



# Budget 2019-20

**Portfolio Budget Statements 2019-20**  
**Budget Related Paper No. 1.6**  
Environment and Energy Portfolio

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

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**MINISTER FOR THE ENVIRONMENT**

**MINISTER FOR ENERGY**

PARLIAMENT HOUSE

CANBERRA 2600

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2019-20 Budget for the Environment and Energy Portfolio.

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

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Melissa Price'.

The Hon Melissa Price MP  
Minister for the Environment

A handwritten signature in blue ink, appearing to read 'Angus Taylor'.

The Hon Angus Taylor MP  
Minister for Energy

## Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

## Enquiries

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

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

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET STATEMENTS**

# USER GUIDE

The purpose of the 2019-20 *Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2019-20 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2019-20 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

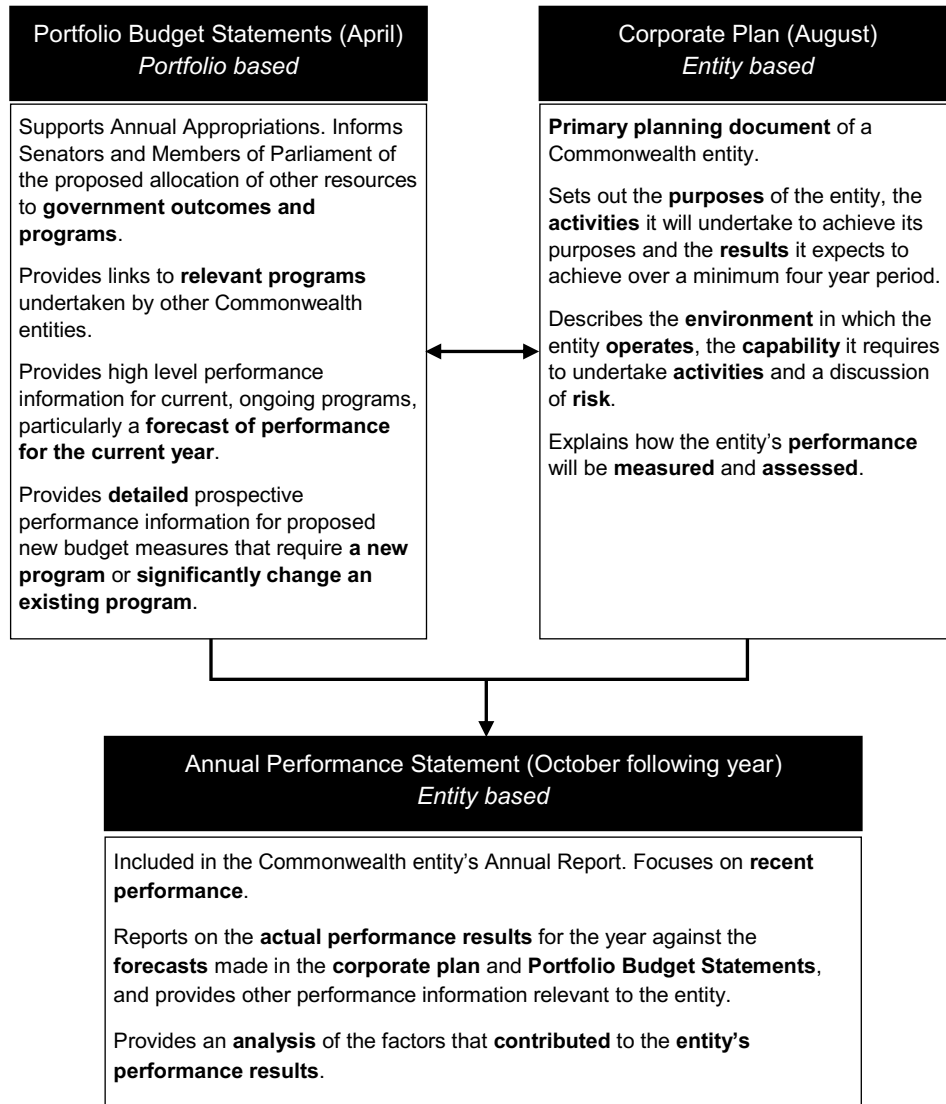
As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments)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

## **The Enhanced Commonwealth Performance Framework**

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

## Enhanced Commonwealth Performance Framework

### Key components of relevant publications







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# **PORTFOLIO OVERVIEW**



# **ENVIRONMENT AND ENERGY PORTFOLIO OVERVIEW**

## **Ministers and portfolio responsibilities**

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

### **Department of the Environment and Energy**

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

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

## Australian Renewable Energy Agency

The Australian Renewable Energy Agency is a Corporate Commonwealth Entity<sup>1</sup> established under the *Australian Renewable Energy Agency Act 2011*. The Australian Renewable Energy Agency is responsible for the Outcome:

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

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

## Bureau of Meteorology

The Bureau of Meteorology is a Non-corporate Commonwealth Entity<sup>2</sup> and an Executive Agency<sup>3</sup> operating under the *Meteorology Act 1955* and the *Water Act 2007*. The Bureau of Meteorology is responsible for the Outcome:

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

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

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

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

<sup>3</sup> 'Executive Agency' as defined under the *Public Service Act 1999*.

## Clean Energy Finance Corporation

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

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

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

## Clean Energy Regulator

The Clean Energy Regulator is a Non-corporate Commonwealth Entity and a statutory Agency<sup>4</sup> established under the *Clean Energy Regulator Act 2011*. The Clean Energy Regulator is responsible for the Outcome:

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

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

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<sup>4</sup> 'Statutory Agency' as defined under the *Public Service Act 1999*.

## **Climate Change Authority**

The Climate Change Authority is a Non-corporate Commonwealth Entity and a Statutory Agency<sup>5</sup> operating under the *Climate Change Authority Act 2011*. The Climate Change Authority is responsible for the Outcome:

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

## **Director of National Parks**

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

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

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

## **Great Barrier Reef Marine Park Authority**

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

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

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

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<sup>5</sup> 'Statutory Agency' as defined under the *Public Service Act 1999*.



## **Sydney Harbour Federation Trust**

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

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

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

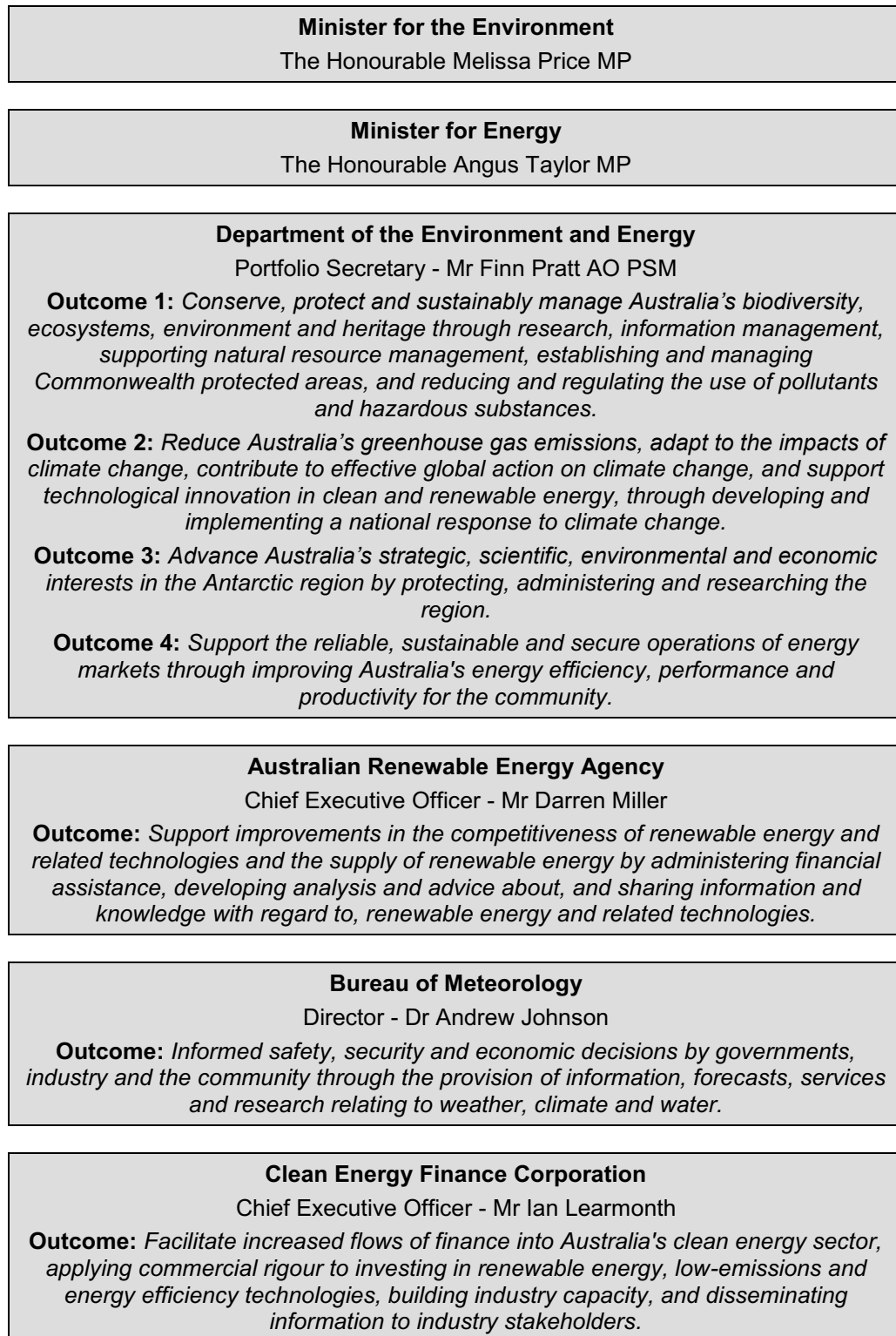
## **Snowy Hydro Limited**

Snowy Hydro Limited is a wholly-owned Commonwealth Company and Government Business Enterprise operating under the *Corporations Act 2001* and the *Public Governance, Performance and Accountability Act 2013*. As such, financial reporting information for Snowy Hydro Limited is not disclosed in the Portfolio Budget Statements. Snowy Hydro Limited published financial statements in its annual reports.

Snowy Hydro Limited owns and operates 16 power stations with a combined generation capacity of 5,500 megawatts, including the Snowy Mountains Hydro Electricity Scheme, and has more than one million retail customers in the National Electricity Market.

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

**Figure 1: Environment and Energy Portfolio structure and outcomes**



**Clean Energy Regulator**

Chair - Mr David Parker AM

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

**Climate Change Authority**

Chief Executive Officer - Mr Brad Archer

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

**Director of National Parks**

Director - Dr James Findlay

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

**Great Barrier Reef Marine Park Authority**

Chief Executive Officer - Mr Josh Thomas

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

**Sydney Harbour Federation Trust**

Executive Director - Ms Mary Darwell

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

**Snowy Hydro Limited**

Chief Executive Officer - Mr Paul Broad

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



## **ENTITY RESOURCES AND PLANNED PERFORMANCE**

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**DEPARTMENT OF THE  
ENVIRONMENT AND ENERGY**

**ENTITY RESOURCES AND PLANNED  
PERFORMANCE**





## DEPARTMENT OF THE ENVIRONMENT AND ENERGY

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# DEPARTMENT OF THE ENVIRONMENT AND ENERGY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

The Government is investing \$1.1 billion over six years from 2017-18 in the next phase of the National Landcare Program. The National Landcare Program is administered collaboratively by the Department, the Department of Agriculture and Water Resources and the Department of the Prime Minister and Cabinet. The Program is the primary funding mechanism for Australian Government investment in environmental conservation and protection, sustainable land management, and implementation of Australia's obligations under international conventions. Under the Regional Land Partnerships component, \$450.0 million is allocated to protect, conserve and provide for the productive use of Australia's water, soil, plants, animals and the ecosystems in which they live. Service Providers across Australia will work in partnership with communities to design and deliver on-ground environment and agriculture projects at a regional scale, that support national priorities for natural resource management. The National Landcare Program provides \$15.0 million for new Indigenous Protected Areas. Indigenous Protected Areas deliver benefits to our environment and our local communities by safeguarding the biodiversity of the nation for present and future generations; protecting the cultural heritage of Aboriginal and Torres Strait Islander people in their region; and providing employment, education and training opportunities for Aboriginal and Torres Strait Islander people.

The Australian Government has committed \$22.7 million for the Communities' Environment Program. The Department will deliver funding across Australia to support local communities to undertake small scale projects that protect their local environment and heritage.

The Government is also investing \$100.0 million through an Environment Restoration Fund. The Fund will mobilise community and natural resource management organisations, local councils and state governments to deliver projects that protect and remediate Australia's environment. Projects will protect threatened and migratory species and their habitats, improve water quality and manage erosion in coasts and waterways and support the clean-up, recovery and recycling of waste. The Communities' Environment Program and Environment Restoration Fund complement each other, and existing investments through the National Landcare Program.

The Department is leading the implementation of the Government's Threatened Species Strategy, through science, shaping policy and programs, and building partnerships to ensure threatened species are protected. The Threatened Species Strategy sets out a road map to achieve the long-term goal of reversing species decline and supporting species recovery, including through the activities of the Threatened Species Commissioner. Australian Government investment through the National Environmental Science Program and the National Landcare Program, is assisting to deliver the ambitious one, three and five year targets in the strategy. On 20 February 2017, the Government released Australia's first Threatened Species Prospectus to grow private sector interest and investment in threatened species recovery. As at February 2019, at least 19 projects featured in the Prospectus have received support to the value of more than \$7 million.

In addition to pursuing a range of environmental and species conservation efforts domestically the Department will also lead Australia's engagement in a range of key international fora, such as influencing the direction of the Convention of Biological Diversity's post 2020 agenda, protecting Australia's interests at the upcoming 18th meeting of the Convention on the International Trade in Endangered Species of Wild Fauna and Flora and collaborating in species conservation efforts under the Convention of Migratory Species.

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

The Department is implementing the Reef 2050 Long-Term Sustainability Plan in partnership with the Great Barrier Reef Marine Park Authority and the Queensland Government to improve the health and build the resilience of the Great Barrier Reef. In 2019-20, the Department will focus efforts on investments through the Reef Trust including the \$443.3 million Reef Trust- Great Barrier Reef Foundation partnership, to deliver further water quality improvements, Crown of Thorns Starfish control, science for reef restoration, increased community and Traditional Owner engagement, and improved monitoring. In 2019-20 the Department will prepare a *State Party Report on the State of Conservation of the Great Barrier Reef World Heritage Area* to the World Heritage Committee, and undertake a comprehensive review of the Reef 2050 Plan in consultation with the Great Barrier Reef Marine Park Authority and the Queensland Government.

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

The Department administers legislation to give effect to our international obligations and implement national priorities for environmental protection and environmental health. The Department regulates to protect matters of national environmental significance and to support ecologically sustainable development under the *Environment Protection and Biodiversity Conservation Act 1999* (the Act). This includes the assessment and listing of threatened species and ecological communities and heritage places, and the protection of internationally traded flora and fauna. The Department will continue to work closely with states and territories to implement a Common Assessment Method for Listing of Threatened Species, delivering a nationally consistent approach to assessing threatened species. In 2019-20, the second ten year statutory review of the Act will commence.

