018 <sup>3</sup>	-	310 491
Appropriation Act (No. 2) 2018-2019 <sup>4</sup>	649 222	649 221
Appropriation Act (No. 4) 2018-2019 <sup>4</sup>	20 000	20 000
Appropriation Act (No. 2) 2019-2020	-	90 277
Appropriation Act (No. 4) 2019-2020	-	235 000
Cash at bank - Appropriation Act (No. 2) 2019-2020	-	20 106
Appropriation Act (No. 2) 2020-2021	2 011 280	-
Cash at bank - Appropriation Act (No. 2) 2020-2021	5 178	-
<b>Total unspent appropriation - other services</b>	<b>2 685 680</b>	<b>1 325 095</b>
<b>Total unspent appropriation</b>	<b>3 374 927</b>	<b>1 940 000</b>

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. The variance of \$214 136 000 comprises of unspent current year appropriations of \$227 548 000 offset by prior years appropriation applied in 2021 of \$13 412 000. The current year unspent appropriation includes \$49 843 000 section 51 withholding quarantine and \$177 705 000 subject to the Movement of Funds process.
2. The unspent annual appropriation is shown inclusive of PGPA Act section 51 withholdings against:
  - *Appropriation Act (No. 1) 2018-2019* of \$245 567 000;
  - *Appropriation Act (No. 1) 2018-2019 - MDBA* of \$7 000;
  - *Appropriation Act (No. 3) 2018-2019* of \$55 767 000;
  - *Supply Act (No. 1) 2019-2020* of \$6 479 000;
  - *Appropriation Act (No. 1) 2019-2020* of \$131 281 000; and
  - *Appropriation Act (No. 3) 2019-20* of \$3 088 000; and
  - *Appropriation Act (No. 1) 2020-2021* of \$49 843 000.

The unspent annual appropriation is shown inclusive of administrative quarantines against:

  - *Appropriation Act (No. 1) 2018-2019 - AGWA* of \$1 775 000.
3. *Appropriation Act (No. 1) 2017-2018, Appropriation Act (No. 3) 2017-2018, Appropriation Act (No. 5) 2017-2018, and Appropriation Act (No. 2) 2017-2018* self-repealed on 1 July 2020.
4. *Appropriation Act (No. 1) 2018-2019, Appropriation Act (No. 3) 2018-2019, Appropriation Act (No. 2) 2018-2019 and Appropriation Act (No. 4) 2018-2019* will self-repeal on 1 July 2021.
5. The variance of \$1 671 076 000 is comprised of unspent current year appropriations of \$2 016 458 000 offset by prior years appropriation applied in 2021 of \$345 382 000. The variance is due to longer than anticipated loan settlement lead times arising from both an administrative perspective and due to an option available to farm businesses to delay settlement by up to 6 months from the date of final approval.
6. The unspent annual appropriation is shown inclusive of PGPA Act section 51 withholdings against:
  - *Appropriation Act (No. 2) 2018-2019* of \$277 144 000.

The unspent annual appropriation is shown inclusive of administrative quarantines against:

  - *Appropriation Act (No. 2) 2018-2019* of \$221 499 000; and
  - *Appropriation Act (No. 4) 2018-2019* of \$20 000 000.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 30B: Special Appropriations ('Recoverable GST exclusive')

Authority	Appropriation applied	
	2021 \$'000	2020 \$'000
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>	(29 200)	(13 750)
<i>Assistance for Severely Affected Regions (Special Appropriation) (Coronavirus Economic Response Package) Act 2020<sup>1</sup></i>	(70 914)	(4 589)
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i>	(6 844)	(3 653)
<i>Australian Meat and Live-stock Industry Act 1997</i>	(198 789)	(94 006)
<i>Australian Renewable Energy Agency Act 2011</i>	-	(146 000)
<i>Dairy Produce Act 1986</i>	(50 264)	(27 684)
<i>Egg Industry Service Provision Act 2002</i>	(10 456)	(4 915)
<i>Farm Household Support Act 2014<sup>2</sup></i>	(180 730)	(68 653)
<i>Forestry Marketing and Research and Development Services Act 2007</i>	(9 537)	(4 695)
<i>Horticulture Marketing and Research and Development Services Act 2000</i>	(108 312)	(52 361)
<i>Pig Industry Act 2001</i>	(22 593)	(8 945)
<i>Plant Health Australia (Plant Industries) Funding Act 2002</i>	(8 194)	(3 624)
<i>Primary Industries Research and Development Act 1989</i>	(272 680)	(116 305)
<i>Public Governance, Performance and Accountability Act 2013</i>	(2 216)	(305)
<i>Sugar Research and Development Services Act 2013</i>	(27 738)	(1 050)
<i>Wine Australia Act 2013</i>	(30 732)	(13 072)
<i>Wool Services Privatisation Act 2000</i>	(45 761)	(21 125)
<b>Total special appropriations applied</b>	<b>(1 074 960)</b>	<b>(584 732)</b>

1. Appropriation limit for 2021: \$75 180 000 (2020: \$4 589 000)

2. The amount of \$180 730 000 (2020: \$68 653 000) was transferred to Services Australia.

The following special appropriations had no transactions and budgets during the reporting and comparative years:

- *Australian Meat and Live-stock Industry (Repeals and Consequential Provisions) Act 1997*
- *Dairy Industry Service Reform Act 2003*
- *Egg Industry Service Provision (Transitional and Consequential Provisions) Act 2002*
- *Horticulture Marketing and Research and Development Services (Repeals and Consequential Provisions) Act 2000*
- *Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Act 2014*
- *Sewerage Agreements Act 1973*
- *Sewerage Agreements Act 1974*
- *Water Act 2007*

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 31: Administered – Appropriations – Department of Agriculture

The following tables represents the appropriations of the former DoA from 1 July 2019 until the 31 January 2020.

<b>Note 31A: Annual and Unspent Appropriations ('Recoverable GST exclusive') - Department of Agriculture</b>	2020 \$'000
<b>Ordinary annual services</b>	
Annual Appropriation	
Annual Appropriation - Operating	437 890
Prior year Appropriation Acts repealed	(121 155)
<b>Total available appropriation</b>	316 735
Appropriation applied (current and prior years)	(178 123)
<b>Variance</b>	138 612
Opening unspent appropriation balance	526 235
<b>Closing unspent appropriation balance</b>	664 847
<b>Balance comprises appropriations as follows:</b>	
Appropriation Act (No.1) 2017-2018	89 897
Appropriation Act (No.3) 2017-2018	40 698
Appropriation Act (No.5) 2017-2018	50
Appropriation Act (No.1) 2018-2019	215 125
Appropriation Act (No.3) 2018-2019	55 767
Appropriation Act (No.1) 2019-2020	197 324
Supply Act (No.1) 2019-2020	65 986
<b>Total unspent appropriation - ordinary annual services</b>	664 847
<b>Other services</b>	
Annual Appropriation	
Administered assets and liabilities	507 425
Prior year Appropriation Acts repealed	(40 128)
<b>Total available appropriation</b>	467 297
Appropriation applied (current and prior years)	(224 909)
<b>Variance</b>	242 388
Opening unspent appropriation balance	1 038 529
<b>Closing unspent appropriation balance</b>	1 280 917
<b>Balance comprises appropriations as follows:</b>	
Appropriation Act (No.2) 2017-2018	310 491
Appropriation Act (No.2) 2018-2019	657 192
Appropriation Act (No.4) 2018-2019	20 000
Appropriation Act (No.2) 2019-2020	293 234
Cash on hand - Appropriation Act (No.2) 2018-2019	-
<b>Total unspent appropriation - other services</b>	1 280 917
<b>Total unspent appropriation</b>	1 945 764