The Department continues its work to bring about a permanent end to all forms of commercial and so-called 'scientific' whaling, and transform the International Whaling Commission into a modern conservation organisation. The Government will work with likeminded member countries to ensure the Commission's pre-eminence as the global body for the conservation and management of whales is maintained and the global moratorium on commercial whaling is upheld.

The Department engages internationally to help ensure that our oceans are clean and healthy while supporting economic growth and development. The Government is providing \$4.0 million over three years to support Australia's engagement in the 12 nation High Level Panel for a Sustainable Ocean Economy. As focal point for Australia's membership of the Secretariat of the Pacific Regional Environment Programme, the Department will continue to support Pacific Island nations in the protection and sustainable development of the Pacific Ocean.

The Department supports environmental health through pursuing national approaches to manage hazardous wastes, substances and pollutants. The Department's international engagement on environmental health will ensure Australia can learn from overseas experience and continue to take a leadership role in our region. In 2019-20, the Department will continue to work with states and territories to implement a national standard to manage the use and disposal of industrial chemicals in order to reduce impacts on the environment and limit exposure of people to chemicals. The Department will also continue to develop environmental policies and manage research related to Per- and poly-fluoroalkyl substances (PFAS) contamination. The Department will

continue to provide oversight and coordination of Australian Government responses to PFAS contamination, through the operation of the PFAS Taskforce.

The Department will continue to co-ordinate the development of a National Action Plan to deliver the 2018 National Waste Policy. The National Waste Policy sets a framework for action by governments, the business sector, the waste and recovery industries and communities to achieve sustainable waste management.

The Department will implement the Government's new noxious emission standards for outdoor power equipment and marine engines, which are an important element of the National Clean Air Agreement. The Department will continue to implement the outcomes of the review of the ozone protection and synthetic greenhouse gas program, including development of non-regulatory measures to optimise refrigeration and air conditioning equipment installation and servicing to reduce leaks and improve energy performance. This will include further legislative amendments to streamline requirements for businesses and improve compliance. The Department is managing the review of the National Pollutant Inventory, overseen by a steering committee of senior officials from the Commonwealth, states and territories.

The Department is continuing to strengthen the evidence base that underpins environmental policy and decision-making, including through the National Environmental Science Program and by making the Department's environmental data accessible on [data.gov.au](http://data.gov.au).

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

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

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

The Department supports the management and protection of Australia's Ramsar wetlands. The Department will conduct assessments on the ecological character of wetlands to meet international obligations under the Ramsar Convention, and provide

advice on the significant impacts of developments on Ramsar wetlands under the *Environment Protection and Biodiversity Conservation Act 1999*.

The Department will continue to support the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development in providing advice to Australian governments on the water-related impacts of coal seam gas and large coal mining development proposals, to strengthen the science underpinning regulatory decisions. In 2019-20, the Department will continue to deliver targeted geological and bioregional assessments of the potential impacts on water and the environment posed by unconventional gas development in South Australia, Queensland and the Northern Territory.

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

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

The Government's climate change policies position Australia to meet its 2020 and 2030 targets and Paris Agreement commitments. The Government has committed \$2 billion to the Climate Solutions Fund. The Climate Solutions Fund will reduce greenhouse gas emissions across the economy by continuing to purchase low-cost abatement through the existing Emissions Reduction Fund. The funding will build on the success of the Emissions Reduction Fund which has purchased over 193 million tonnes of emissions reduction. In addition to reducing emissions, these projects have social, economic and environmental benefits including the protection of Indigenous cultural values and improving biodiversity. The Climate Solutions Fund will be complemented by policies including the Safeguard Mechanism, the development of a national electric vehicles strategy, expanding successful energy efficiency programs targeting commercial and residential buildings and the new Energy Efficient Communities Program which helps businesses and community organisations improve their energy efficiency.

Ongoing growth in renewable energy will be supported by the Government's investments in Snowy 2.0 and the MarinusLink and Battery of the Nation projects in Tasmania (see Outcome 4).

The Government has committed to develop its long-term emissions reduction strategy by the end of 2020. The strategy will explore how Australia can benefit from new opportunities that arise from continued advances in technology as we, along with all other countries, transition our economies in the decades ahead. One such opportunity is the development of a Hydrogen Strategy which the Department will lead jointly with

the Department of Industry, Innovation and Science. The Department will also develop a framework for regulation of offshore wind resources.

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

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

The Department will provide information to support governments, business and the community to prepare for and respond to the impacts of climate change. The Government has allocated an additional \$6.1 million from 2018-19 to 2020-21 to improve climate change information for the energy sector. Australian Government departments are working together to better integrate disaster and climate resilience into policies, programs and operations. The National Climate Science Advisory Committee is developing a climate science strategy to ensure investment in science research is as effective as possible. The strategy will be finalised in 2019.

The Department contributes to an effective global response to climate change through the negotiation and implementation of obligations under the United Nations Framework Convention on Climate Change, its Kyoto Protocol and the Paris Agreement. This includes estimating and reporting Australia's emissions and progress towards targets. Following ratification of the Paris Agreement on 4 November 2016, the Department, together with the Department of Foreign Affairs and Trade, is working with other countries to finalise remaining elements of the Paris Agreement 'rulebook' in 2019. The Portfolio, through the Department and the Clean Energy Regulator, is supporting Australia's contribution to developing the rules for the International Civil Aviation Organisation's carbon offsetting scheme. The Department provides support to other countries for emission measurement and reporting, and support for international partnerships that promote climate change action through protection of our natural carbon sinks including terrestrial forests and coastal 'blue carbon' ecosystems (mangroves, tidal marshes and seagrasses).

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



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

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

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

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

The Government has committed \$218 million in funding over six years from 2018-19 with \$51 million ongoing from 2024-25 for Australia's Antarctic infrastructure. The Department will manage key infrastructure projects to ensure that the critical functions that support Australia's presence and scientific research activities in Antarctica are maintained, and Australia retains its influence in the Antarctic region.

The Department will work with other portfolios to ensure that the Australian Research Council's Special Research Initiative in Excellence in Antarctic Science and the Antarctic Science Collaboration Initiative support a revitalised Australian Antarctic Science Program.

The Department is continuing to support the Government's commitment to a continuation of a year-round presence on Macquarie Island with funding of \$50 million over 11 years from 2016-17. Macquarie Island is located in the Southern Ocean around 1,500 kilometres southeast of Tasmania. The Island's location makes it important for Australia's contribution to a range of international scientific monitoring and Southern Ocean research programs. The Government's continued operation of a year-round research station will ensure that high priority scientific research and monitoring

programs conducted on Macquarie Island continue. This includes continuing meteorological observations at the island which contribute to weather forecasting and international climate science programs.

The Department is managing the construction of a new world-class icebreaker which represents the single biggest investment in the history of Australia's Antarctic Program. Construction is underway and the new icebreaker is expected to be commissioned in 2020-21. Hobart will be its home port.

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

The Government is committed to maintaining a reliable and affordable energy system as Australia transitions to a lower emissions future.

Successful implementation of the Retailer Reliability Obligation will be an ongoing focus of the Government's collaboration with the COAG Energy Council. The Retailer Reliability Obligation will place an obligation on electricity retailers to ensure there is sufficient dispatchable capacity in the market.

The Government is supporting investment in energy infrastructure. The Department is working to establish a Priority Transmission Fund to help fast track the delivery of transmission projects identified in the Australian Energy Market Operator's Integrated System Plan. This Fund will enable quicker delivery of generation and transmission projects, reducing the risk of unplanned disruptions to energy supply. The Government is supporting feasibility studies into the development of microgrids in regional and remote communities to deliver secure, reliable and affordable electricity.

The Government is committed to developing new generation resources in the National Electricity Market. The Government has developed the Underwriting New Generation Investments program to support targeted investment in electricity generation that will lower prices and increase competition and reliability in the system. To secure energy affordability for commercial and industrial users, the Government will also provide \$10 million over two years for a business case to identify viable locations for firm generation to meet customer needs in north and central Queensland.

The Department will deliver a range of energy efficiency measures under the National Energy Productivity Plan. This includes: developing and implementing new minimum energy performance standards and energy labelling for space heating appliances; implementation of COAG Energy Council's Trajectory for Low Energy Buildings; a review of the Commercial Building Disclosure Program; and development of energy efficiency information resources for the building sector, owners and tenants.

The Department will deliver the \$11.6 million Business Energy Advice Program to deliver tailored advice to help small businesses identify opportunities for them to be

more energy efficient. The Department will also deliver the \$50.0 million Energy Efficient Communities Program to help businesses and community organisations improve energy efficiency practices and technologies and better manage energy consumption.

The Department, with the Department of Finance, is managing the Government's ownership of Snowy Hydro Limited. The Government is providing Snowy Hydro Limited with a \$1.38 billion equity subscription from 2019-20 to support the delivery of the Snowy 2.0 pumped hydro project. Snowy 2.0 will add 2,000 megawatts of energy generation and provide 175 hours of storage for the National Electricity Market, enough to ensure the stability and reliability of the system during prolonged weather events and times of peak energy demand and place downward pressure on power prices.

The Department is also supporting the Government's targeted investment in the MarinusLink and Battery of the Nation initiatives to help realise the significant potential that Tasmania offers to deliver additional electricity generation and much needed energy storage.

The Department will also deliver a national energy security assessment to help manage risks and costs of energy supply. A component of this assessment will be a liquid fuel security assessment which will inform formal consideration of whether security settings are appropriate to ensure domestic fuel security.

## **1.2 ENTITY RESOURCE STATEMENT**

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

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

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

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

**Table 1.1: Department of the Environment and Energy resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 (a) Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	62,744	56,489
Departmental appropriation (d)	388,662	441,902
s74 retained revenue receipts (e)	41,267	38,442
Departmental capital budget (f)	24,478	58,488
Annual appropriations - other services - non-operating (g)		
Prior year appropriations available	110,091	2,195
Equity injection	86,249	114,263
<i>Total departmental annual appropriations</i>	<i>713,491</i>	<i>711,779</i>
Special accounts (h)		
Opening balance	13,603	7,241
Appropriation receipts (i)	4,947	4,306
Non-appropriation receipts	7,210	-
<i>Total special accounts</i>	<i>25,760</i>	<i>11,547</i>
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	<i>(4,947)</i>	<i>(4,306)</i>
<b>Total departmental resourcing</b>	<b>734,304</b>	<b>719,020</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	13,338	8,380
Outcome 1	347,198	360,798
Outcome 2	2,388	1,950
Outcome 4	16,274	40,640
Payments to corporate entities (e)	49,901	48,673
Annual appropriations - other services - non-operating (h)		
Administered assets and liabilities	-	138,000
Payments to corporate entities (j)	181	2,055
<i>Total administered annual appropriations</i>	<i>429,280</i>	<i>600,496</i>
<i>Administered special appropriations</i>	<i>235,396</i>	<i>254,804</i>
Special accounts (h)		
Opening balance	6,780,464	6,206,782
Appropriation receipts (i)	271,175	258,152
Non-appropriation receipts	21,231	18,257
<i>Total special account receipts</i>	<i>7,072,870</i>	<i>6,483,191</i>
<i>less administered appropriations drawn from annual appropriations and credited to special accounts (j)</i>	<i>(271,175)</i>	<i>(258,152)</i>
<i>less payments to corporate entities from annual/special appropriations</i>	<i>(285,378)</i>	<i>(305,432)</i>
<i>less special account balances for corporate entities</i>	<i>(6,279,000)</i>	<i>(5,679,000)</i>
<b>Total administered resourcing</b>	<b>901,993</b>	<b>1,095,907</b>
<b>Total resourcing for the Department of the Environment and Energy</b>	<b>1,636,297</b>	<b>1,814,927</b>

**Table 1.1: Department of the Environment and Energy resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)**

	2018-19	2019-20
<b>Average staffing level (number)</b>	1,995	2,007
<b>Third party payments from and on behalf of other entities</b>		
	2018-19 <i>Estimated actual</i>	2019-20 Estimate
	\$'000	\$'000
Payments made to other entities for the provision of services	8,325	15,416
Payments made to corporate entities within the Portfolio		
Australian Renewable Energy Agency (Appropriation Bill (No. 1) 2019-20)	2,463	2,868
Australian Renewable Energy Agency ( <i>Australian Renewable Energy Agency Act 2011</i> )	349,178	279,093
Clean Energy Finance Corporation ( <i>Clean Energy Finance Corporation Act 2012</i> )	600,000	620,000
Director of National Parks (Appropriation Bill (No. 1) 2019-20)	47,438	45,805
Director of National Parks (Appropriation Bill (No. 2) 2019-20)	181	355
Sydney Harbour Federation Trust (Appropriation Bill (No. 2) 2019-20)	-	1,700

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

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

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-19, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes \$21.788 million subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(d) Excludes departmental capital budget (DCB).

(e) Estimated External Revenue receipts under section 74 of the PGPA Act.

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

(g) Appropriation Bill (No. 2) 2019-20.

(h) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(i) Amounts credited to the special accounts from the Department of the Environment and Energy's annual and special appropriations.

(j) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Department of the Environment and Energy 2019-20 Budget measures  
Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal  
Outlook (MYEFO)**

		2018-19	2019-20	2020-21	2021-22	2022-23
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue measures</b>						
Climate Solutions Package	4.1					
Administered revenues		-	-	-	25,300	25,300
<b>Total</b>		-	-	-	<b>25,300</b>	<b>25,300</b>
<b>Total revenue measures</b>						
Administered revenues		-	-	-	25,300	25,300
<b>Total</b>		-	-	-	<b>25,300</b>	<b>25,300</b>
<b>Expense measures</b>						
Climate Solutions Package (c)(d)	2.1,4.1					
Departmental expenses		-	16,367	11,508	6,678	5,430
Administered expenses		-	8,487	39,571	1,931	-
<b>Total</b>		-	<b>24,854</b>	<b>51,079</b>	<b>8,609</b>	<b>5,430</b>
Harry Butler Environmental Education Centre	1.2	-	1,000	8,000	8,000	8,000
Administered expenses		-	1,000	8,000	8,000	8,000
<b>Total</b>		-	<b>1,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
Hobart City Deal (g)	3.1	-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
National Centre for Coasts, Environment and Climate	1.2	-	1,000	8,000	8,000	8,000
Administered expenses		-	1,000	8,000	8,000	8,000
<b>Total</b>		-	<b>1,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
Per- and Poly-Fluoroalkyl Substances (PFAS) Research(g)	1.6	-	-	-	-	-
Administered expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Practical Environment Restoration (a)	1.1	-	9,010	3,594	1,313	1,481
Departmental expenses		-	9,010	3,594	1,313	1,481
Administered expenses		-	42,740	23,000	23,733	23,566
<b>Total</b>		-	<b>51,750</b>	<b>26,594</b>	<b>25,046</b>	<b>25,047</b>
Securing Tourism and Jobs in Kakadu (g)	1.6	-	-	-	-	-
Administered expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Supporting Reliable Energy Infrastructure (e)	4.1	-	9,574	4,868	1,545	607
Departmental expenses		-	9,574	4,868	1,545	607
Administered expenses		3,400	13,042	12,883	18,036	6,442
<b>Total</b>		<b>3,400</b>	<b>22,616</b>	<b>17,751</b>	<b>19,581</b>	<b>7,049</b>

**Table 1.2: Department of the Environment and Energy 2019-20 Budget measures**  
**Part 1: Measures announced since the 2018 19 Mid-Year Economic and Fiscal**  
**Outlook (MYEFO) (continued)**

		2018-19	2019-20	2020-21	2021-22	2022-23
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
Sydney Harbour Federation Trust (b)	1.2					
Departmental expenses		-	-	-	-	-
<b>Total</b>			-	-	-	-
<b>Total expense measures</b>						
Departmental		-	34,951	19,970	9,536	7,518
Administered		3,400	66,269	91,454	59,700	46,008
<b>Total</b>		<b>3,400</b>	<b>101,220</b>	<b>111,424</b>	<b>69,236</b>	<b>53,526</b>
<b>Capital measures</b>						
Climate Solutions Package	2.1,4.1					
Departmental capital		-	2,713	3,467	2,443	2,375
Administered capital (f)		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>2,713</b>	<b>3,467</b>	<b>2,443</b>	<b>2,375</b>
Hobart City Deal (g)	3.1					
Departmental capital		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Securing Tourism and Jobs in Kakadu(g)	1.6					
Departmental capital		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital measures</b>						
Departmental		-	2,713	3,467	2,443	2,375
Administered		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>2,713</b>	<b>3,467</b>	<b>2,443</b>	<b>2,375</b>

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

- (a) This package also includes \$9.0 million over three years from 2019-20. The fiscal impact of this is reported by the Treasury for payments to and through states and territories for National Partnership payments. Refer to Treasury's Portfolio Budget Statements (Program 1.9).
- (b) A review of the Sydney Harbour Federation Trust is to be conducted and costs of \$0.9 million will be absorbed by the Department.
- (c) This package also provides funding of \$19.593 million 2023-24 to 2034-35.
- (d) Additional funding of \$2.0 billion over 15 years from 2020-21 was also provided to the Clean Energy Regulator (CER) as part of this package. Refer to CER's Table 1.2 for further details.
- (e) This package also provides funding of \$3.203 million in 2023-24 and 2024-25.
- (f) This measure provides Snowy Hydro Limited with a \$1.38 billion equity injection over six years from 2019-20 to support the development of Snowy 2.0. This equity injection does not have a direct impact on underlying cash or fiscal balance.
- (g) These measures were reported in the Portfolio Additional Estimates Statements 2018-19, and are included here for consistency with Budget Paper No. 2 2019-20.



## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for the Department of the Environment and Energy can be found at: <http://www.environment.gov.au/about-us/publications/corporate-plan-2018-19>.

The most recent annual performance statement can be found at: <http://www.environment.gov.au/annual-report-2017-18>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

#### Australian Fisheries Management Authority

##### Programs

- Program 1.1 – Australian Fisheries Management Authority

##### Contribution to Outcome 1 made by linked programs

The Department of the Environment and Energy and Australian Fisheries Management Authority engage on sustainable management of Commonwealth fisheries.

#### Australian Institute of Marine Science

##### Programs

- Program 1.1 – Marine Research

##### Contribution to Outcome 1 made by linked programs

The Department of the Environment and Energy and the Australian Institute of Marine Science work together on implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.

#### Australian Maritime Safety Authority

##### Programs

- Program 1.1 – Australian Maritime Safety Authority

##### Contribution to Outcome 1 made by linked programs

The Australian Maritime Safety Authority's work to minimise the risk of shipping incidents and pollution in Australian waters contributes to sustainable management of natural resources, including the Great Barrier Reef.

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

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

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

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

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

<b>Department of Foreign Affairs and Trade</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Foreign Affairs and Trade Operations</li><li>• Program 1.2 – Official Development Assistance</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of Foreign Affairs and Trade provides support to the Department of the Environment and Energy on matters relating to the implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p> <p>The Department of the Environment and Energy receives funding from the Department of Foreign Affairs and Trade for a number of international engagement activities. The Department of the Environment and Energy, with support from the Department of Foreign Affairs and Trade, is the lead agency for Australia's engagement in the High Level Panel for a Sustainable Ocean Economy. The Department of the Environment and Energy works with Australia's Ambassador to UNESCO in support of Australia's membership of the World Heritage Committee.</p>

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

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

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1 – Supporting Science and Commercialisation</li> <li>• Program 2 – Growing Business Investment and Improving Business Capability</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of the Environment and Energy works collaboratively with the Department of Industry, Innovation and Science in relation to science and research priorities for a resilient Great Barrier Reef. The Department of the Environment and Energy provide advice to the Department of Industry, Innovation and Science to ensure the ongoing protection of the Alligator Rivers Region from impacts of mining uranium at Ranger mine.</p>
<b>Department of Infrastructure, Regional Development and Cities</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 3.3 – Cities</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of the Environment and Energy is supporting the Government's Cities agenda led by the Department of Infrastructure, Regional Development and Cities, through the delivery of the National Landcare Program, including the 20 Million Trees program, the use of strategic assessments under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> and national approaches to managing wastes and hazardous substances and air quality in cities.</p>
<b>Department of the Prime Minister and Cabinet</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.1 – Indigenous Advancement - Jobs, Land and Economy program</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Departments of the Environment and Energy, the Prime Minister and Cabinet, and Agriculture and Water Resources work together to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program. The Departments of the Environment and Energy and the Prime Minister and Cabinet work cooperatively on Indigenous Protected Areas.</p>

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

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

<b>Geoscience Australia</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Geoscientific and spatial information services</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>Geoscience Australia is a collaborator and provider of geoscience expertise in the delivery of the Geological and Bioregional Assessments program and the National Environmental Science Program Marine Biodiversity Hub. Geoscience Australia's Digital Earth Australia Program is working with the Department to deliver new, continental-scale environmental monitoring capabilities using satellite imagery.</p>

<b>Great Barrier Reef Marine Park Authority</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Improving the outlook for the Great Barrier Reef</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of the Environment and Energy and the Great Barrier Reef Marine Park Authority work together on heritage management, environment health, species conservation and fisheries management as well as joint implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p>

<b>Murray-Darling Basin Authority</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Equitable and Sustainable Use of the Murray-Darling Basin</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> The Department of the Environment and Energy and the Murray Darling Basin Authority work together on implementation of the Basin Plan, operation of the River Murray System, shared natural resource management programs, research, information, advice and Basin Plan reporting obligations, all of which contribute to the management of Commonwealth environmental water.

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

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



## Budgeted expenses for Outcome 1

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>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.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Sustainable Management of Natural Resources and the Environment</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
National Landcare Program:					
Natural Heritage Trust (a)	165,264	176,419	152,676	147,102	149,223
<i>Less special account</i>	<i>(165,264)</i>	<i>(176,419)</i>	<i>(152,676)</i>	<i>(147,102)</i>	<i>(149,223)</i>
Environmental Stewardship Program	9,980	9,713	9,179	9,397	9,266
Reef 2050 Plan	72,382	40,000	15,000	15,000	15,000
<i>Less special account</i>	<i>(72,123)</i>	<i>(40,000)</i>	<i>(15,000)</i>	<i>(15,000)</i>	<i>(15,000)</i>
Australian Marine Parks	20,837	7,496	-	-	-
Improving your Local Parks and Environment	5,436	2,073	-	-	-
Communities Environment Program	-	22,650	-	-	-
Environment Restoration Fund	-	20,090	23,000	23,733	23,566
Special accounts					
Natural Heritage Trust of Australia Account	175,477	177,169	169,703	147,102	149,223
Reef Trust Special Account	36,983	44,817	36,597	27,573	23,536
Payments to corporate entities (b)	47,438	45,805	43,466	44,494	44,808
<b>Administered total</b>	<b>296,410</b>	<b>329,813</b>	<b>281,945</b>	<b>252,299</b>	<b>250,399</b>
Departmental expenses					
Departmental appropriation (c, d)	22,321	29,600	23,830	21,083	24,392
Expenses not requiring appropriation in the Budget year (e)	12,643	12,092	11,209	11,209	11,209
<b>Departmental total</b>	<b>34,964</b>	<b>41,692</b>	<b>35,039</b>	<b>32,292</b>	<b>35,601</b>
<b>Total expenses for Program 1.1</b>	<b>331,374</b>	<b>371,505</b>	<b>316,984</b>	<b>284,591</b>	<b>286,000</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.2: Environmental Information and Research</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
National Environmental Science Program	25,520	25,520	24,352	24,352	24,802
Australian Biological Resources Study	2,030	2,030	2,030	2,030	2,030
Independent Expert Scientific Committee on Coal Seam Gas & Large Coal Mining	1,035	1,035	1,035	1,035	1,035
Harry Butler Environment Education Centre	-	1,000	8,000	8,000	8,000
National Centre for Coasts, Environment and Climate	-	1,000	8,000	8,000	8,000
<b>Administered total</b>	<b>28,585</b>	<b>30,585</b>	<b>43,417</b>	<b>43,417</b>	<b>43,867</b>
Departmental expenses					
Departmental appropriation (c, d)	27,671	28,865	27,781	27,198	25,812
Expenses not requiring appropriation in the Budget year (e)	68	68	68	68	68
<b>Departmental total</b>	<b>27,739</b>	<b>28,933</b>	<b>27,849</b>	<b>27,266</b>	<b>25,880</b>
<b>Total expenses for Program 1.2</b>	<b>56,324</b>	<b>59,518</b>	<b>71,266</b>	<b>70,683</b>	<b>69,747</b>
<b>Program 1.3: Commonwealth Environmental Water</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
MDB Environmental Knowledge and Research	1,900	1,900	2,500	2,500	2,500
Commonwealth Environmental Water Office	33,292	41,216	43,142	44,127	45,322
Less special account	(33,292)	(41,216)	(43,142)	(44,127)	(45,322)
Special accounts					
Environmental Water Holdings Special Account	38,045	52,644	52,850	44,127	45,322
<b>Administered total</b>	<b>39,945</b>	<b>54,544</b>	<b>55,350</b>	<b>46,627</b>	<b>47,822</b>
Departmental expenses					
Departmental appropriation (c, d)	17,581	17,787	17,877	17,579	17,446
Expenses not requiring appropriation in the Budget year (e)	97	97	97	97	97
<b>Departmental total</b>	<b>17,678</b>	<b>17,884</b>	<b>17,974</b>	<b>17,676</b>	<b>17,543</b>
<b>Total expenses for Program 1.3</b>	<b>57,623</b>	<b>72,428</b>	<b>73,324</b>	<b>64,303</b>	<b>65,365</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.4: Conservation of Australia's Heritage and Environment</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Australian Heritage Grants Program	7,173	5,347	5,347	5,347	5,347
Giant Pandas	1,284	-	-	-	-
<b>Administered total</b>	<b>8,457</b>	<b>5,347</b>	<b>5,347</b>	<b>5,347</b>	<b>5,347</b>
Departmental expenses					
Departmental appropriation (c, d)	31,024	31,748	30,370	29,628	29,831
Expenses not requiring appropriation in the Budget year (e)	1,288	240	-	-	-
<b>Departmental total</b>	<b>32,312</b>	<b>31,988</b>	<b>30,370</b>	<b>29,628</b>	<b>29,831</b>
<b>Total expenses for Program 1.4</b>	<b>40,769</b>	<b>37,335</b>	<b>35,717</b>	<b>34,975</b>	<b>35,178</b>
<b>Program 1.5: Environmental Regulation</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
<i>Environment Protection and Biodiversity     Conservation Act - Water Resources     Amendment</i>	259	259	259	259	259
<b>Administered total</b>	<b>259</b>	<b>259</b>	<b>259</b>	<b>259</b>	<b>259</b>
Departmental expenses					
Departmental appropriation (c, d)	48,652	49,969	51,821	48,560	46,508
<b>Departmental total</b>	<b>48,652</b>	<b>49,969</b>	<b>51,821</b>	<b>48,560</b>	<b>46,508</b>
<b>Total expenses for Program 1.5</b>	<b>48,911</b>	<b>50,228</b>	<b>52,080</b>	<b>48,819</b>	<b>46,767</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.6: Management of Hazardous Wastes, Substances and Pollutants</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
National Environment Protection Council	496	517	429	429	429
Less special account	(496)	(517)	(429)	(429)	(429)
Biofuels - Monitoring, Compliance and Enforcement of Fuel Quality	100	100	100	100	100
Surf Life Saving Cleaner Outboard Engines Scheme	-	150	250	350	-
Per-and-Poly-Fluorinated Alkyl Substances Research Grant	1,271	1,282	1,257	496	429
Securing the Future of Jabiru Township	-	1,001	2,000	2,000	2,000
Special accounts					
Ozone Protection & Synthetic Greenhouse Gas Account	13,937	14,480	14,711	14,962	15,217
National Environment Protection Council Special Account	1,646	768	680	680	680
<b>Administered total</b>	<b>16,954</b>	<b>17,781</b>	<b>18,998</b>	<b>18,588</b>	<b>18,426</b>
Departmental expenses					
Departmental appropriation (c, d)	49,714	53,432	52,717	50,717	48,978
Expenses not requiring appropriation in the Budget year (e)	226	226	226	226	226
<b>Departmental total</b>	<b>49,940</b>	<b>53,658</b>	<b>52,943</b>	<b>50,943</b>	<b>49,204</b>
<b>Total expenses for Program 1.6</b>	<b>66,894</b>	<b>71,439</b>	<b>71,941</b>	<b>69,531</b>	<b>67,630</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	77,084	102,646	87,309	87,599	87,334
Special accounts	266,088	289,878	274,541	234,444	233,978
Payments to corporate entities (b)	47,438	45,805	43,466	44,494	44,808
<b>Administered total</b>	<b>390,610</b>	<b>438,329</b>	<b>405,316</b>	<b>366,537</b>	<b>366,120</b>
Departmental expenses					
Departmental appropriation (c, d)	196,963	211,401	204,396	194,765	192,967
Expenses not requiring appropriation in the Budget year (e)	14,322	12,723	11,600	11,600	11,600
<b>Departmental total</b>	<b>211,285</b>	<b>224,124</b>	<b>215,996</b>	<b>206,365</b>	<b>204,567</b>
<b>Total expenses for Outcome 1</b>	<b>601,895</b>	<b>662,453</b>	<b>621,312</b>	<b>572,902</b>	<b>570,687</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
<b>Movement of administered funds between years (f)</b>	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 1:					
Natural Heritage Trust of Australia Account	(11,254)	10,398	1,459	112	(715)
Reef Trust Special Account	(38,748)	1,575	19,650	10,853	6,670
Surf Life Saving Cleaner Outboard Engines Scheme	(375)	(225)	250	350	-
<b>Total movement of administered funds</b>	<b>(50,377)</b>	<b>11,748</b>	<b>21,359</b>	<b>11,315</b>	<b>5,955</b>

	2018-19	2019-20
<b>Average staffing level (number)</b>	1,081	1,090

(a) Funding for components of the National Landcare Program will be directly appropriated to the Department of the Treasury and the Department of Prime Minister and Cabinet.

(b) Further information on payments to corporate entities can be found in the "Third Party Payments" section of Table 1.1: Department of the Environment and Energy Resource Statement.

(c) Outcome 1 also has a departmental capital budget of \$24.534 million in 2019-20.

(d) Includes estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

(e) Expenses not requiring appropriation comprise depreciation expenses, amortisation expenses, audit fees and an approved operating loss.

(f) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>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.</b>		
<b>Program 1.1 – Sustainable Management of Natural Resources and the Environment</b> The objective of this program is to improve the extent, condition and connectivity of Australia’s unique biodiversity and natural resources, including the Great Barrier Reef, through protection of habitats and mitigation of threats to threatened species and ecological communities.		
<b>Delivery</b>	Program 1.1 will be delivered by: <ul style="list-style-type: none"><li>• Delivering biodiversity conservation and natural resource management programs, including the Reef Trust, the National Landcare Program’s Regional Land Partnerships, the Communities Environment Program, the Environment Restoration Fund, and the Indigenous Protected Areas and Improving Your Local Parks and Environment Programs.</li><li>• Implementing initiatives to improve the health of the Great Barrier Reef, including the Reef 2050 Plan and Reef 2050 Water Quality Improvement Plan.</li><li>• Implementing the Threatened Species Strategy and the Threatened Species Recovery Fund.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2018-19	Through investment and in collaboration with others, the Department contributes to the building of the Great Barrier Reef’s resilience to respond to threats. On track	Reef programs deliver on the Reef 2050 Plan and Reef Trust objectives. On track
	Australia’s biodiversity including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are conserved and protected via targeted investments and collaborative partnerships. On track	Threatened Species Strategy targets are met. Results to be published in the Threatened Species Strategy Year Three Report.
		Program objectives are delivered under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program. On track
		Contracts are in place to deliver Australian Government investment under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program. On track

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Program 1.1 – Sustainable Management of Natural Resources and the Environment		
The objective of this program is to improve the extent, condition and connectivity of Australia’s unique biodiversity and natural resources, including the Great Barrier Reef, through protection of habitats and mitigation of threats to threatened species and ecological communities.		
Year	Performance criteria (a)	Targets
2019-20	<i>Australia’s biodiversity including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are conserved and protected via targeted investments and collaborative partnerships.</i>	<i>Program objectives are delivered under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program, the Australian Heritage Grants Program, the Communities Environment Program and the Environment Restoration Fund.</i>
		<i>Contracts are in place to deliver Australian Government investment under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program, the Australian Heritage Grants Program, the Communities Environment Fund and the Environment Restoration Fund.</i>
	Through investment and in collaboration with others, the Department contributes to building the Great Barrier Reef’s resilience and capacity to respond to threats.	Reef programs deliver on the Reef 2050 Plan and Reef Trust objectives.
2020-21 and beyond	<i>As per 2019-20</i>	<i>As per 2019-20</i>
Purposes (b)	Conserve, protect and sustainably manage our environment and heritage	
Material changes to Program 1.1 resulting from the following measures:		
• Practical Environment Restoration		

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

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

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Program 1.2 – Science, Information and Research		
Improve understanding of Australia's environment and inform environmental decision-making through collaborative research and enhanced discovery of, access to and use of environmental information; and improve the knowledge of, and inform decision-making on, the environmental impacts of unconventional gas and coal mining development.		
Delivery	Program 1.2 will be delivered by: <ul style="list-style-type: none"><li>• Providing information to assist decision-makers to understand, manage and conserve Australia's environment, including through a national approach to environmental-economic accounting.</li><li>• Supporting the discovery and classification of Australia's plants, animals and other organisms by providing taxonomic information to the public, funding taxonomic research and building Australia's taxonomic capacity.</li><li>• Providing data and information to decision-makers and the community that addresses critical gaps in the scientific understanding of the environmental impacts of unconventional gas and large coal mining development.</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Data and information generated by the Department are used by stakeholders and/or support evidence-based decision-making. <div>On track</div>	The Department provides taxonomic information to the public and builds Australia's taxonomic capacity. <div>On track</div>
		The Department has lifted the maturity of its information and data management to enhance discovery of, access to and use of data. <div>On track</div>
		National Environmental Science Program (NESP) projects deliver collaborative, practical and applied research to inform decision making and/or on-ground action. <div>On track</div>
		Geological and bioregional assessments are completed for the Cooper, Isa and Beetaloo regions by June 2021 to inform decision-makers and the community. <div>On track</div>
		National environmental-economic accounts are developed, publicly released and used by decision-makers. <div>On track</div>
		Provide advice to regulators on the potential impacts of coal seam gas and large coal mining development proposals on water resources. <div>On track</div>



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Program 1.2 – Science, Information and Research		
Improve understanding of Australia’s environment and inform environmental decision-making through collaborative research and enhanced discovery of, access to and use of environmental information; and improve the knowledge of, and inform decision-making on, the environmental impacts of unconventional gas and coal mining development.		
Year	Performance criteria (a)	Targets
2019-20	Data and information generated by the Department are used by stakeholders and/or support evidence-based decision-making.	
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	Relates to ‘Conserve, protect and sustainably manage our environment and heritage’ and supports all other purposes.	
Material changes to Program 1.2 resulting from the following measures:		
● Practical Environment Restoration		

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

Program 1.3 – Commonwealth Environmental Water		
Protect and restore water-dependent ecosystems in the Murray–Darling Basin through the management and use of Commonwealth environmental water and manage Australia’s obligations under the Ramsar Convention; and improve the knowledge of, and inform decision-making on, the impacts to and management of water-dependent ecosystems consistent with international and national obligations.		
Delivery	Program 1.3 will be delivered by: <ul style="list-style-type: none"><li>Managing, delivering, monitoring and reporting on Commonwealth environmental water.</li><li>Undertaking research, conducting assessments, compiling information and providing advice to improve the management of water-dependent ecosystems, including Ramsar wetlands.</li><li>Representing Australia and, where applicable, the views of the Oceania region, at Ramsar Convention meetings.</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Protect and restore water-dependent ecosystems and their functions in the Murray-Darling Basin.  On track given availability of water resources and access to channel capacity in the current climate	Water dependent ecosystems are protected and restored.  On track given availability of water resources and access to channel capacity in the current climate
		Adequate flushing of salt from the River Murray system into the Southern Ocean.  On track given availability of water resources and access to channel capacity in the current climate

<b>Program 1.3 – Commonwealth Environmental Water</b>		
Protect and restore water-dependent ecosystems in the Murray–Darling Basin through the management and use of Commonwealth environmental water and manage Australia's obligations under the Ramsar Convention; and improve the knowledge of, and inform decision-making on, the impacts to and management of water-dependent ecosystems consistent with international and national obligations.		
Year	Performance criteria (a)	Targets
	Australia's priority wetlands are identified, conserved and protected. On track	Ramsar Information Sheets (RISs) for Wetlands of International Importance listed under the Ramsar Convention (Ramsar sites) are prepared and updated, and include appropriate descriptions of the ecological character of the sites and threats to the sites. On track
2019-20	Protect and restore water-dependent ecosystems and their functions in the Murray-Darling Basin.	Water dependent ecosystems are protected and restored.
	Australia's priority wetlands are identified, conserved and protected.	Adequate flushing of salt from the River Murray system into the Southern Ocean. Ramsar Information Sheets (RISs) for Wetlands of International Importance listed under the Ramsar Convention (Ramsar sites) are prepared and updated, and include appropriate descriptions of the ecological character of the sites and threats to the sites.
2020-21 and beyond	As per 2019-20	As per 2019-20
<b>Purposes</b>	Conserve, protect and sustainably manage our environment and heritage.	

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

<b>Program 1.4 – Conservation of Australia's Heritage and the Environment</b>	
Identify, protect and conserve our world and nationally significant natural, Indigenous and historic heritage places, threatened species, ecological communities, cetaceans and migratory species: and contribute to protecting internationally traded flora and fauna consistent with national and international obligations.	
<b>Delivery</b>	Program 1.4 will be delivered by: <ul style="list-style-type: none"> <li>• Administering regulation and providing advice to support the identification and protection of threatened species and ecological communities and significant natural, Indigenous, historic and underwater cultural heritage places.</li> <li>• Regulating the import and export of protected underwater cultural heritage.</li> <li>• Regulating wildlife trade (imports and exports) to protect Australia's biodiversity and Convention on International Trade in Endangered Species listed species and allowing sustainable use of wildlife resources.</li> <li>• Providing advice and representing Australia's interests on heritage, wildlife and biodiversity matters and meeting obligations under international agreements.</li> </ul>

<b>Program 1.4 – Conservation of Australia’s Heritage and the Environment</b>		
Identify, protect and conserve our world and nationally significant natural, Indigenous and historic heritage places, threatened species, ecological communities, cetaceans and migratory species: and contribute to protecting internationally traded flora and fauna consistent with national and international obligations.		
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2018-19	Australia's biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are identified, conserved and protected through regulation.  Not on track.	<p>Activities required by legislation are conducted within statutory timeframes.</p> <p>Not on track.</p> <p>There have been four breaches of statutory deadlines under the EPBC Act as it relates to Heritage places: for not tabling the 5 yearly review of the National Heritage List and the Commonwealth Heritage List in the required period, for not supplying the Colonial Sydney National Heritage Assessment to the Minister by the required deadline and because there was no call for Commonwealth Heritage nominations for the 2019/20 nomination round (due to National Heritage List nominations being prioritised).</p> <p>All Australian properties included on the list of World Heritage are well managed.</p> <p>On track.</p> <p>100 per cent of listed threatened species and ecological communities have an approved conservation advice and/or recovery plan.</p> <p>On track.</p>
2019-20	Australia's biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are identified, conserved and protected through regulation.	All Australian properties included on the list of World Heritage are well managed.
2020-21 and beyond	As per 2019-20	As per 2019-20
<b>Purposes</b>	Conserve, protect and sustainably manage our environment and heritage	

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

Program 1.5 – Environmental Regulation		
Support sustainable development outcomes by delivering efficient and effective regulation of matters of national environmental significance.		
Delivery	Program 1.5 will be delivered by: <ul style="list-style-type: none"><li>• Undertaking individual and strategic environmental assessments and approvals and implementing a risk-based approach to compliance and enforcement activities under the <i>Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)</i> and <i>Environment Protection (Sea Dumping) Act 1981</i>.</li><li>• Overseeing, and participating in, arrangements for the regulation of uranium mining in the Alligator Rivers Region to ensure regulation is adequate, effective and consistent with statutory requirements under the <i>Environment Protection (Alligator Rivers Region) Act 1978</i>.</li><li>• Undertaking annual scientific research and monitoring programs into the environmental effects of uranium mining to address key knowledge needs and contribute to the development of scientifically rigorous environmental performance criteria for the operational, rehabilitation and closure phases of mining under the <i>Environment Protection (Alligator Rivers Region) Act 1978</i>.</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Compliance is used to deliver environment and heritage outcomes. <div>On track.</div>	Compliance activities are undertaken to deliver environment and heritage outcomes. <div>On track.</div>
	The Alligator Rivers Region environment remains protected from uranium mining effects consistent with statutory requirements. <div>On track.</div>	There has been no detrimental effect to the people and the environment of the Alligator Rivers Regions, including Kakadu National Park, as a result of mining activities. <div>On track.</div>
	Australia’s biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are identified, conserved and protected through regulation. <div>Not on track.</div>	Activities required by legislation are conducted within statutory timeframes.  Not on track – The Department continues to work to complete referrals, assessments and approvals within statutory timeframes. In this reporting period various factors have affected our ability to meet timeframes including the complexity of assessments and related consultation with business and the community, and resource and administrative constraints.
2019-20	Australia’s biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are identified, conserved and protected through regulation.	Activities required by legislation are conducted within statutory timeframes.
	The Alligator Rivers Region environment remains protected from uranium mining effects consistent with statutory requirements.	There has been no detrimental effect to the people and the environment of the Alligator Rivers Regions, including Kakadu National Park, as a result of mining activities.

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<b>Program 1.5 – Environmental Regulation</b> <b>Support sustainable development outcomes by delivering efficient and effective regulation of matters of national environmental significance.</b>		
Year	Performance criteria (a)	Targets
2020-21 and beyond	<i>As per 2019-20</i>	
<b>Purposes</b>	Conserve, protect and sustainably manage our environment and heritage	

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

Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants		
Protect the environment through national approaches to effectively and efficiently manage hazardous wastes, substances and pollutants.		
Delivery	Program 1.6 will be delivered by: <ul style="list-style-type: none"><li>Discharge of legislative and regulatory functions and effective and efficient delivery of Government policies, programs and priorities in relation to environmental health.</li><li>Significant progress on implementing Government reforms in relation to environmental health.</li><li>Implementing a risk-based approach to compliance and enforcement activities to support regulation under the <i>Fuel Quality Standards Act 2000</i>, the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> and the <i>Product Emissions Standards Act 2017</i>.</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	The Department's regulatory activities and policies relating to management of hazardous wastes, substances and pollutants support environmental health outcomes.  On track	Import of controlled chemicals does not exceed the limits set out in the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act</i> and regulations (listed as yearly measures).  Achieved
		All Australians have access to timely, quality data on emissions and transfers of polluting or harmful substances.  On track
		The Department implements reforms to improve fuel quality.  On track
		Activities required by legislation are conducted within statutory timeframes.  On track
		Compliance activities are undertaken to deliver environmental health outcomes.  On track

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<b>Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants</b> <b>Protect the environment through national approaches to effectively and efficiently manage hazardous wastes, substances and pollutants.</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2019-20	The Department's regulatory activities and policies relating to management of hazardous waters, substance and pollutants support environmental health outcomes.	Import of controlled chemicals does not exceed the limits set out in the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act</i> and regulations.
		All Australians have access to timely, quality data on emissions and transfers of polluting or harmful substances.
		Activities required by legislation are conducted within statutory timeframes.
		Compliance activities are undertaken to deliver environmental health outcomes.
2020-21 and beyond	As per 2019-20	
<b>Purposes</b>	Conserve, protect and sustainably manage our environment and heritage	

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

## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

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

### Linked programs

#### Australian Renewable Energy Agency

##### Programs

- Program 1.1 – Australian Renewable Energy Agency

##### Contribution to Outcome 2 made by linked programs

The Department of the Environment and Energy has responsibility for developing and implementing policies that reduce Australia's greenhouse gas emissions. The Australian Renewable Energy Agency contributes to implementing these policies by providing financial assistance for the research, development, demonstration, deployment and commercialisation of renewable energy technologies. This provides options to meet future emission reduction targets at lower cost.

#### Australian Taxation Office

##### Programs

- Program 1.1 – Australian Taxation Office

##### Contribution to Outcome 2 made by linked programs

The Department of the Environment and Energy shares information on Emissions Reduction Fund tree planting projects with the Australian Taxation Office which administers the Carbon Sink Forest Tax measure, a tax deduction available to these projects.

#### Bureau of Meteorology

##### Programs

- Program 1.1 – Bureau of Meteorology

##### Contribution to Outcome 2 made by linked programs

The Bureau of Meteorology works collaboratively with the Department of the Environment and Energy to provide weather and climate information and to engage with other climate science providers to identify priority investment areas and research needs.

<b>Clean Energy Finance Corporation</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Clean Energy Finance Corporation</li> </ul>
<b>Contribution to Outcome 2 made by linked programs</b> The Department of the Environment and Energy has responsibility for policies that reduce Australia’s greenhouse gas emissions. The Clean Energy Finance Corporation contributes to these programs by facilitating increased flows of finance into the clean energy sector.

<b>Clean Energy Regulator</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Clean Energy Regulator</li> </ul>
<b>Contribution to Outcome 2 made by linked programs</b> The Department of the Environment and Energy has policy responsibility for the Emissions Reduction Fund, the Safeguard Mechanism, the Renewable Energy Target, the National Greenhouse and Energy Reporting Scheme and the Australian National Registry of Emissions Units. The Clean Energy Regulator works collaboratively with the Department as the delivery agency and regulator for these schemes.