All functions of the Department of Agriculture were relinquished to the Department of Agriculture, Water and the Environment (formerly known as the Department of Environment and Energy) as a result of the Administrative Arrangement Order effective 1 February 2020.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **Note 31B: Special Appropriations ('Recoverable GST exclusive') - Department of Agriculture**

	<b>Appropriation applied</b>
	2020
<b>Authority</b>	\$'000
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>	(19 550)
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i>	(3 731)
<i>Australian Meat and Live-stock Industry Act 1997</i>	(118 783)
<i>Dairy Produce Act 1986</i>	(25 751)
<i>Egg Industry Service Provision Act 2002</i>	(5 985)
<i>Farm Household Support Act 2014</i>	(65 701)
<i>Forestry Marketing and Research and Development Services Act 2007</i>	(5 378)
<i>Horticulture Marketing and Research and Development Services Act 2000</i>	(59 701)
<i>Pig Industry Act 2001</i>	(11 967)
<i>Plant Health Australia (Plant Industries) Funding Act 2002</i>	(3 983)
<i>Primary Industries Research and Development Act 1989</i>	(125 500)
<i>Public Governance, Performance and Accountability Act 2013</i>	(551)
<i>Sugar Research and Development Services Act 2013</i>	(26 469)
<i>Wine Australia Act 2013</i>	(20 529)
<i>Wool Services Privatisation Act 2000</i>	(43 686)
<b>Total special appropriations applied</b>	<b>(537 265)</b>

All functions of the Department of Agriculture were relinquished to the Department of Agriculture, Water and the Environment (formerly known as the Department of Environment and Energy) as a result of the Administrative Arrangement Order effective 1 February 2020.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 32: Administered – Special Accounts

	Agriculture Future Drought Resilience Special Account <sup>1</sup>		Clean Energy Finance Corporation Special Account <sup>2</sup>		Environment SOETM Special Account 2020 <sup>3</sup>	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance brought forward from previous period</b>	-	-	-	5 679 000	365	-
Increases	100 000	-	-	240 000	385	365
<b>Total increases</b>	<b>100 000</b>	<b>-</b>	<b>-</b>	<b>240 000</b>	<b>385</b>	<b>365</b>
<b>Available for payments</b>	<b>100 000</b>	<b>-</b>	<b>-</b>	<b>5 919 000</b>	<b>750</b>	<b>365</b>
Decreases	(58 169)	-	-	(5 919 000)	(204)	-
<b>Total decreases</b>	<b>(58 169)</b>	<b>-</b>	<b>-</b>	<b>(5 919 000)</b>	<b>(204)</b>	<b>-</b>
<b>Total balance carried to the next period</b>	<b>41 831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>546</b>	<b>365</b>
<b>Balance made up of:</b>						
Cash held in the Official Public Account	41 831	-	-	-	546	365
<b>Total balance carried to the next period</b>	<b>41 831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>546</b>	<b>365</b>
	Environmental Water Holdings Special Account <sup>4</sup>		National Environment Protection Council Special Account <sup>5</sup>		Natural Heritage Trust of Australia Account <sup>6</sup>	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance brought forward from previous period</b>	<b>69 602</b>	<b>55 068</b>	<b>5 414</b>	<b>5 631</b>	<b>464 613</b>	<b>446 442</b>
Increases	52 098	41 216	933	958	156 549	182 208
<b>Total increases</b>	<b>52 098</b>	<b>41 216</b>	<b>933</b>	<b>958</b>	<b>156 549</b>	<b>182 208</b>
<b>Available for payments</b>	<b>121 700</b>	<b>96 284</b>	<b>6 347</b>	<b>6 589</b>	<b>621 162</b>	<b>628 650</b>
Decreases	(31 150)	(26 682)	(1 159)	(1 175)	(158 669)	(164 037)
<b>Total decreases</b>	<b>(31 150)</b>	<b>(26 682)</b>	<b>(1 159)</b>	<b>(1 175)</b>	<b>(158 669)</b>	<b>(164 037)</b>
<b>Total balance carried to the next period</b>	<b>90 550</b>	<b>69 602</b>	<b>5 188</b>	<b>5 414</b>	<b>462 493</b>	<b>464 613</b>
<b>Balance made up of:</b>						
Cash held in the Official Public Account	90 550	69 602	5 188	5 414	462 493	464 613
<b>Total balance carried to the next period</b>	<b>90 550</b>	<b>69 602</b>	<b>5 188</b>	<b>5 414</b>	<b>462 493</b>	<b>464 613</b>



## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Ozone Protection and SGG Account <sup>7</sup>		Reef Trust Special Account 2014 <sup>8</sup>		Services for Other Entities and Trust Moneys - Department of the Environment, Water, Heritage and the Arts Special Account <sup>9</sup>	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Balance brought forward from previous period</b>	<b>32 448</b>	<b>32 330</b>	<b>58 489</b>	<b>44 569</b>	<b>-</b>	<b>365</b>
Increases	12 757	14 275	17 013	41 371	-	-
<b>Total increases</b>	<b>12 757</b>	<b>14 275</b>	<b>17 013</b>	<b>41 371</b>	<b>-</b>	<b>-</b>
<b>Available for payments</b>	<b>45 205</b>	<b>46 605</b>	<b>75 502</b>	<b>85 940</b>	<b>-</b>	<b>365</b>
Decreases	(4 388)	(14 157)	(17 877)	(27 451)	-	(365)
<b>Total decreases</b>	<b>(4 388)</b>	<b>(14 157)</b>	<b>(17 877)</b>	<b>(27 451)</b>	<b>-</b>	<b>(365)</b>
<b>Total balance carried to the next period</b>	<b>40 817</b>	<b>32 448</b>	<b>57 625</b>	<b>58 489</b>	<b>-</b>	<b>-</b>
<b>Balance made up of:</b>						
Cash held in the Official Public Account	40 817	32 448	57 625	58 489	-	-
<b>Total balance carried to the next period</b>	<b>40 817</b>	<b>32 448</b>	<b>57 625</b>	<b>58 489</b>	<b>-</b>	<b>-</b>