<b>Climate Change Authority</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Reviewing Climate Change Mitigation Policies</li> </ul>
<b>Contribution to Outcome 2 made by linked programs</b> The Climate Change Authority supports the Department of the Environment and Energy in reducing Australia's greenhouse gas emissions by providing independent climate change mitigation policy advice to the Government.

<b>Commonwealth Scientific and Industrial Research Organisation</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Research - Science, Services and Innovation Fund</li> </ul>
<b>Contribution to Outcome 2 made by linked programs</b> The Department of the Environment and Energy is collaborating with the Commonwealth Scientific and Industrial Research Organisation on climate science research needs including through the Climate Science Centre.



<b>Department of Agriculture and Water Resources</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.11 – Drought Programs</li></ul>
<b>Contribution to Outcome 2 made by linked programs</b> <p>The Department of Agriculture and Water Resources is responsible for drought policies and programs. Drought is a recurring part of the Australian landscape and our farmers have learnt to manage for and adapt to a variable climate. Drought will continue to be one of the biggest challenges regional communities and farmers face with impacts on agricultural output, productivity and on-farm incomes. The Department of the Environment and Energy works with the Department of Agriculture and Water Resources and the Department of the Prime Minister and Cabinet to provide input on policies and programs including the Joint Agency Drought Taskforce’s national drought strategy.</p>

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

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

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

<b>Department of Infrastructure, Regional Development and Cities</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.2 – Surface Transport</li> <li>• Program 2.4 – Air Transport</li> </ul>
<b>Contribution to Outcome 2 made by linked programs</b> <p>The Department of Infrastructure, Regional Development and Cities and the Department of the Environment and Energy work together to support the Ministerial Forum on Vehicle Emissions. In 2019-20, the Departments will support the Ministerial Forum on Vehicle Emissions to develop a national strategy for electric vehicles. The Department of Infrastructure, Regional Development and Cities leads participation and negotiations in the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation assessing measures and the frameworks for reducing aviation emissions. This work includes linkages to carbon markets and standards for carbon unit eligibility.</p>

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

## Budgeted expenses for Outcome 2

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

**Table 2.2.1: Budgeted expenses for Outcome 2**

<b>Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 2.1: Reducing Australia's Greenhouse Gas Emissions</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Independent Scientific Committee on Wind Turbines	15	-	-	-	-
Solar Programs	824	-	-	-	-
<b>Administered total</b>	<b>839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Departmental expenses					
Departmental appropriation (a, b)	40,735	41,168	43,973	42,685	43,181
Expenses not requiring appropriation in the Budget year (c)	4,001	1,820	811	320	84
<b>Departmental total</b>	<b>44,736</b>	<b>42,988</b>	<b>44,784</b>	<b>43,005</b>	<b>43,265</b>
<b>Total expenses for Program 2.1</b>	<b>45,575</b>	<b>42,988</b>	<b>44,784</b>	<b>43,005</b>	<b>43,265</b>
<b>Program 2.2: Adapting to Climate Change</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Implementing the Finkel Review	1,950	1,950	1,950	-	-
<b>Administered total</b>	<b>1,950</b>	<b>1,950</b>	<b>1,950</b>	<b>-</b>	<b>-</b>
Departmental expenses					
Departmental appropriation (a)	2,342	2,307	2,439	2,533	2,325
Expenses not requiring appropriation in the Budget year (c)	5	5	5	5	5
<b>Departmental total</b>	<b>2,347</b>	<b>2,312</b>	<b>2,444</b>	<b>2,538</b>	<b>2,330</b>
<b>Total expenses for Program 2.2</b>	<b>4,297</b>	<b>4,262</b>	<b>4,394</b>	<b>2,538</b>	<b>2,330</b>

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

<b>Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 2.3: Renewable Energy Technology Development</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	2,463	2,868	3,006	3,145	3,145
Less payments to corporate entities (d)	(2,463)	(2,868)	(3,006)	(3,145)	(3,145)
Special appropriations					
Australian Renewable Energy Agency Act 2011	349,178	279,093	153,999	132,474	-
Less payments to corporate entities (d)	(349,178)	(279,093)	(153,999)	(132,474)	-
Payments to corporate entities (d)	351,641	281,961	157,005	135,619	3,145
<b>Administered total</b>	<b>351,641</b>	<b>281,961</b>	<b>157,005</b>	<b>135,619</b>	<b>3,145</b>
Departmental expenses					
Departmental appropriation (a)	5,982	4,678	4,026	3,372	3,143
<b>Departmental total</b>	<b>5,982</b>	<b>4,678</b>	<b>4,026</b>	<b>3,372</b>	<b>3,143</b>
<b>Total expenses for Program 2.3</b>	<b>357,623</b>	<b>286,639</b>	<b>161,031</b>	<b>138,991</b>	<b>6,288</b>
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	2,789	1,950	1,950	-	-
Payments to corporate entities (d)	351,641	281,961	157,005	135,619	3,145
<b>Administered total</b>	<b>354,430</b>	<b>283,911</b>	<b>158,955</b>	<b>135,619</b>	<b>3,145</b>
Departmental expenses					
Departmental appropriation (a, b)	49,059	48,153	50,438	48,590	48,649
Expenses not requiring appropriation in the Budget year (c)	4,006	1,825	816	325	89
<b>Departmental total</b>	<b>53,065</b>	<b>49,978</b>	<b>51,254</b>	<b>48,915</b>	<b>48,738</b>
<b>Total expenses for Outcome 2</b>	<b>407,495</b>	<b>333,889</b>	<b>210,209</b>	<b>184,534</b>	<b>51,883</b>

	2018-19	2019-20
<b>Average staffing level (number)</b>	288	288

(a) Outcome 2 also has a departmental capital budget of \$1.270 million in 2019-20.

(b) Includes estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

(c) Expenses not requiring appropriation comprise depreciation expenses, amortisation expenses, audit fees and an approved operating loss.

(d) Further information on payments to the Australian Renewable Energy Agency corporate entity can be found in the "Third Party Payments" section of Table 1.1: Department of the Environment and Energy Resource Statement.

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

**Table 2.2.2: Performance criteria for Outcome 2**

Table 2.2.2 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 2 – Reduce Australia’s greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.		
Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions		
The objective of this program is to shape the global response to climate change and achieve Australia’s greenhouse gas emissions reduction targets, increase uptake of low-cost clean energy technologies and prepare the economy to deliver on climate commitments to 2030 and beyond.		
Delivery	Program 2.1 will be delivered by: <ul style="list-style-type: none"><li>• With the Department of Foreign Affairs and Trade and other partners, engaging in international negotiations under the United Nations Framework Convention on Climate Change (UNFCCC), Intergovernmental Panel on Climate Change (IPCC), Montreal Protocol and other relevant bodies to advance Australia’s national interests.</li><li>• Encouraging the development and deployment of clean energy technology innovation.</li><li>• Implementation of programs and policies in relation to domestic emissions reductions including work on a long-term strategy for emissions reduction (to be completed in 2020).</li><li>• Collaborating with the Clean Energy Regulator (and other relevant agencies) to implement the Climate Solutions Fund, the Safeguard Mechanism, the National Greenhouse and Energy Reporting Scheme and the Renewable Energy Target.</li><li>• Supporting uptake of carbon neutral certification.</li><li>• Developing a National Electric Vehicles Strategy to plan and manage the transition to new vehicle technology and infrastructure.</li><li>• Implementing the Paris Agreement and related emission reporting commitments for Australia, and assisting other countries to develop their national inventory systems.</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Australia contributes to an effective global response to climate change.  On track.	Australia’s national interests are well represented in the Paris Rulebook and frameworks for international markets.  On track.

Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions		
The objective of this program is to shape the global response to climate change and achieve Australia’s greenhouse gas emissions reduction targets, increase uptake of low-cost clean energy technologies and prepare the economy to deliver on climate commitments to 2030 and beyond.		
Year	Performance criteria (a)	Targets
	Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond.  On track.	Department initiatives contribute to reducing Australia’s greenhouse gas emissions.  On track.
2019-20	Australia contributes to an effective global response to climate change.	Australia’s national interests are well represented in the Paris Rulebook and frameworks for international markets
	<i>Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond.</i>	<i>Department initiatives contribute to reducing Australia’s greenhouse gas emissions.</i>
2020-21 and beyond	<i>Australia is on track to meet its Paris Agreement targets and the economy is well positioned to deliver on climate commitments for 2030 and beyond.</i>	<i>Department tracks Australia’s emissions profile and implements policies and programs that contribute to reducing Australia’s greenhouse gas emissions.</i>
Purposes (b)	Develop and implement a national response to climate change	
Material changes to Program 2.1 resulting from the following measures:		
• Measure title – Climate Solutions Package		

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

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

<b>Program 2.2 – Adapting to Climate Change</b>	
The objectives of this program is to provide guidance, support and information to increase the resilience of Australian Government operations and activities to climate change impacts, and assist businesses and communities to manage their climate risks.	
<b>Delivery</b>	Program 2.2 will be delivered by: <ul style="list-style-type: none"> <li>Working with Australian Government agencies to improve understanding and consideration of climate risk to Government operations, programs, and policies.</li> <li>Working with science agencies and decision-makers to ensure climate science and information underpins effective responses to climate and extreme weather risks, including in the energy sector.</li> <li>Development of a National Climate Science Strategy.</li> </ul>

<b>Program 2.2 – Adapting to Climate Change</b> The objectives of this program is to provide guidance, support and information to increase the resilience of Australian Government operations and activities to climate change impacts, and assist businesses and communities to manage their climate risks.		
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2018-19	Effective management of climate risk and effective adaptation action by governments and the community.  On track.	Australian Government agencies effectively manage climate risk. On track.  The energy sector has climate information and support to manage its risks from climate change and extreme weather. On track.
2019-20	Effective management of climate risk and effective adaptation action by governments and the community.	Australian Government agencies effectively manage climate risk.  The energy sector has climate information and support to manage its risks from climate change and extreme weather.
2020-21 and beyond	As per 2019-20	
<b>Purposes</b>	Develop and implement a national response to climate change.	

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

Program 2.3 – Renewable Energy Technology Development		
The objective of this program is to support the Australian Renewable Energy Agency and the Clean Energy Finance Corporation.		
Delivery	Program 2.3 will be delivered by: <ul style="list-style-type: none"><li>Providing governance and policy oversight of the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC).</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond.  On track.	Department initiatives contribute to reducing Australia's greenhouse gas emissions <ul style="list-style-type: none"><li>- Tracking of private finance invested in clean energy leveraged by CEFC.</li></ul> On track. <ul style="list-style-type: none"><li>- Tracking of ARENA spending</li></ul> On track.
2019-20	Australia is on track to meet its 2020 target and the economy is well positioned to deliver on climate commitments for 2030 and beyond.	

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<b>Program 2.3 – Renewable Energy Technology Development</b> The objective of this program is to support the Australian Renewable Energy Agency and the Clean Energy Finance Corporation.		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2020-21 and beyond	Australia is on track to meet its Paris Agreement targets and the economy is well positioned to deliver on climate commitments for 2030 and beyond.	
<b>Purposes (b)</b>	Develop and implement a national response to climate change.	

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



## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

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

### Linked programs

#### Australian Research Council

##### Programs

- Program 1.2 – Linkage – cross sector research partnerships

##### Contribution to Outcome 3 made by linked programs

The Australian Research Council is responsible for the management of the Special Research Initiative in the current Gateway Partnership and establishing the new Special Research Initiative in Excellence in Antarctic Science. The Department of the Environment and Energy is responsible for the Australian Antarctic Program. As these two programs support the Australian Antarctic Science Strategic Plan 2011–12 to 2020–21, the Australian Research Council and the Department will work together to ensure effective delivery of these initiatives.

#### Bureau of Meteorology

##### Programs

- Program 1.1 – Bureau of Meteorology

##### Contribution to Outcome 3 made by linked programs

The Bureau of Meteorology provides meteorological and related services in support of the Australian Antarctic program under a Memorandum of Understanding. There are also joint science projects underway between the Bureau of Meteorology and the Australian Antarctic Division.

#### Commonwealth Scientific and Industrial Research Organisation

##### Programs

- Program 1.1 – Research - Science, Services and Innovation Fund

##### Contribution to Outcome 3 made by linked programs

The Commonwealth Scientific and Industrial Research Organisation undertakes scientific research and monitoring in the Southern Ocean and at Australia's Antarctic Stations, as part of the Australian Antarctic program.

<b>Department of Defence</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.3 – Chief Finance Officer</li> </ul>
<b>Contribution to Outcome 3 made by linked programs</b> The Department of Defence provides a range of logistics support services and advice to the Australian Antarctic program, including hydrographic survey and nautical charting services and heavy lift aircraft capability to supplement existing flights in the delivery of cargo and contributing to emergency responses in the region.

<b>Department of Foreign Affairs and Trade</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Foreign Affairs and Trade Operations</li> </ul>
<b>Contribution to Outcome 3 made by linked programs</b> The Department of Foreign Affairs and Trade leads, in cooperation with the Department of the Environment and Energy, a whole of government approach to Antarctic policy development and international relations, including through the Antarctic Treaty System.

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2 – Supporting Science and Commercialisation</li> </ul>
<b>Contribution to Outcome 3 made by linked programs</b> As part of the Australian Antarctic Program, the Department of the Environment and Energy works with the Department of Industry, Innovation and Science, which administers the Antarctic Science Collaboration Initiative.

<b>Geoscience Australia</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Geoscience Australia</li> </ul>
<b>Contribution to Outcome 3 made by linked programs</b> Geoscience Australia undertakes research, mapping and monitoring in the Australian Antarctic Territory, as part of the Australian Antarctic Program.

### Budgeted expenses for Outcome 3

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

**Table 2.3.1: Budgeted expenses for Outcome 3**

<b>Outcome 3: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 3.1: Antarctica: Science, Policy and Presence</b>					
Administered expenses					
Expenses not requiring appropriation in the Budget year (a)	12	12	12	12	12
<b>Administered total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Departmental expenses					
Departmental appropriation (b, c)	133,130	135,010	146,887	151,180	152,458
Expenses not requiring appropriation in the Budget year (a)	55,073	50,852	78,532	82,165	82,269
<b>Departmental total</b>	<b>188,203</b>	<b>185,862</b>	<b>225,419</b>	<b>233,345</b>	<b>234,727</b>
<b>Total expenses for Program 3.1</b>	<b>188,215</b>	<b>185,874</b>	<b>225,431</b>	<b>233,357</b>	<b>234,739</b>
<b>Outcome 3 Totals by appropriation type</b>					
Administered expenses					
Expenses not requiring appropriation in the Budget year (a)	12	12	12	12	12
<b>Administered total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Departmental expenses					
Departmental appropriation (b, c)	133,130	135,010	146,887	151,180	152,458
Expenses not requiring appropriation in the Budget year (a)	55,073	50,852	78,532	82,165	82,269
<b>Departmental total</b>	<b>188,203</b>	<b>185,862</b>	<b>225,419</b>	<b>233,345</b>	<b>234,727</b>
<b>Total expenses for Outcome 3</b>	<b>188,215</b>	<b>185,874</b>	<b>225,431</b>	<b>233,357</b>	<b>234,739</b>
	2018-19	2019-20			
<b>Average staffing level (number)</b>	<b>384</b>	<b>392</b>			

(a) Expenses not requiring appropriation in the Budget year comprise depreciation expenses, amortisation expenses, audit fees and an approved operating loss.

(b) Outcome 3 also has a departmental capital budget of \$31.241 million in 2019-20.