	Water for the Environment Special Account <sup>10</sup>		Water Resources Special Account 2016 <sup>11</sup>		WELS Account <sup>12</sup>	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Balance brought forward from previous period</b>	<b>1 239 172</b>	<b>895 522</b>	<b>1 326</b>	<b>947</b>	<b>5 282</b>	<b>4 589</b>
Increases	315 002	350 000	1 202	704	2 467	2 198
<b>Total increases</b>	<b>315 002</b>	<b>350 000</b>	<b>1 202</b>	<b>704</b>	<b>2 467</b>	<b>2 198</b>
<b>Available for payments</b>	<b>1 554 174</b>	<b>1 245 522</b>	<b>2 528</b>	<b>1 651</b>	<b>7 749</b>	<b>6 787</b>
Decreases	(44 239)	(6 350)	(235)	(325)	(2 090)	(1 505)
<b>Total decreases</b>	<b>(44 239)</b>	<b>(6 350)</b>	<b>(235)</b>	<b>(325)</b>	<b>(2 090)</b>	<b>(1 505)</b>
<b>Total balance carried to the next period</b>	<b>1 509 935</b>	<b>1 239 172</b>	<b>2 293</b>	<b>1 326</b>	<b>5 659</b>	<b>5 282</b>
<b>Balance made up of:</b>						
Cash held in the Official Public Account	1 509 935	1 239 172	2 293	1 326	5 659	5 282
<b>Total balance carried to the next period</b>	<b>1 509 935</b>	<b>1 239 172</b>	<b>2 293</b>	<b>1 326</b>	<b>5 659</b>	<b>5 282</b>

In addition to the above special accounts, the department had responsibility for the following special accounts that had no transactions debited or credited to it during the current or prior reporting period: Natural Resources Management Account<sup>13</sup>, BAF Energy Portfolio Special Account<sup>14</sup>, National Cattle Disease Eradication Account<sup>15</sup> and BAF Water Portfolio Special Account<sup>16</sup>.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The following special accounts are appropriated under *Public Governance, Performance and Accountability Act 2013* section 80

Special Account	Establishing Instrument	Purpose
1. Agriculture Future Drought Resilience Special Account	<i>Future Drought Fund Act 2019</i> ; section 33	For the purpose of making payments associated with projects, research, advice, service and technology that will work towards achieving drought resilience.
2. Clean Energy Finance Corporation Special Account	<i>Clean Energy Finance Corporation Act 2012</i> ; section 45	For the purposes of making payments to CEFC and ARENA as authorised by the nominated Minister. As a result of the Administrative Arrangement Order effective 1 February 2020, this special account was transferred to Department of Industry, Science, Energy and Resources.
4. Environmental Water Holdings Special Account	<i>Water Act 2007</i> ; section 111	For the purpose of performing the functions of the Commonwealth Environmental Water Holder. 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.
5. National Environment Protection Council Special Account	<i>National Environment Protection Council Act 1994</i> ; section 53	For the purposes of performing the functions of the NEPC Council and NEPC committee.
6. Natural Heritage Trust of Australia Account	<i>Natural Heritage Trust of Australia Act 1997</i> (NHT Act); section 4	For the purpose of administering environmental protection, supporting sustainable and natural resources management projects as specified by the NHT Act. 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.
7. Ozone Protection and SGG Account	<i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> ; section 65B	For the purpose of administering ozone protection and synthetic greenhouse gas regulations and research and the National Halon Bank.
10. Water for the Environment Special Account	<i>Water Act 2007</i> ; section 86AB	For the purpose of improving the water efficiency of irrigation infrastructure and improving delivery and storage of environmental water supply within the Murray-Darling Basin.

**DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

12. WELS Account	<i>Water Efficiency Labelling and Standards Act 2005</i> ; section 64	For the purpose of conserving water by reducing demand through the provision of water efficiency information about water-using products and promoting the adoption of efficient water-saving techniques.
13. Natural Resources Management Account	<i>Natural Resources Management (Financial Assistance) Act 1992</i> ; section 11	For the year ended 30 June 2021, the account had a nil balance and there were no transactions debited or credited to it during the current or prior reporting period. For the purposes of granting financial assistance in connection with projects relating to natural resources management.
14. BAF Energy Portfolio Special Account	<i>Nation-building Funds Act 2008</i> ; section 75	For the year ended 30 June 2021, the account had a nil balance and there were no transactions debited or credited to it during the current or prior reporting period. For the purpose of making payments in relation to the creation or development of energy infrastructure. The special account was repealed on 12 December 2019.
15. National Cattle Disease Eradication Account	<i>National Cattle Disease Eradication Act 1991</i> ; section 4	For the year ended 30 June 2021, the total balance carried to the next period was \$15 161 (2020: \$15 161). There were no transactions debited or credited to the account during the current or prior reporting period. For the purpose of the eradication of any disease of cattle that is endemic in Australia.
16. BAF Water Portfolio Special Account	<i>Nation-building Funds Act 2008</i> ; section 82	For the year ended 30 June 2021, the account had a nil balance and there were no transactions debited or credited to it during the current or prior reporting period. For the purpose of making payments in relation to the creation or development of water infrastructure. The special account was repealed on 12 December 2019.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The following special accounts are appropriated under *Public Governance, Performance and Accountability Act 2013* section 78

<b>Special Account</b>	<b>Establishing Instrument</b>	<b>Purpose</b>
3. Environment SOETM Special Account 2020	<i>PGPA Act Determination (Environment SOETM Special Account 2020)</i>	For the disbursement of amounts held in trust or otherwise for the benefit of a person other than the Commonwealth and for services relating to other governments and bodies including Commonwealth entities. The closing balance includes amounts held in trust: \$546 371 in 2021 and \$365 463 in 2020. See note 33 for more information.
8. Reef Trust Special Account 2014	<i>PGPA Act (Reef Trust Special Account 2014) Determination 01</i>	For the purposes of improving water quality and the coastal habitat, addressing threats to the environment and protecting, repairing or mitigating damage to the Great Barrier Reef World Heritage Area.
9. Services for Other Entities and Trust Moneys – Department of the Environment, Water, Heritage and the Arts Special Account	<i>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</i>	For the disbursement of amounts held in trust or otherwise for the benefit of a person other than the Commonwealth and for services relating to other governments and bodies that are not FMA Act agencies. The account was repealed on 9 April 2020. An amount equal to the closing balance was credited to the new special account – Environment SOETM Special Account 2020 on 9 April 2020. See note 33 for more information.
11. Water Resources Special Account 2016	<i>PGPA Act (Water Resources Special Account 2016 - Establishment) Determination 2016/01</i>	For the purpose of supporting inter-governmental activities relating to water.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 33: Administered – Assets Held in Trust

	2021	2020
	\$'000	\$'000

The Department holds monies in trust on behalf of Environment Protection Authority Victoria in relation to management of Hazardous Wastes, Substances and Pollutants program and the Environment Protection Authority New South Wales in relation to activities for the Australasian Environmental Law Enforcement and Regulators Network

#### Monetary assets – Services for other entities and trust monies

<b>As at 1 July</b>	<b>365</b>	365
Receipts	<b>385</b>	365
Payments	<b>(204)</b>	(365)
<b>Total as at 30 June</b>	<b>546</b>	365
<b>Total monetary assets held in trust</b>	<b>546</b>	365

The old special account, *Services for Other Entities and Trust Moneys – Department of the Environment, Water, Heritage and the Arts Special Account Establishment 2010*, was repealed on 9 April 2020. The new special account, *Environment SOETM Special Account 2020*, commenced on 9 April 2020. An amount equal to the closing balance of the old special account was credited to the new special account on 9 April 2020, refer to Note 32 for more information.

## DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 34: Administered – Regulatory Charging

	2021 \$'000	2020 \$'000
<b>Amounts applied</b>		
Administered		
Annual appropriations	-	1 080
Special appropriations (including special accounts)	609	196
<b>Total amounts applied</b>	<b>609</b>	<b>1 276</b>
<b>Expenses</b>		
Administered	12 881	13 622
<b>Total expenses</b>	<b>12 881</b>	<b>13 622</b>
<b>Revenue</b>		
Administered	25 439	23 237
<b>Total revenue</b>	<b>25 439</b>	<b>23 237</b>

#### Administered Regulatory Charging Activities

- Environmental Assessments under the *Environmental Protection and Biodiversity Conservation Act 1999*
- Hazardous Waste Permits
- Non-road Spark Ignition Engines and Equipment (NRSIEE)
- Ozone Protection and Synthetic Greenhouse Gas Management Program
- Voluntary Product Stewardship Accreditation
- Water Efficiency Labelling and Standards Scheme
- Wildlife Trade Permits
- Fire Protection Licences, Authorisation Permits
- National Halon Bank
- Voluntary Product Stewardship Accreditation
- Export Waste Ban
- Commercial Scientific Research Activities
- Research Contribution to Supervising Scientist

The following regulatory charging activities were transferred to the Department of Industry, Science, Energy and Resources on 1 February 2020. This note accounts for these activities for the period 1 July 2019 to 31 January 2020.

- Application Fees to vary Fuel Standards
- Commercial Building Disclosure
- Greenhouse and Energy Minimum Standards

Documentation (Cost Recovery Implementation Statements) for the above activities is available at:

- Water Efficiency Labelling and Standards Scheme: [www.waterrating.gov.au/about/review-evaluation/cost-recovery-impact-statement](http://www.waterrating.gov.au/about/review-evaluation/cost-recovery-impact-statement)
- Environment regulatory charging activities: [www.environment.gov.au/about-us/accountability-reporting/cost-recovery](http://www.environment.gov.au/about-us/accountability-reporting/cost-recovery)
- Export Waste Ban: [www.environment.gov.au/protection/waste/exports/apply/fees-charges](http://www.environment.gov.au/protection/waste/exports/apply/fees-charges)



## INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture and Northern Australia

To the Minister for the Environment

### Opinion

In my opinion, the financial statements of the Natural Heritage Trust of Australia Account (the Entity) for the year ended 30 June 2021:

- (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 2021 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 as at 30 June 2021 and for the year then ended:

- Statement by the Secretary and the Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of 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 (including Independence Standards)* (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 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  
38 Sydney Avenue, Forrest ACT 2603  
Phone (02) 6203 7300

### 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

13 September 2021



## **NATURAL HERITAGE TRUST OF AUSTRALIA**

### **Financial Statements**

*for the period ended 30 June 2021*

## NATURAL HERITAGE TRUST OF AUSTRALIA 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 2021 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.....

Andrew Metcalfe AO  
Secretary

9 September 2021

Signed.....

Paul Pak Poy  
A/g Chief Finance Officer

9 September 2021

## NATURAL HERITAGE TRUST OF AUSTRALIA

### Overview

#### The Basis of Preparation of the Financial Statements

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:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- 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, revised or amended standards and interpretations 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.

AASB 1059 *Service Concession Arrangements: Grantors* is not applicable to 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). Revenues, expenses, assets and liabilities are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office and for receivables and payables.

#### Major events impacting the Australian Government in 2020-21

In 2019-20, Australia experienced the summer bushfires throughout the country. Due to the severity of the fires the Australian Government announced financial assistance to businesses and families affected. The assistance included \$7 million over 2019-20 and 2020-21 in the Bushfire Response Package – Bushfire Wildlife Recovery Program funded by the Trust. Payments commenced in quarter three of 2019-20 (\$2.060 million) and continued in 2020-21 (\$4.731 million).

#### Events After the Reporting Period

There are no events occurring after the reporting period that has the potential to significantly affect the ongoing structure and financial activities of the Trust.

**NATURAL HERITAGE TRUST OF AUSTRALIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**NATURAL HERITAGE TRUST OF AUSTRALIA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Suppliers	1A	123 728	117 894
Grants	1B	34 666	51 568
Change in revenue recognition		1 162	-
Impairment loss allowance on financial instruments		379	179
<b>Total expenses</b>		<b>159 935</b>	<b>169 641</b>
<b>Own-source Income</b>			
<b>Own-source revenue</b>			
Interest - amounts credited to special account		-	1 162
Other Revenue	2A	917	1 642
<b>Total own-source revenue</b>		<b>917</b>	<b>2 804</b>
<b>Total own-source income</b>		<b>917</b>	<b>2 804</b>
<b>Net cost of services</b>		<b>159 018</b>	<b>166 837</b>
Revenue from Government - amounts credited to special account		155 176	176 338
<b>Surplus/(Deficit)</b>		<b>(3 842)</b>	<b>9 501</b>

**Accounting Policy**

Interest Revenue

In accordance with section 6 of the *Natural Heritage Trust of Australia Act 1997*, the Trust must be credited with an amount equal to the fixed-income percentage of the uninvested amount standing to the credit of the Trust account as at the end of the financial year. Prior to 2021, this was through a statutory credit to the Trust account, with a corresponding amount recognised as interest revenue. From 2021, the amount has been appropriated through the annual appropriation acts, with amounts recognised as Revenue from Government.

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.