(c) Includes estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

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

**Table 2.3.2: Performance criteria for Outcome 3**

Table 2.3.2 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 3 – Advance Australia’s strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.		
<b>Program 3.1 – Antarctic science, policy and presence</b> The objective of this program is to strengthen Australia’s leadership in Antarctica and the Southern Ocean, including by maintaining a strong and effective presence, by conducting world - leading science, promoting environmental best practice, and developing economic, educational and collaborative opportunities.		
<b>Delivery</b>	Program 3.1 will be delivered by: <ul style="list-style-type: none"><li>Implementing the Australian Antarctic Strategy and 20 Year Action Plan.</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Antarctica and the Southern Ocean are protected, valued and understood.  <div>On track</div>	Australian Antarctic Strategy and 20 Year Action Plan are implemented in accordance with stated timeframes and priorities. <div>On track</div>
		Scientific research conducted in Antarctica and the Southern Ocean is internationally recognised and conducted in accordance with the Australian Antarctic Science Strategic Plan. <div>On track</div>
		Enhance the understanding and importance of Antarctica to Australia and the world. <div>On track</div>
2019-20	Antarctica and the Southern Ocean are protected, valued and understood.	Australian Antarctic Strategy and 20 Year Action Plan is delivered in accordance with stated timeframes and priorities.
2020-21 and beyond	As per 2019-20	
<b>Purposes</b>	Advance Australia’s strategic, scientific and environmental interests in the Antarctic.	

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

## 2.4 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 4

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

### Linked programs

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



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

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

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

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

<b>Department of Infrastructure, Regional Development and Cities</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 3.1 – Regional Development</li></ul>
<b>Contribution to Outcome 4 made by linked programs</b> <p>The Department of the Environment and Energy will work with the Department of Infrastructure, Regional Development and Cities to ensure that accelerated gas exploration and development in the Beetaloo sub-basin in the Northern Territory includes economic opportunities for local Aboriginal communities.</p>

<b>Department of the Treasury</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Consumer Data Right</li> </ul>
<b>Contribution to Outcome 4 made by linked programs</b> In response to the Productivity Commission’s Inquiry into Data Availability and Use, the Treasury supports the reliable, sustainable and secure operations of energy markets through the development and implementation of a consumer data right, creating legal and governance frameworks to support consumer access to energy data, which will promote new energy services, competition and innovation.
<b>Infrastructure and Project Financing Agency</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Infrastructure and Project Financing Agency</li> </ul>
<b>Contribution to Outcome 4 made by linked programs</b> The Department of the Environment and Energy will work with the Infrastructure and Project Financing Agency to develop and administer the Underwriting New Generation Investments program.
<b>National Offshore Petroleum Safety and Environmental Management Authority</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement</li> </ul>
<b>Contribution to Outcome 4 made by linked programs</b> The National Offshore Petroleum Safety and Environmental Management Authority contributes to the work of the Department of the Environment and Energy through its policies and program relating to the management and administration of Australia's offshore energy resource through the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> .



### Budgeted expenses for Outcome 4

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

**Table 2.4.1: Budgeted expenses for Outcome 4**

<b>Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 4.1: Energy</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Energy Efficiency Programs	620	620	620	620	620
GEMS National Legislative Framework	5,832	5,832	5,832	5,832	5,832
International Energy Agency Compliance - Collective Action Response	7,192	7,079	-	-	-
Energy Use Data Model for Better Forecasting	2,500	2,500	2,500	2,500	-
Powering Forward	20,551	80	-	-	-
Business Electricity Advice and Support	4,900	3,000	3,500	-	-
Copperstring 2.0 Project	4,698	-	-	-	-
Energy Efficient Communities Program	-	8,487	39,571	1,931	-
Micro-grids – Regional and Remote Communities	-	6,442	12,883	18,036	6,442
Supporting Reliable Energy Infrastructure	3,400	6,600	-	-	-
<b>Administered total</b>	<b>49,693</b>	<b>40,640</b>	<b>64,906</b>	<b>28,919</b>	<b>12,894</b>
Departmental expenses					
Departmental appropriation (a)	61,107	81,474	62,512	51,136	48,576
Special account					
Energy Special Account 2015	18,519	4,306	73	-	-
Expenses not requiring appropriation in the Budget year (b)	79	79	79	79	79
<b>Departmental total</b>	<b>79,705</b>	<b>85,859</b>	<b>62,664</b>	<b>51,215</b>	<b>48,655</b>
<b>Total expenses for Program 4.1</b>	<b>129,398</b>	<b>126,499</b>	<b>127,570</b>	<b>80,134</b>	<b>61,549</b>

**Table 2.4.1: Budgeted expenses for Outcome 4 (continued)**

<b>Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Outcome 4 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	49,693	40,640	64,906	28,919	12,894
<b>Administered total</b>	<b>49,693</b>	<b>40,640</b>	<b>64,906</b>	<b>28,919</b>	<b>12,894</b>
Departmental expenses					
Departmental appropriation (a)	61,107	81,474	62,512	51,136	48,576
Special account	18,519	4,306	73	-	-
Expenses not requiring appropriation in the Budget year (b)	79	79	79	79	79
<b>Departmental total</b>	<b>79,705</b>	<b>85,859</b>	<b>62,664</b>	<b>51,215</b>	<b>48,655</b>
<b>Total expenses for Outcome 4</b>	<b>129,398</b>	<b>126,499</b>	<b>127,570</b>	<b>80,134</b>	<b>61,549</b>
	2018-19	2019-20			
<b>Average staffing level (number)</b>	<b>242</b>	<b>237</b>			

(a) Includes estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

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

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

**Table 2.4.2: Performance criteria for Outcome 4**

Table 2.4.2 below details the performance criteria for each program associated with Outcome 4. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 4 – Support the reliable, sustainable and secure operations of energy markets through improving Australia’s energy efficiency, performance and productivity for the community.</b>	
<b>Program 4.1 – Energy</b>	
The objective of this program is to lower energy bills for consumers and support the security of domestic and international supply chains for electricity, gas and liquid fuel.	
<b>Delivery</b>	<p>Program 4.1 will be delivered by:</p> <ul style="list-style-type: none"> <li>• Implementing reforms to the energy market to make energy more affordable, including recommendations of the Australian Competition and Consumer Commission (ACCC) inquiries into the electricity and gas sectors that the Government has chosen to pursue.</li> <li>• Working with states and territories through the Council of Australian Governments (COAG) Energy Council to reform regulatory arrangements to support reliability, system security and reduce bills.</li> <li>• Accelerating development of gas market reforms that improve signals for investment, increase competition, ensure efficient transportation of gas and put downward pressure on gas prices.</li> <li>• Administering regulatory responsibilities under the Greenhouse and Energy Minimum Standards Act 2012, the Building Energy Efficiency Disclosure Act 2010 and the Nationwide House Energy Rating Scheme</li> <li>• Analysing Australia’s electricity, gas and liquid fuels systems and critical infrastructure to identify, monitor and inform responses to domestic energy security challenges.</li> <li>• Promoting energy market competition and supporting the transition of Australia’s energy system through Commonwealth ownership of Snowy Hydro Limited.</li> <li>• Leading international engagement through bilateral and multilateral arrangements that deliver collaboration to address shared energy interests.</li> <li>• Implementing a robust mandatory reporting regime for petroleum statistics that minimises the regulatory burden on industry.</li> <li>• Implementing Australia’s plan to return to compliance with our International Energy Agency oil stockholding obligations.</li> <li>• Engaging with other member countries on reform and modernisation of the International Energy Agency.</li> </ul>

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<b>Program 4.1 – Energy</b> The objective of this program is to lower energy bills for consumers and support the security of domestic and international supply chains for electricity, gas and liquid fuel.		
Year	Performance criteria (a)	Targets
2018-19	The Department, in collaboration with the COAG Energy Council and energy market bodies, delivers national energy market reforms that support the long-term interests of consumers, including affordable, reliable and secure supply in gas and electricity markets. On track.	Reduction in electricity bills for households and businesses. On track.
		Department-led actions deliver against the Government's energy market reform priorities, including retail market and gas market reforms. On track.
	National energy efficiency performance is improved. On track.	Demonstrated improvement in the energy efficiency performance of Australian office buildings, and appliances and equipment sold in Australia. On track.
	Timely, comprehensive and accurate analysis is provided that informs government decisions on energy security. Not on track - The Government has agreed to delay until 2019-20.	National Energy Security Assessments provide information on the reliability, affordability and adequacy of Australia's energy supply Not on track - The Government has agreed to delay until 2019-20.
	Australia moves towards compliance with its International Energy Agency (IEA) stockholding obligation. Achieved.	Australia can effectively contribute to an International Energy Agency collective action. On track.
	Commonwealth ownership of Snowy Hydro Limited promotes energy market competition and supports the transition of Australia's energy system. On track.	Governance arrangements to manage Commonwealth shareholding in Snowy Hydro Limited meet all statutory requirements. On track.
2019-20	<i>The Department, in collaboration with the COAG Energy Council and energy market bodies, delivers national energy market reforms that support the long-term interests of consumers, including affordable, reliable and secure supply in gas and electricity markets.</i>	<i>Reduction in electricity bills for households and businesses.</i>
	<i>National energy efficiency performance is improved.</i>	<i>Department-led actions deliver against the Government's energy market reform priorities, including retail market and gas market reforms.</i>

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Program 4.1 – Energy		
The objective of this program is to lower energy bills for consumers and support the security of domestic and international supply chains for electricity, gas and liquid fuel.		
Year	Performance criteria (a)	Targets
	Timely, comprehensive and accurate analysis is provided that informs government decisions on energy security.	<i>National Energy Security Assessments provide information on the reliability, affordability and adequacy of Australia's energy supply.</i>
	Australia moves towards compliance with its International Energy Agency (IEA) stockholding obligation.	<i>Australia can effectively contribute to an International Energy Agency collective action.</i>
	Commonwealth ownership of Snowy Hydro Limited promotes energy market competition and supports the transition of Australia's energy system.	<i>Governance arrangements to manage Commonwealth shareholding in Snowy Hydro Limited meet all statutory requirements.</i>
2020-21 and beyond	As per 2019-20	
Purposes (b)	Support the reliable, affordable, sustainable and secure operations of energy markets.	
Material changes to Program 4.1 resulting from the following measures:		
<ul style="list-style-type: none"><li>• Measure title – Supporting Reliable Energy Infrastructure</li><li>• Measure title – Climate Solutions Package</li></ul>		

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

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

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

The Agency Resource Statement at Table 1.1 excludes the additional appropriations for 2018-19, as appropriation Bills 3 and 4 will not have received Royal Assent at the time the Budget is tabled in parliament. The financial tables in section 2 and 3 recognise this additional resourcing, following advice from Department of Finance as the tables are presented on an expected expenditure basis.

##### **Departmental**

The Agency Resource Statement (Table 1.1) provides a consolidated view of all cash resources available to the Department of the Environment and Energy in 2019-20. For departmental items this includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the Departmental Balance Sheet (Table 3.2). The Comprehensive Income Statement (Table 3.1) shows only the operating appropriation provided each year and excludes appropriation shown in the Departmental Capital Budget Statement (Table 3.5).

##### **Administered**

Payments provided to the Clean Energy Finance Corporation (CEFC) from the Special Account are disclosed as a third party payment at the bottom of Table 1.1 and do not impact the Schedule of Budgeted Income and Expenses Administered on Behalf of Government (Table 3.7). The spend increases the CEFC investment portfolio and results in a corresponding increase to Administered Investments in the Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (Table 3.8).

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

##### **Departmental**

###### *Comprehensive Income Statement*

The Revenue from Government estimate for 2019-20 of \$441.9 million includes \$35.0 million in funding for the new measures outlined in Table 1.2. These new measures provide \$37.0 million across the forward estimates period.

In relation to expenses the new funding is predominately directed towards suppliers' expenditure. Overall total expenses continue to exceed total revenues in each period and

the department has approval to budget for an operating loss in 2019-20 and the forward estimates period. Expenses not requiring appropriation are a significant component of the loss and result from maintaining a make-good provision for the Antarctic. The expenditure of prior year appropriation provided by the Department of Foreign Affairs and Trade also contribute to the loss in 2019-20.

***Budgeted Departmental Balance Sheet***

The Department's balance sheet improves in 2019-20 and 2020-21, due to funding received for the improvement and replacement of infrastructure assets supporting Antarctic operations.

**Administered**

***Schedule of Budgeted Income and Expenses Administered on Behalf of Government***

Administered expenses include direct program costs, grants and payments to Commonwealth corporate entities. The program expense tables in section 2 (2.1.1 to 2.4.1) provide a breakdown of total Administered expenses by sub-program and any changes to the expense profile through a movement of funds. The expense result also includes the impact of new measures outlined in Table 1.2.

Administered Revenue is primarily comprised of dividends and other gains. The dividends are from a wholly owned Commonwealth company. The other gains total \$617.0 million and represent a non-cash revenue item for water entitlements transferred to the Environmental Water Holder from the Department of Agriculture and Water Resources.

***Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government***

The budgeted administered net assets position increases from \$22.7 billion in 2018-19 (at Portfolio Additional Estimates) to \$24.3 billion in 2022-23. The increase is primarily attributable to:

- increased equity investment in Snowy Hydro Limited of \$966 million to 2022-23;
- the drawdown of CEFC Special Account funds, which are invested in CEFC for the purpose of making new loans and equity investments in the renewable energy sector; and
- the recognition of water entitlements transferred from the Department of Agriculture and Water Resources.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	232,304	235,539	246,117	245,532	245,113
Suppliers	230,914	245,984	218,178	199,745	197,011
Grants	1,100	1,050	1,050	1,050	1,050
Depreciation and amortisation	50,440	45,750	72,488	76,013	76,013
Finance costs	17,100	17,100	17,100	17,100	17,100
Other expenses	400	400	400	400	400
<b>Total expenses</b>	<b>532,258</b>	<b>545,823</b>	<b>555,333</b>	<b>539,840</b>	<b>536,687</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	41,267	38,442	38,447	37,934	37,672
Other revenue	7,998	711	711	711	711
<b>Total own-source revenue</b>	<b>49,265</b>	<b>39,153</b>	<b>39,158</b>	<b>38,645</b>	<b>38,383</b>
<b>Total own-source income</b>	<b>49,265</b>	<b>39,153</b>	<b>39,158</b>	<b>38,645</b>	<b>38,383</b>
<b>Net cost of/(contribution by) services</b>	<b>482,993</b>	<b>506,670</b>	<b>516,175</b>	<b>501,195</b>	<b>498,304</b>
Revenue from Government	403,939	441,902	425,859	407,737	404,978
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(79,054)</b>	<b>(64,768)</b>	<b>(90,316)</b>	<b>(93,458)</b>	<b>(93,326)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(79,054)</b>	<b>(64,768)</b>	<b>(90,316)</b>	<b>(93,458)</b>	<b>(93,326)</b>

**Note: Impact of net cash appropriation arrangements**

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue</b>	<b>(28,614)</b>	<b>(19,018)</b>	<b>(17,828)</b>	<b>(17,445)</b>	<b>(17,313)</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	50,440	45,750	72,488	76,013	76,013
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(79,054)</b>	<b>(64,768)</b>	<b>(90,316)</b>	<b>(93,458)</b>	<b>(93,326)</b>

Prepared on Australian Accounting Standards basis.