**NATURAL HERITAGE TRUST OF AUSTRALIA**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2021*

	Notes	2021 \$'000	2020 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash in special accounts		462 493	464 613
Trade and Other Receivables	3A	4 370	7 874
<b>Total financial assets</b>		<b>466 863</b>	<b>472 487</b>
<b>Non-financial assets</b>			
Prepayments		-	32
<b>Total non-financial assets</b>		<b>-</b>	<b>32</b>
<b>Total assets</b>		<b>466 863</b>	<b>472 519</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	4A	44 466	45 220
Grants	4B	-	356
Other payables - GST payable		954	1 658
<b>Total payables</b>		<b>45 420</b>	<b>47 234</b>
<b>Total liabilities</b>		<b>45 420</b>	<b>47 234</b>
<b>Net assets</b>		<b>421 443</b>	<b>425 285</b>
<b>EQUITY</b>			
Retained surplus		421 443	425 285
<b>Total equity</b>		<b>421 443</b>	<b>425 285</b>

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

**NATURAL HERITAGE TRUST OF AUSTRALIA**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period		425 285	415 784
<b>Adjusted opening balance</b>		<b>425 285</b>	<b>415 784</b>
<b>Comprehensive income</b>			
Surplus/ (Deficit) for the period		(3 842)	9,501
<b>Total comprehensive income</b>		<b>(3 842)</b>	<b>9,501</b>
<b>Closing balance as at 30 June</b>		<b>421 443</b>	<b>425 285</b>

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

**NATURAL HERITAGE TRUST OF AUSTRALIA**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		168 208	189 568
Interest equivalent receipts		-	5 581
GST received		13 723	14 405
Other		1 384	289
<b>Total cash received</b>		<b>183 315</b>	<b>209 843</b>
<b>Cash used</b>			
Suppliers		133 489	121 774
Grants		38 211	55 493
GST paid		13 735	14 405
<b>Total cash used</b>		<b>185 435</b>	<b>191 672</b>
<b>Net cash from/(used by) operating activities</b>		<b>(2 120)</b>	<b>18 171</b>
<b>Net increase/(decrease) in cash held</b>		<b>(2 120)</b>	<b>18 171</b>
Cash and cash equivalents at the beginning of the reporting period		464 613	446 442
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>462 493</b>	<b>464 613</b>

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



## NATURAL HERITAGE TRUST OF AUSTRALIA

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 1: Expenses

	2021 \$'000	2020 \$'000
<b>Note 1A: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Consultants	1 155	175
Contractors	6 672	7 094
Regional land payments	88 342	88 293
General goods and services	838	543
Implementation costs	26 697	21 772
Legal services	24	17
<b>Total goods and services supplied or rendered</b>	<b>123 728</b>	<b>117 894</b>
 Goods supplied	 8	 6
Services rendered	123 720	117 888
<b>Total goods and services supplied or rendered</b>	<b>123 728</b>	<b>117 894</b>
<b>Total suppliers</b>	<b>123 728</b>	<b>117 894</b>

#### 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.

##### Implementation Costs

The Implementation costs represent funding provided to the Department of Agriculture, Water and the Environment, the Department of Industry, Science, Energy and Resources, Great Barrier Reef Marine Park Authority, the Department of Environment and Science (Queensland), the Department of Resources (Queensland) and Torres Strait Regional Authority to cover costs associated with implementation of the Trust's activities.

#### Note 1B: Grants

Australian Government entities (related parties)	2 706	13 415
State and Territory Governments	1 380	696
Local Governments	89	350
Non-profit organisations	22 584	29 308
Profit making entities	1 602	5 676
Individuals	133	110
Universities	6 172	1 797
Other	-	216
<b>Total grants</b>	<b>34 666</b>	<b>51 568</b>

#### 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.

## NATURAL HERITAGE TRUST OF AUSTRALIA

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 2: Own-Source Revenue and Gains

	2021 \$'000	2020 \$'000
<b>Own-Source Revenue</b>		
<b>Note 2A: Other Revenue</b>		
Resources received free of charge		
NHT audit fee	60	60
Implementation costs	485	-
Repayments of prior year's grants expenditure	372	1 582
<b>Total other revenue</b>	<b>917</b>	<b>1 642</b>

#### 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.

## NATURAL HERITAGE TRUST OF AUSTRALIA

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 3: Financial Assets

	2021 \$'000	2020 \$'000
<b>Note 3A: Trade and Other Receivables</b>		
<b>Appropriations receivables</b>		
Interest equivalency payment receivable	-	1 162
<b>Total appropriations receivables</b>	-	1 162
<b>Other receivables</b>		
GST receivable from the Australian Taxation Office	4 365	5 324
Other	641	1 645
<b>Total other receivables</b>	5 006	6 969
<b>Total trade and other receivables (gross)</b>	5 006	8 131
<b>Less impairment loss allowance</b>	( 636)	(257)
<b>Total trade and other receivables (net)</b>	4 370	7 874

Credit terms for other receivables were within 30 days (2020: 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.

## NATURAL HERITAGE TRUST OF AUSTRALIA

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 4: Payables

	2021	2020
	\$'000	\$'000
<b>Note 4A: Suppliers</b>		
Trade creditors and accruals	44 466	45 220
<b>Total suppliers</b>	<b>44 466</b>	<b>45 220</b>

All suppliers are expected to be settled in no more than 12 months. Settlement was usually made within 20 days (2020: 20 days). The balance primarily relates to the end of financial year accruals for the Regional Landcare Partnerships projects.

#### Note 4B: Grants

State and Territory Governments	-	125
Local Governments	-	50
Non-profit organisations	-	181
<b>Total grants</b>	<b>-</b>	<b>356</b>

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 20 days (2020: 20 days) of grant recipients meeting their performance or eligibility criteria.

# **NATURAL HERITAGE TRUST OF AUSTRALIA** **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

## **Note 5: Current/Non-current Distinction for Assets and Liabilities**

	2021 \$'000	2020 \$'000
<b><u>Note 5A: Current/Non-current Distinction for Assets and Liabilities</u></b>		
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash in special accounts	462 493	464 613
Trade and other receivables	4 370	7 874
Prepayments	-	32
<b>Total no more than 12 months</b>	<b>466 863</b>	<b>472 519</b>
<b>Total assets</b>	<b>466 863</b>	<b>472 519</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	44 466	45 220
Grants	-	356
Other payables - GST payable	954	1 658
<b>Total no more than 12 months</b>	<b>45 420</b>	<b>47 234</b>
<b>Total liabilities</b>	<b>45 420</b>	<b>47 234</b>

## **Note 6: 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 (2020: Nil).

## **Note 7: Financial Instruments**

	2021 \$'000	2020 \$'000
<b><u>Note 7A: Categories of Financial Instruments</u></b>		
<b>Financial assets at amortised cost</b>		
Cash in special accounts	462 493	464 613
Other receivables	5	1 388
<b>Total financial assets at amortised cost</b>	<b>462 498</b>	<b>466 001</b>
<b>Total financial assets</b>	<b>462 498</b>	<b>466 001</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors and accruals	44 466	45 220
Grant payables	-	356
<b>Total financial liabilities measured at amortised cost</b>	<b>44 466</b>	<b>45 576</b>
<b>Total financial liabilities</b>	<b>44 466</b>	<b>45 576</b>

The fair values of the financial assets and liabilities approximate their carrying amounts.

## NATURAL HERITAGE TRUST OF AUSTRALIA NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Accounting policy

#### **Financial assets**

Under AASB 9 *Financial Instruments*, 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 Trust's business model for managing the financial assets and contractual cash flow characteristics of the item on initial recognition. Financial assets are recognised when the Trust becomes a party to the contract and, as a consequence, has 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 a trade date.

#### 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 assets 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 losses 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 assets 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.

## NATURAL HERITAGE TRUST OF AUSTRALIA

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the simplified 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 the risk has not increased.

The Trust has used the simplified approach for trade and other receivables. 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**

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'. All of the Trust's financial liabilities are categorised as other financial liabilities.

#### 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).

All payables are expected to be settled within 12 months except where indicated.

#### **Fair Value Measurement**

The Trust's assets and liabilities are measured at nominal amounts or amortised cost. Hence, no fair value measurement disclosures are required.

**NATURAL HERITAGE TRUST OF AUSTRALIA  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b><u>Note 7B: Net Gains or Losses on Financial Assets</u></b>		
<b>Financial assets at amortised cost</b>		
Impairment	<u>(379)</u>	<u>(179)</u>
<b>Net losses on financial assets at amortised cost</b>	<u>(379)</u>	<u>(179)</u>
<b>Net losses on financial assets</b>	<u>(379)</u>	<u>(179)</u>



## NATURAL HERITAGE TRUST OF AUSTRALIA

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 8: Special Accounts

	NHT Account <sup>1</sup>	
	2021 \$'000	2020 \$'000
<b>Balance brought forward from previous period</b>	<b>464 613</b>	446 442
Increases	156 549	182 208
<b>Total increases</b>	<b>156 549</b>	182 208
<b>Available for payments</b>	<b>621 162</b>	628 650
Decreases	(158 669)	(164 037)
<b>Total decreases</b>	<b>(158 669)</b>	(164 037)
<b>Total balance carried to the next period</b>	<b>462 493</b>	464 613
<b>Balance made up of:</b>		
Cash held in the Official Public Account	462 493	464 613
<b>Total balance carried to the next period</b>	<b>462 493</b>	464 613

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.

#### Note 9: 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.



Part 6:

# Aids to access



# Acronyms and abbreviations

Term	Definition
%	per cent
3D	three-dimensional
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
agvet	agricultural and veterinary
AIMM	Australian Institute of Management Member
AM	Member of the Order of Australia
AO	Officer of the Order of Australia
APS	Australian Public Service
ASF	African swine fever
AS/NZS	Australian/New Zealand Standard
ASEL	Australian Standards for the Export of Livestock
ATEP Act	<i>Antarctic Treaty (Environment Protection) Act 1980</i>
Austrade	Australian Trade and Investment Committee
BA	Bachelor of Arts
BEC	Bachelor of Economics
BICON	Biosecurity Import Conditions system
BLOC	Building Legal Organisational Capability
BMSB	brown marmorated stink bug
BOC	Basin Officials Committee
CA	controlled action
CCAMLR	Commission for the Conservation of Antarctic Marine Living Resources
CEWH	Commonwealth Environmental Water Holder
CEWO	Commonwealth Environmental Water Office
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLLMM	Coorong, Lower Lakes and Murray Mouth
CMS	Convention on the Conservation of Migratory Species of Wild Animals
CO <sub>2</sub>	carbon dioxide

Term	Definition
CO <sub>2</sub> e	carbon dioxide equivalent
COLS	Cargo Online Lodgement System
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DFAT	Department of Foreign Affairs and Trade
DNA	deoxyribonucleic acid
Dr	doctor
eCert	paperless certification/electronic certification
EEGO	energy efficiency in government operations
EL	Executive Level
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
EPBC Regulations	Environment Protection and Biodiversity Conservation Regulations
ERA	Energy Resources of Australia
ESD	ecologically sustainable development
FCA	Fellow of Chartered Accountants Australia and New Zealand
FCPA	Fellow of CPA Australia
FICA	Fellow International Compliance Association
FOI Act	<i>Freedom of Information Act 1982</i>
FTA	free trade agreement
FTE	full-time equivalent
GAICD	Graduate of the Australian Institute of Company Directors
GBA	Geological and Bioregional Assessment
GJ	gigajoule
GL	gigalitre
GST	goods and services tax
HCAS	Habitat Condition Assessment System
Hon	Honourable
IBRD	International Bank for Reconstruction and Development
IChEMS	Industrial Chemicals Environmental Management Standard
ICO	intensive corrections order
ICT	information and communication technology
IFAM	International Freight Assistance Mechanism
IFC	International Finance Corporation

Term	Definition
IIAM	Member of the Institute of Internal Auditors
INTERPOL	International Criminal Police Organization
IPPA–Indonesia	Agreement between the Government of Australia and the Government of the Republic of Indonesia concerning the Promotion and Protection of Investments
IPS	Information Publication Scheme
ISO	International Organization for Standardization
JAS-ANZ	Joint Accreditation Scheme of Australia New Zealand
kL	kilolitre
km	kilometre
LED	light emitting diode
LENS	List of Exempt Native Specimens
LiDAR	light detection and ranging
m <sup>2</sup>	square metre
MACS (Snr)	Senior Member of the Australian Computer Society
MDBA	Murray–Darling Basin Authority
MJ	megajoule
MJ/L	megajoules per litre
ML	megalitre
MMWG	Meat Modernisation Working Group
MP	Member of Parliament
mSv	millisievert
n/a	not applicable
NABERS	National Australian Built Environment Rating System
NCA	not controlled action
NEXDOC	Next Export Documentation System
NOI	notice of intention
NSW	New South Wales
NTCRS	National Television Computer and Recycling Scheme
ODP	ozone depletion potential
OIE	World Organisation for Animal Health
OPC	Office of Parliamentary Counsel
PAES	<i>Portfolio Additional Estimates Statements 2020–21</i>

Term	Definition
PBS	Portfolio Budget Statements
PFAS	per- and polyfluoroalkyl substances
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PhD	Doctor of Philosophy
PM	action to be taken in a particular manner
PPE	personal protective equipment
PSM	Public Service Medal
Q&A	questions and answers
QR codes	quick response codes
RFCS	Rural Financial Counselling Service
RLP	Regional Land Partnerships
RSV	research survey vessel
RtA	returned to Australia
RV	research vessel
SDG	sustainable development goals
SDL	sustainable diversion limit
SEP	standard export plans
SIRUS	departmental work health and safety information system
spp	multiple species
t/CO <sub>2</sub> e	carbon dioxide equivalent tonnes
TEMPO	Trends in Euphausiids off Mawson, Predators and Oceanography
TERN	Terrestrial Ecosystems Research Network
µg/L	micrograms per litre
URL	Uniform Resource Locator
WBG	World Bank Group
WELS	Water Efficiency Labelling and Standards
WELS Act	<i>Water Efficiency Labelling and Standards Act 2005</i>
WESA	Water for the Environment Special Account
WHS	work health and safety
WQIP	<i>Reef 2050 Water Quality Improvement Plan 2017–2022</i>
WTO	wildlife trade operations