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



*Department of the Environment and Energy Budget Statements*

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,377	8,377	8,377	8,377	8,377
Trade and other receivables	70,930	69,012	68,284	67,939	67,726
<b>Total financial assets</b>	<b>79,307</b>	<b>77,389</b>	<b>76,661</b>	<b>76,316</b>	<b>76,103</b>
<b>Non-financial assets</b>					
Buildings	251,760	250,903	250,611	241,679	231,674
Property, plant and equipment	596,403	709,021	701,765	689,596	681,607
Intangibles	19,794	35,034	52,788	69,541	86,702
Inventories	7,793	7,793	7,793	7,793	7,793
Prepayments	6,562	6,562	6,562	6,562	6,562
<b>Total non-financial assets</b>	<b>882,312</b>	<b>1,009,313</b>	<b>1,019,519</b>	<b>1,015,171</b>	<b>1,014,338</b>
<b>Total assets</b>	<b>961,619</b>	<b>1,086,702</b>	<b>1,096,180</b>	<b>1,091,487</b>	<b>1,090,441</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	19,860	19,860	19,860	19,860	19,860
Grants	21	21	21	21	21
Other payables	4,657	4,657	4,657	4,657	4,657
<b>Total payables</b>	<b>24,538</b>	<b>24,538</b>	<b>24,538</b>	<b>24,538</b>	<b>24,538</b>
<b>Provisions</b>					
Employee provisions	73,739	73,739	73,739	73,739	73,739
Antarctic make good provisions (a)	568,357	585,457	602,557	619,657	636,757
Other provisions	9,773	9,773	9,773	9,773	9,773
<b>Total provisions</b>	<b>651,869</b>	<b>668,969</b>	<b>686,069</b>	<b>703,169</b>	<b>720,269</b>
<b>Total liabilities</b>	<b>676,407</b>	<b>693,507</b>	<b>710,607</b>	<b>727,707</b>	<b>744,807</b>
<b>Net assets</b>	<b>285,212</b>	<b>393,195</b>	<b>385,573</b>	<b>363,780</b>	<b>345,634</b>
<b>EQUITY (b)</b>					
<b>Parent entity interest</b>					
Contributed equity	735,189	907,940	990,634	1,062,299	1,137,479
Reserves	450,236	450,236	450,236	450,236	450,236
Accumulated deficit	(900,213)	(964,981)	(1,055,297)	(1,148,755)	(1,242,081)
<b>Total parent entity interest</b>	<b>285,212</b>	<b>393,195</b>	<b>385,573</b>	<b>363,780</b>	<b>345,634</b>
<b>Total equity</b>	<b>285,212</b>	<b>393,195</b>	<b>385,573</b>	<b>363,780</b>	<b>345,634</b>

Prepared on Australian Accounting Standards basis.

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

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2018</b>				
Balance carried forward from previous period	(900,213)	450,236	735,189	285,212
<b>Adjusted opening balance</b>	<b>(900,213)</b>	<b>450,236</b>	<b>735,189</b>	<b>285,212</b>
<b>Comprehensive income</b>				
Deficit for the period	(64,768)	-	-	(64,768)
<b>Total comprehensive income</b>	<b>(64,768)</b>	<b>-</b>	<b>-</b>	<b>(64,768)</b>
of which:				
Attributable to the Australian Government	(64,768)	-	-	(64,768)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity Injection - Appropriations	-	-	114,263	114,263
Departmental Capital Budget	-	-	58,488	58,488
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>172,751</b>	<b>172,751</b>
<b>Estimated closing balance as at 30 June 2019</b>	<b>(964,981)</b>	<b>450,236</b>	<b>907,940</b>	<b>393,195</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(964,981)</b>	<b>450,236</b>	<b>907,940</b>	<b>393,195</b>

Prepared on Australian Accounting Standards basis.

*Department of the Environment and Energy Budget Statements*

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	413,063	443,820	426,587	408,082	405,191
Sale of goods and rendering of services	41,267	38,442	38,447	37,934	37,672
Other	7,210	-	-	-	-
<b>Total cash received</b>	<b>461,540</b>	<b>482,262</b>	<b>465,034</b>	<b>446,016</b>	<b>442,863</b>
<b>Cash used</b>					
Employees	232,304	235,539	246,117	245,532	245,113
Suppliers	230,126	245,273	217,467	199,034	196,300
Grants	1,100	1,050	1,050	1,050	1,050
Other	400	400	400	400	400
<b>Total cash used</b>	<b>463,930</b>	<b>482,262</b>	<b>465,034</b>	<b>446,016</b>	<b>442,863</b>
<b>Net cash used by operating activities</b>	<b>(2,390)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	224,558	172,751	82,694	71,665	75,180
<b>Total cash used</b>	<b>224,558</b>	<b>172,751</b>	<b>82,694</b>	<b>71,665</b>	<b>75,180</b>
<b>Net cash used by investing activities</b>	<b>(224,558)</b>	<b>(172,751)</b>	<b>(82,694)</b>	<b>(71,665)</b>	<b>(75,180)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	192,136	114,263	18,603	4,396	3,585
Departmental capital budget	28,450	58,488	64,091	67,269	71,595
<b>Total cash received</b>	<b>220,586</b>	<b>172,751</b>	<b>82,694</b>	<b>71,665</b>	<b>75,180</b>
<b>Net cash from financing activities</b>	<b>220,586</b>	<b>172,751</b>	<b>82,694</b>	<b>71,665</b>	<b>75,180</b>
<b>Net increase/(decrease) in cash held</b>	<b>(6,362)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	14,739	8,377	8,377	8,377	8,377
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,377</b>	<b>8,377</b>	<b>8,377</b>	<b>8,377</b>	<b>8,377</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	24,478	58,488	64,091	67,269	71,595
Equity injections - Bill No. 2	86,249	114,263	18,603	4,396	3,585
<b>Total new capital appropriations</b>	<b>110,727</b>	<b>172,751</b>	<b>82,694</b>	<b>71,665</b>	<b>75,180</b>
<b>Provided for:</b>					
Purchase of non-financial assets	110,727	172,751	82,694	71,665	75,180
<b>Total Items</b>	<b>110,727</b>	<b>172,751</b>	<b>82,694</b>	<b>71,665</b>	<b>75,180</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a,b)	196,108	114,263	18,603	4,396	3,585
Funded by capital appropriation - DCB (c)	28,450	58,488	64,091	67,269	71,595
<b>TOTAL</b>	<b>224,558</b>	<b>172,751</b>	<b>82,694</b>	<b>71,665</b>	<b>75,180</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	224,558	172,751	82,694	71,665	75,180
<b>TOTAL CASH REQUIRED TO ACQUIRE ASSETS</b>	<b>224,558</b>	<b>172,751</b>	<b>82,694</b>	<b>71,665</b>	<b>75,180</b>

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Assets funded by capital appropriations in 2018-19 include expenditure re-profiled for the new Icebreaker through the movement of funds process.

(c) Includes purchases funded by current and previous years' Departmental Capital Budgets (DCBs).

**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>				
Gross book value	298,695	621,389	94,679	1,014,763
Accumulated depreciation/amortisation and impairment	(46,935)	(24,986)	(74,885)	(146,806)
<b>Opening net book balance</b>	<b>251,760</b>	<b>596,403</b>	<b>19,794</b>	<b>867,957</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity (a)	13,862	100,401	-	114,263
By purchase - appropriation ordinary annual services (b)	9,731	24,070	24,687	58,488
<b>Total additions</b>	<b>23,593</b>	<b>124,471</b>	<b>24,687</b>	<b>172,751</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(24,450)	(11,853)	(9,447)	(45,750)
<b>Total other movements</b>	<b>(24,450)</b>	<b>(11,853)</b>	<b>(9,447)</b>	<b>(45,750)</b>
<b>As at 30 June 2020</b>				
Gross book value	322,288	745,860	119,366	1,187,514
Accumulated depreciation/amortisation and impairment	(71,385)	(36,839)	(84,332)	(192,556)
<b>Closing net book balance</b>	<b>250,903</b>	<b>709,021</b>	<b>35,034</b>	<b>994,958</b>

Prepared on Australian Accounting Standards basis.

(a) "Appropriation equity" refers to equity injections provided through Appropriation Bill (No. 2) 2019-20.

(b) "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No. 1) 2019-20 for depreciation/amortisation expenses, Departmental Capital Budgets or other operational expenses.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Suppliers	132,785	118,482	106,409	83,417	95,663
Grants	261,585	316,632	322,297	267,545	238,543
Depreciation and amortisation	12	12	12	12	12
Payments to corporate entities	399,079	327,766	200,471	180,113	47,953
Other expenses	1,284	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>794,745</b>	<b>762,892</b>	<b>629,189</b>	<b>531,087</b>	<b>382,171</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Other taxes	171	85	-	-	-
<b>Total taxation revenue</b>	<b>171</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	6,044	-	-	-	-
Fees and fines	22,886	23,158	24,436	24,470	24,506
Interest - state and territory government loans	2	-	-	-	-
Dividends	139,950	217,800	240,000	275,300	25,300
Other revenue	4,027	7,041	419	4,264	6,437
<b>Total non-taxation revenue</b>	<b>172,909</b>	<b>247,999</b>	<b>264,855</b>	<b>304,034</b>	<b>56,243</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>173,080</b>	<b>248,084</b>	<b>264,855</b>	<b>304,034</b>	<b>56,243</b>
<b>Gains</b>					
Other gains	887,941	155,000	154,000	154,000	154,000
<b>Total gains administered on behalf of Government</b>	<b>887,941</b>	<b>155,000</b>	<b>154,000</b>	<b>154,000</b>	<b>154,000</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>1,061,021</b>	<b>403,084</b>	<b>418,855</b>	<b>458,034</b>	<b>210,243</b>
<b>Net (cost of)/contribution by services</b>	<b>(266,276)</b>	<b>359,808</b>	<b>210,334</b>	<b>73,053</b>	<b>171,928</b>
<b>Surplus/(deficit) after income tax</b>	<b>266,276</b>	<b>(359,808)</b>	<b>(210,334)</b>	<b>(73,053)</b>	<b>(171,928)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>266,276</b>	<b>(359,808)</b>	<b>(210,334)</b>	<b>(73,053)</b>	<b>(171,928)</b>

Prepared on Australian Accounting Standards basis.

*Department of the Environment and Energy Budget Statements*

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,207,147	5,573,678	5,172,180	5,210,069	5,003,949
Taxation receivables	281	281	281	281	281
Trade and other receivables	48,744	48,744	48,744	48,744	48,744
Other investments	12,277,683	13,037,738	13,682,891	13,909,391	14,385,391
<b>Total financial assets</b>	<b>18,533,855</b>	<b>18,660,441</b>	<b>18,904,096</b>	<b>19,168,485</b>	<b>19,438,365</b>
<b>Non-financial assets</b>					
Heritage and cultural assets	986	974	962	950	938
Water assets	4,225,191	4,380,191	4,534,191	4,688,191	4,842,191
Computer software	1	1	1	1	1
Inventories	11,233	11,233	11,233	11,233	11,233
Prepayments	215	215	215	215	215
<b>Total non-financial assets</b>	<b>4,237,626</b>	<b>4,392,614</b>	<b>4,546,602</b>	<b>4,700,590</b>	<b>4,854,578</b>
<b>Total assets administered on behalf of Government</b>	<b>22,771,481</b>	<b>23,053,055</b>	<b>23,450,698</b>	<b>23,869,075</b>	<b>24,292,943</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	8,718	8,718	8,718	8,718	8,718
Grants	7,150	7,150	7,150	7,150	7,150
Other	481	481	481	481	481
<b>Total payables</b>	<b>16,349</b>	<b>16,349</b>	<b>16,349</b>	<b>16,349</b>	<b>16,349</b>
<b>Total liabilities administered on behalf of Government</b>	<b>16,349</b>	<b>16,349</b>	<b>16,349</b>	<b>16,349</b>	<b>16,349</b>
<b>Net assets</b>	<b>22,755,132</b>	<b>23,036,706</b>	<b>23,434,349</b>	<b>23,852,726</b>	<b>24,276,594</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	6,044	-	-	-	-
Interest	2	-	-	-	-
Taxes	171	85	-	-	-
Dividends	139,950	217,800	240,000	275,300	25,300
Fees and fines	22,886	23,158	24,436	24,470	24,506
Other	4,027	7,041	419	4,264	6,437
<b>Total cash received</b>	<b>173,080</b>	<b>248,084</b>	<b>264,855</b>	<b>304,034</b>	<b>56,243</b>
<b>Cash used</b>					
Suppliers	132,785	118,482	106,409	83,417	95,663
Grants	262,869	316,632	322,297	267,545	238,543
Payments to corporate entities	399,079	327,766	200,471	180,113	47,953
<b>Total cash used</b>	<b>794,733</b>	<b>762,880</b>	<b>629,177</b>	<b>531,075</b>	<b>382,159</b>
<b>Net cash used by operating activities</b>	<b>(621,653)</b>	<b>(514,796)</b>	<b>(364,322)</b>	<b>(227,041)</b>	<b>(325,916)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Repayments of advances and loans	60	-	-	-	-
Other	98,550	-	-	-	-
<b>Total cash received</b>	<b>98,610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Corporate entity investments	600,181	760,055	645,153	226,500	476,000
<b>Total cash used</b>	<b>600,181</b>	<b>760,055</b>	<b>645,153</b>	<b>226,500</b>	<b>476,000</b>
<b>Net cash from/(used by) investing activities</b>	<b>(501,571)</b>	<b>(760,055)</b>	<b>(645,153)</b>	<b>(226,500)</b>	<b>(476,000)</b>



*Department of the Environment and Energy Budget Statements*

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	138,000	276,000	276,000	276,000
Other	365	-	-	-	-
<b>Total cash received</b>	<b>365</b>	<b>138,000</b>	<b>276,000</b>	<b>276,000</b>	<b>276,000</b>
<b>Net cash from financing activities</b>	<b>365</b>	<b>138,000</b>	<b>276,000</b>	<b>276,000</b>	<b>276,000</b>
<b>Net increase/(decrease) in cash held</b>	<b>(1,122,859)</b>	<b>(1,136,851)</b>	<b>(733,475)</b>	<b>(177,541)</b>	<b>(525,916)</b>
Cash and cash equivalents at beginning of reporting period	6,780,464	6,207,147	5,573,678	5,172,180	5,210,069
Cash from Official Public Account for:					
- Appropriations	800,101	733,309	585,036	503,789	358,155
Total cash from Official Public Account	800,101	733,309	585,036	503,789	358,155
Cash to Official Public Account for:					
- Appropriations	(250,559)	(229,927)	(253,059)	(288,359)	(38,359)
Total cash to Official Public Account	(250,559)	(229,927)	(253,059)	(288,359)	(38,359)
<b>Cash and cash equivalents at end of reporting period</b>	<b>6,207,147</b>	<b>5,573,678</b>	<b>5,172,180</b>	<b>5,210,069</b>	<b>5,003,949</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered Assets and Liabilities – Bill No. 2	-	138,000	276,000	276,000	276,000
<b>Total new capital appropriations</b>	-	<b>138,000</b>	<b>276,000</b>	<b>276,000</b>	<b>276,000</b>
<b>Provided for:</b>					
Other Items	-	138,000	276,000	276,000	276,000
<b>Total Items</b>	-	<b>138,000</b>	<b>276,000</b>	<b>276,000</b>	<b>276,000</b>

Prepared on Australian Accounting Standards basis.