# Glossary

Term	Meaning
activities	The actions and/or efforts performed by a Commonwealth entity or Commonwealth company to deliver government objectives and achieve desired results.
APS employee	See <i>Public Service Act 1999</i> .
biodiversity	Variability among living organisms from all sources (including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part). It includes diversity within species and between species, and diversity of ecosystems. See section 528 of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act).
bioregional assessment	Scientific analysis of the ecology, hydrology and geology of an area for the purpose of assessing the potential direct and indirect impacts of coal seam gas development or large coal mining development on water resources in the area, including any impacts of associated salt production and/or salinity. See section 528 of the EPBC Act.
Commonwealth Heritage List	Indigenous, historic and natural heritage places owned or controlled by the Australian Government. See section 341A of the EPBC Act.
Commonwealth protected area	A marine or land area protected under Commonwealth legislation. Includes World Heritage areas, National Heritage places, marine protected areas, Ramsar wetlands, Indigenous Protected Areas and areas within the National Reserve System.
ecological community	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. See section 528 of the EPBC Act.
ecologically sustainable use	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. See section 528 of the EPBC Act.
exclusive economic zone	See the <i>Seas and Submerged Lands Act 1973</i> .
exports certification	Official documentation confirming goods exported from Australia conform to the importing countries conditions.



Term	Meaning
Finalised Priority Assessment List	Nominated species, ecological communities and key threatening processes that have been approved for assessment by the minister responsible for the EPBC Act for a particular assessment year (1 October – 30 September). These have a statutory time frame in which the assessment must be completed.
governance	The set of responsibilities and practices, policies and procedures, exercised by an entity's accountable authority, to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability.
hydrological connectivity	The ability of water to move from one location to another, thereby facilitating the transfer of matter, energy and organisms.
Indigenous Protected Area	Areas of land and sea managed by Indigenous groups as protected areas for biodiversity conservation through voluntary agreements with the Australian Government.
matters of environmental significance	Matters protected under the EPBC Act. These 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 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. See section 324C of the EPBC Act.
outcomes	The results, impacts or consequences of a purpose or activity, as defined in annual Appropriation Acts and portfolio budget statements.
portfolio budget statements	Prepared by portfolios to explain where the appropriated funds will be spent.
Ramsar sites	Sites listed in the List of Wetlands of International Importance under the Ramsar Convention on Wetlands.
regional forest agreement	Long-term plan for the sustainable management and conservation of Australia's native forests.
sustainable diversion limit	A limit on how much water, on average, can be used in the Murray–Darling Basin by towns and communities, farmers and industries while keeping the rivers and environment healthy.
threat abatement plan	Developed when the minister deems it to be a feasible, efficient and effective way of abating a listed key threatening process. See section 270B of the EPBC Act.
threatened species	Species that are extinct, extinct in the wild, critically endangered, endangered, vulnerable or conservation dependent. See section 178 of the EPBC Act.

# List of requirements

PGPA Rule reference	Description	Requirement	Page
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
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	viii
<b>17AD(h)</b>	<b>Aids to access</b>		
17AJ(a)	Table of contents.	Mandatory	vii
17AJ(b)	Alphabetical index.	Mandatory	373
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	350–353
17AJ(d)	List of requirements.	Mandatory	356–362
17AJ(e)	Details of contact officer.	Mandatory	Title verso
17AJ(f)	Entity's website address.	Mandatory	Title verso
17AJ(g)	Electronic address of report.	Mandatory	Title verso
<b>17AD(a)</b>	<b>Review by accountable authority</b>		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	8
<b>17AD(b)</b>	<b>Overview of the entity</b>		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	iii
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	iv–v
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity.	Mandatory	9
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	iii, 9
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	90
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	90
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	90

PGPA Rule reference	Description	Requirement	Page
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	vi
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	10
<b>17AD(c)</b>	<b>Report on the Performance of the entity</b> <i>Annual performance statements</i>		
17AD(c)(i)16F	Annual performance statement in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule.	Mandatory	7–88
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	83–88
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	84
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.	83
<b>17AD(d)</b>	<b>Management and accountability</b> <i>Corporate governance</i>		
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	8
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	8
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	8

PGPA Rule reference	Description	Requirement	Page
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	8
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	90–97
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	8
<b>Audit Committee</b>			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	91
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	92–94
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	92–94
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	92–94
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	92–94
<b>External scrutiny</b>			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	108–113
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	108–113
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	109, 112
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	Not applicable	Not applicable
<b>Management of human resources</b>			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	98–101

PGPA Rule reference	Description	Requirement	Page
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ol style="list-style-type: none"> <li>1. Statistics on full-time employees.</li> <li>2. Statistics on part-time employees.</li> <li>3. Statistics on gender.</li> <li>4. Statistics on staff location.</li> </ol>	Mandatory	205–215
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> <li>• Statistics on staffing by classification level.</li> <li>• Statistics on full-time employees.</li> <li>• Statistics on part-time employees.</li> <li>• Statistics on gender.</li> <li>• Statistics on staff location.</li> <li>• Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	205–216
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	216
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements, contracts or determinations identified in paragraph 17AG(4)(c).	Mandatory	216
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	217
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	217
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	Not applicable	Not applicable
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	Not applicable	Not applicable
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	Not applicable	Not applicable
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	Not applicable	Not applicable
<b>Assets management</b>			
17AG(5)	An assessment of the effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	87–88

PGPA Rule reference	Description	Requirement	Page
<i>Purchasing</i>			
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	104–107
<i>Reportable consultancy contracts</i>			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	105–106
17AG(7)(b)	A statement that “During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”.	Mandatory	105
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	104–105
17AG(7)(d)	A statement that “Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.”	Mandatory	105
<i>Reportable non-consultancy contracts</i>			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period, the total actual expenditure on such contracts (inclusive of GST), the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period, and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	105
17AG(7A)(b)	A statement that “Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.”	Mandatory	105

PGPA Rule reference	Description	Requirement	Page
<i>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</i>			
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	106
<i>Australian National Audit Office access clauses</i>			
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	105
<i>Exempt contracts</i>			
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	105
<i>Small business</i>			
17AG(10)(a)	A statement that "[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."	Mandatory	104
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	104
17AG(10)(c)	If the entity is considered by the department administered by the Finance Minister as material in nature—a statement that "[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."	If applicable, mandatory	104

PGPA Rule reference	Description	Requirement	Page
<i>Financial statements</i>			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act.	Mandatory	231–347
<i>Executive remuneration</i>			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the PGPA Rule.	Mandatory	218–220
<b>17AD(f)</b>	<b>Other Mandatory Information</b>		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “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.”	If applicable, Mandatory	107
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	107
17AH(1)(b)	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory	97
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	228
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	97
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, mandatory	229
17AH(2)	Information required by other legislation.	Mandatory	115–178



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# Aid to content accessibility

This section supports accessibility for people with vision impairment or low vision. It provides the text alternative and data tables for complex figures.

## Alternative text for Figure 3 Our structure on 30 June 2021

**Secretary.** Andrew Metcalfe

**Agriculture Policy, Research and Portfolio Strategy Group.** Deputy Secretary, Rosemary Deininger. Business areas:

- ABARES. Executive Director, Jared Greenville (acting)
- Agricultural Policy. First Assistant Secretary, Joanna Stanion
- Agvet Chemicals, Fisheries, Forestry and Engagement. First Assistant Secretary, Emma Campbell
- Portfolio Strategy. First Assistant Secretary, Nick Blong.

**Agricultural Trade Group.** Deputy Secretary, David Hazlehurst. Business areas:

- Exports and Veterinary Services. First Assistant Secretary, Nicola Hinder
- Plant and Live Animal Exports. First Assistant Secretary, Melissa McEwen
- Trade, Market Access and International. First Assistant Secretary, Chris Tinning
- Trade Reform. First Assistant Secretary, Matthew Koval
- Digital Trade Initiatives. First Assistant Secretary, Nick Woodruff.

**Biosecurity and Compliance Group.** Deputy Secretary, Andrew Tongue. Business areas:

- Biosecurity Animal. First Assistant Secretary, Robyn Martin
- Biosecurity Plant. First Assistant Secretary, Chris Parker
- Biosecurity Operations. First Assistant Secretary, Colin Hunter
- Biosecurity Strategy and Reform. First Assistant Secretary, Peta Lane
- Compliance and Enforcement. First Assistant Secretary, Peter Timson
- Australian Chief Veterinary Officer, Mark Schipp
- Australian Chief Plant Protection Officer, Gabrielle Vivian-Smith
- Chief Environmental Biosecurity Officer, Robyn Cleland (acting)
- Strategic Policy Advisor, Anne-Marie Roberts.

**Environment and Heritage Group.** Deputy Secretary, Chris Locke (acting). Business areas:

- Biodiversity Conservation. First Assistant Secretary, Cass Kennedy
- Commonwealth Environmental Water Holder, Hilton Taylor (acting)
- Environment Approvals. First Assistant Secretary, Melissa Brown
- Heritage, Reef and Wildlife Trade. First Assistant Secretary, Simon Banks
- Director National Parks, Jody Swirepik (acting)
- Parks Australia First Assistant Secretary, Jason Mundy (acting).

**Major Environment Reforms Group.** Deputy Secretary, James Tregurtha (acting).

Business areas:

- Environment Protection. First Assistant Secretary, Kate Lynch
- Environmental Protection Reform. First Assistant Secretary, Greg Manning (acting).

**Water, Climate Adaptation, Natural Disasters, and Antarctic Group.** Deputy Secretary, Lyn O'Connell. Business areas:

- Australian Antarctic Division. First Assistant Secretary, Kim Ellis
- Climate Adaption and Resilience. First Assistant Secretary, Maya Stuart-Fox (acting)
- Drought and Bushfire Response. First Assistant Secretary, Kerren Crosthwaite
- Water. First Assistant Secretary, Rachel Connell.

**Enabling Services Group.** Deputy Secretary, Cindy Briscoe. Business areas:

- Corporate and Business Services. First Assistant Secretary, Lionel Riley
- Finance. Chief Finance Officer, Paul Pak Poy (acting)
- Information Services. Chief Information officer, Mark Sawade
- Legal. Chief Counsel, Alice Linacre
- People. Chief People officer, Jasna Blackwell (acting).

## Data tables

**Table 87** Data table for Figure 6 Levy administration costs as a percentage of levy disbursed over 5 years

Item	2016–17	2017–18	2018–19	2019–20	2020–21
Cost recovery (\$m)	4.833	4.622	4.841	4.758	4.617
Levy / charge (\$m)	520.324	523.986	529.025	461.505	494.556
Commonwealth matching (\$m)	272.592	315.782	299.736	351.505	307.766
Cost as a % of levy	0.93%	0.88%	0.92%	1.03%	0.93%

**Table 88** Data table for Figure 7 National compliance program levy coverage over 5 years

Item	2016–17	2017–18	2018–19	2019–20	2020–21
Levy coverage (\$m)	152.410	161.56	150.510	89.030	174.600
Levy coverage (%)	29.3%	30.8%	28.5%	19.3%	35.3%
Rolling 3-year average	29.29%	30.06%	29.52%	26.19%	27.68%

**Table 89** Data table for Figure 8 Timeliness of key decisions under EPBC Act

Key decisions	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Due	309	362	377	372	300	404
On time	69	68	29	22	149	397
On time (%)	22%	19%	8%	6%	50%	98%



**Table 90** Data table for Figure 9 Backlog of key decisions since December 2019

Month	Referral Decision	Assessment Method Decision	Approval Decision	Divisional Monthly Total Decisions	Number of Projects
December 2019	n/a	n/a	n/a	78	57
January 2020	13	27	20	60	47
February 2020	11	24	17	52	41
March 2020	9	21	17	47	38
April 2020	8	18	14	40	32
May 2020	4	13	11	28	24
June 2020	4	12	10	26	22
July 2020	4	12	10	26	22
August 2020	1	9	10	20	19
September 2020	1	8	9	18	17
October 2020	1	8	9	18	17
November 2020	0	7	6	13	13
December 2020	0	7	4	11	11
January 2021	0	7	4	11	11
February 2021	0	7	4	11	11
March 2021	0	7	4	11	11
April 2021	0	6	4	10	10
May 2021	0	6	4	10	10
June 2021	0	6	4	10	10

## Alternative text for Figure 16 Physical and transitional climate change risks

This image depicts a map of Australia with surrounded by text. Climate change impacts to consider for the Department of Agriculture, Water and the Environment. In the *State of the Climate 2020*, the CSIRO and Bureau of Meteorology report that Australia is experiencing ongoing long-term climate change, and has warmed by an average of 1.44°C since 1910. In the future, Australia is projected to experience:

- Physical climate change risks associated with the physical impacts of the changing climate. For example, direct impacts to the built environment from increasing intensity and frequency of extreme weather, or more gradual changes like rising sea levels.
- Transitional climate change risks associated with activities that may or may not occur in the process of adjusting towards a lower-emissions economy. For example, a movement towards a new mix of different types of energy generation can impact the value of assets in that sector.

The impacts are shown as above and below a dotted line. The impacts are:

- variability in water availability – changes to the supply of surface water
- ocean acidification, rising ocean temperatures and sea levels
- increased average temperatures and higher variability of temperatures
- increased frequency and severity of extreme events
- changes to distribution, abundance and lifecycles of species.
- countries are working to rectify ‘carbon leakage’ across markets
- there is increasing ambitions by countries across the world to reduce greenhouse gas emissions
- there is increasing update in renewable energy and other low emissions technologies
- industry is actively engaging with its climate risks, including reducing its greenhouse gas emissions.

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