*Department of the Environment and Energy Budget Statements*

**Table 3.11: Statement of administered asset movements (Budget year 2019-20)**

	Heritage and cultural assets	Water assets	Computer software	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>				
Gross book value	998	4,301,411	2,799	4,305,208
Accumulated depreciation/amortisation and impairment	(12)	(76,220)	(2,798)	(79,030)
<b>Opening net book balance</b>	<b>986</b>	<b>4,225,191</b>	<b>1</b>	<b>4,226,178</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Other movements</b>				
Assets received free of charge (a)	-	155,000	-	155,000
Depreciation/amortisation expense	(12)	-	-	(12)
<b>Total other movements</b>	<b>(12)</b>	<b>155,000</b>	<b>-</b>	<b>154,988</b>
<b>As at 30 June 2020</b>				
Gross book value	998	4,456,411	2,799	4,460,208
Accumulated depreciation/amortisation and impairment	(24)	(76,220)	(2,798)	(79,042)
<b>Closing net book balance</b>	<b>974</b>	<b>4,380,191</b>	<b>1</b>	<b>4,381,166</b>

Prepared on Australian Accounting Standards basis.

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



# **AUSTRALIAN RENEWABLE ENERGY AGENCY**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# AUSTRALIAN RENEWABLE ENERGY AGENCY

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# AUSTRALIAN RENEWABLE ENERGY AGENCY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

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

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

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

## **1.2 ENTITY RESOURCE STATEMENT**

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

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

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

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

**Table 1.1: Entity Australian Renewable Energy Agency resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 <i>estimated actual</i>	2019-20 estimate
	\$'000	\$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>56,389</b>	<b>57,187</b>
<b>Funds from Government</b>		
Amounts received from related entities		
Amounts from portfolio department (a)	351,641	281,961
<i>Total amounts received from related entities</i>	<i>351,641</i>	<i>281,961</i>
<b>Total funds from Government</b>	<b>351,641</b>	<b>281,961</b>
<b>Funds from other sources</b>		
Interest	1,500	1,550
<b>Total funds from other sources</b>	<b>1,500</b>	<b>1,550</b>
<b>Total net resourcing for Entity Australian Renewable Energy Agency</b>	<b>409,530</b>	<b>340,698</b>
	2017-18	2018-19
<b>Average staffing level (number) (b)</b>	<b>2</b>	<b>2</b>
Available appropriations according to the ARENA Act	395,994	301,925
Less: <i>estimated actual expenses</i>	<i>(351,641)</i>	<i>(281,961)</i>
Available appropriations carried forward (c)	44,353	19,964

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

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

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

### **1.3 BUDGET MEASURES**

There are no 2019-20 Budget measures relating to the Australian Renewable Energy Agency.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

The most recent annual performance statement can be found at: <https://arena.gov.au/about/publications/>

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

<b>Clean Energy Finance Corporation</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Clean Energy Finance Corporation</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Clean Energy Innovation Fund is jointly managed by the Agency and the Clean Energy Finance Corporation, drawing on their complementary experience and expertise. The Clean Energy Innovation Fund has up to \$200 million available for debt and equity investments in emerging clean energy projects and businesses, targeting projects at the later end of the innovation chain while delivering a financial return to taxpayers, in addition to the public good return of improving competitiveness of renewable energy and related technologies.</p>
<b>Department of the Environment and Energy</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions</li><li>• Program 2.3 – Renewable Energy Technology Development</li><li>• Program 4.1 – Energy</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Australian Renewable Energy Agency contributes to implementing policies for the research, development, demonstration, deployment and commercialisation of renewable energy technologies. These policies are developed by the Department of the Environment and Energy.</p>

### Budgeted expenses for Outcome 1

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Australian Renewable Energy Agency</b>					
<b>Revenue from Government</b>					
Payment from related entities	344,247	282,415	206,584	118,276	10,997
Expenses not requiring appropriation in the budget year	526	470	433	433	-
Revenues from other independent sources	1,500	1,550	1,600	200	100
<b>Total expenses for Program 1.1</b>	<b>346,273</b>	<b>284,435</b>	<b>208,617</b>	<b>118,909</b>	<b>11,097</b>
<b>Outcome 1 totals by resource type</b>					
<b>Revenue from Government</b>					
Payment from related entities	344,247	282,415	206,584	118,276	10,997
Expenses not requiring appropriation in the budget year	526	470	433	433	-
Revenues from other independent sources	1,500	1,550	1,600	200	100
<b>Total expenses for Outcome 1</b>	<b>346,273</b>	<b>284,435</b>	<b>208,617</b>	<b>118,909</b>	<b>11,097</b>
	2018-19	2019-20			
<b>Average staffing level (number) (a)</b>	<b>2</b>	<b>2</b>			

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

### 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies.</b>		
<b>Program 1.1 – Australian Renewable Energy Agency</b> – to provide funding for research, development and pre-commercial deployment projects that have the potential to lead to the commercialisation of new renewable energy products or services; and to build and support networks, and share the knowledge, insights and data from our funded projects to help participants in Australia’s energy market learn from each other’s experiences.		
<b>Delivery</b>	<p>To deliver this outcome, the Agency:</p> <ul style="list-style-type: none"><li>• Provides financial assistance for the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies</li><li>• Provides financial assistance for, and undertakes, the collection, storage, analysis and sharing of knowledge and information about renewable energy and related technologies</li><li>• Provides advice to the Minister for the Environment and Energy about renewable energy and related technologies and the renewable energy industry</li><li>• Jointly administers the Clean Energy Innovation Fund with the Clean Energy Finance Corporation</li></ul> <p>The Agency’s financial assistance goes primarily to activities that are expected to advance renewable energy technologies towards commercial readiness, improve business models, or reduce overall industry costs. Organisations developing, testing or deploying innovative renewable energy solutions are the immediate beneficiaries of much of the Agency’s activity. In the long term it is Australian energy users who will benefit from the availability of more competitive renewable energy.</p>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19	<b>Strategic Investment:</b> Provide financial assistance to new projects in accordance with the principles and priorities outlined in the Agency’s General Funding Strategy and Investment Plan.	Target: Provide financial assistance to one or more new projects in each of the Agency’s priority areas  On Track.
	<b>Strong Project Assessment, Negotiation Delivery and Knowledge Sharing:</b> Effectively manage projects in accordance with agreement terms to deliver intended outcomes, learn and improve.	Target: Significant project outcomes and lessons learned disseminated.  On Track.
2019-20	<b>Strategic Investment:</b> Provide financial assistance to new projects in accordance with the principles and priorities outlined in the Agency’s General Funding Strategy and Investment Plan.	Target: Provide financial assistance to projects across the Agency’s priority areas.



*Australian Renewable Energy Agency Budget Statements*

<b>Program 1.1 – Australian Renewable Energy Agency</b> – to provide funding for research, development and pre-commercial deployment projects that have the potential to lead to the commercialisation of new renewable energy products or services; and to build and support networks, and share the knowledge, insights and data from our funded projects to help participants in Australia's energy market learn from each other's experiences.		
	<b>Strong Project Assessment, Negotiation Delivery and Knowledge Sharing:</b> Effectively manage projects in accordance with agreement terms to deliver intended outcomes, learn and improve.	Target: Significant project outcomes and lessons learned disseminated.
2020-21 and beyond	As for 2019-20	As for 2019-20
<b>Purposes</b>	To accelerate Australia's shift to affordable and reliable renewable energy.	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Explanatory notes and analysis of budgeted financial statements**

The Australian Renewable Energy Agency's legislated funding is scheduled to continue through to 2021-22. In order to have all available funds utilised in the next three years, the Australian Renewable Energy Agency budgeted for increased level of activity in 2018-19 and 2019-20, as reflected in increased operating expenses. From 2020-21 it is budgeted that activity will decrease as funds are utilised.

The Australian Renewable Energy Agency has budgeted for a deficit in 2020-21 and 2022-23. In 2020-21 this is due to an expected outlay of \$50 million in grant expenditure which would not require any drawdown from its appropriation funding. This amount was returned to the Agency from grant projects in previous years and the funds were retained and invested by the Agency for project funding in 2020-21. In 2022-23 the Australian Renewable Energy Agency will continue to receive a small amount of revenue from Government for managing the Clean Energy Innovation Fund. Although there is no legislated funding in 2022-23, it is assumed that some operational costs will be incurred in order to administer remaining projects to completion, resulting in a deficit for the year.

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

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

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	1,400	1,422	1,465	1,507	885
Suppliers	25,817	33,204	16,519	9,501	10,212
Grants	317,412	248,000	189,000	106,000	-
Depreciation and amortisation	526	470	433	433	-
Other expenses	1,118	1,339	1,200	1,468	-
<b>Total expenses</b>	<b>346,273</b>	<b>284,435</b>	<b>208,617</b>	<b>118,909</b>	<b>11,097</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	1,500	1,550	1,600	200	100
<b>Total own-source revenue</b>	<b>1,500</b>	<b>1,550</b>	<b>1,600</b>	<b>200</b>	<b>100</b>
<b>Gains</b>					
Resources received free of charge	5,111	5,014	4,018	3,363	1,774
<b>Total gains</b>	<b>5,111</b>	<b>5,014</b>	<b>4,018</b>	<b>3,363</b>	<b>1,774</b>
<b>Total own-source income</b>	<b>6,611</b>	<b>6,564</b>	<b>5,618</b>	<b>3,563</b>	<b>1,874</b>
<b>Net (cost of)/contribution by services</b>	<b>(339,662)</b>	<b>(277,871)</b>	<b>(202,999)</b>	<b>(115,346)</b>	<b>(9,223)</b>
Revenue from Government	351,641	281,961	157,005	132,474	3,145
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>11,979</b>	<b>4,090</b>	<b>(45,994)</b>	<b>17,128</b>	<b>(6,078)</b>
<b>Total comprehensive income/(loss)</b>	<b>11,979</b>	<b>4,090</b>	<b>(45,994)</b>	<b>17,128</b>	<b>(6,078)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>11,979</b>	<b>4,090</b>	<b>(45,994)</b>	<b>17,128</b>	<b>(6,078)</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	57,187	56,340	4,994	15,653	9,575
Trade and other receivables	2,546	2,546	2,546	2,546	2,546
Other investments	42,248	47,655	53,440	59,559	59,559
<b>Total financial assets</b>	<b>101,981</b>	<b>106,541</b>	<b>60,980</b>	<b>77,758</b>	<b>71,680</b>
<b>Non-financial assets</b>					
Property, plant and equipment	1,336	866	433	-	-
Other non-financial assets	405	405	405	-	-
<b>Total non-financial assets</b>	<b>1,741</b>	<b>1,271</b>	<b>838</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>103,722</b>	<b>107,812</b>	<b>61,818</b>	<b>77,758</b>	<b>71,680</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,465	1,465	1,465	1,465	1,465
Grants	763	763	763	-	-
Employee	6	6	6	6	6
<b>Total payables</b>	<b>2,234</b>	<b>2,234</b>	<b>2,234</b>	<b>1,471</b>	<b>1,471</b>
<b>Provisions</b>					
Employee provisions	108	108	108	108	108
Other provisions	425	425	425	-	-
<b>Total provisions</b>	<b>533</b>	<b>533</b>	<b>533</b>	<b>108</b>	<b>108</b>
<b>Total liabilities</b>	<b>2,767</b>	<b>2,767</b>	<b>2,767</b>	<b>1,579</b>	<b>1,579</b>
<b>Net assets</b>	<b>100,955</b>	<b>105,045</b>	<b>59,051</b>	<b>76,179</b>	<b>70,101</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Retained surplus (accumulated deficit)	100,955	105,045	59,051	76,179	70,101
<b>Total parent entity interest</b>	<b>100,955</b>	<b>105,045</b>	<b>59,051</b>	<b>76,179</b>	<b>70,101</b>
<b>Total equity</b>	<b>100,955</b>	<b>105,045</b>	<b>59,051</b>	<b>76,179</b>	<b>70,101</b>

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Total equity
	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>		
Balance carried forward from previous period	100,955	100,955
<b>Adjusted opening balance</b>	<b>100,955</b>	<b>100,955</b>
<b>Comprehensive income</b>		
Surplus/(deficit) for the period	4,090	4,090
<b>Total comprehensive income</b>	<b>4,090</b>	<b>4,090</b>
of which:		
Attributable to the Australian Government	105,045	105,045
<b>Closing balance attributable to the Australian Government</b>	<b>105,045</b>	<b>105,045</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from Government	351,641	281,961	157,005	132,474	3,145
Interest	1,500	1,550	1,600	200	100
<b>Total cash received</b>	<b>353,141</b>	<b>283,511</b>	<b>158,605</b>	<b>132,674</b>	<b>3,245</b>
<b>Cash used</b>					
Employees	1,500	1,422	1,465	1,507	885
Suppliers	20,706	28,190	12,501	5,733	8,438
Grants	317,412	248,000	189,000	106,763	-
<b>Total cash used</b>	<b>339,618</b>	<b>277,612</b>	<b>202,966</b>	<b>114,003</b>	<b>9,323</b>
<b>Net cash from/(used by) operating activities</b>	<b>13,523</b>	<b>5,899</b>	<b>(44,361)</b>	<b>18,671</b>	<b>(6,078)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	-	-	-	425	-
Investments	12,725	6,746	6,985	7,587	-
<b>Total cash used</b>	<b>12,725</b>	<b>6,746</b>	<b>6,985</b>	<b>8,012</b>	<b>-</b>
<b>Net cash from/(used by) investing activities</b>	<b>(12,725)</b>	<b>(6,746)</b>	<b>(6,985)</b>	<b>(8,012)</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>798</b>	<b>(847)</b>	<b>(51,346)</b>	<b>10,659</b>	<b>(6,078)</b>
Cash and cash equivalents at the beginning of the reporting period	56,389	57,187	56,340	4,994	15,653
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>57,187</b>	<b>56,340</b>	<b>4,994</b>	<b>15,653</b>	<b>9,575</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources (a)	-	-	-	425	-
<b>TOTAL</b>	-	-	-	<b>425</b>	-
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	-	-	-	425	-
<b>Total cash used to acquire assets</b>	-	-	-	<b>425</b>	-

Prepared on Australian Accounting Standards basis.

(a) Includes the following sources of funding:

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

**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Other property, plant and equipment	Total
	\$'000	\$'000
<b>As at 1 July 2018</b>		
Gross book value	1,862	1,862
Accumulated depreciation/ amortisation and impairment	(526)	(526)
<b>Opening net book balance</b>	<b>1,336</b>	<b>1,336</b>
<b>Other movements</b>		
Depreciation/amortisation expense	(470)	(470)
<b>Total other movements</b>	<b>(470)</b>	<b>(470)</b>
<b>As at 30 June 2019</b>		
Gross book value	1,862	1,862
Accumulated depreciation/ amortisation and impairment	(996)	(996)
<b>Closing net book balance</b>	<b>866</b>	<b>866</b>

Prepared on Australian Accounting Standards basis.



# **BUREAU OF METEOROLOGY**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# BUREAU OF METEOROLOGY

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# BUREAU OF METEOROLOGY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Bureau of Meteorology is Australia's national weather, climate and water agency, providing essential and trusted products and services that contribute to the safety, prosperity and wellbeing of the Australian community all day, every day. The Bureau of Meteorology's work directly informs decisions by governments, the community and supports industry in key sectors such as emergency management, aviation, transport, water management, agriculture and environmental management.

The Bureau of Meteorology is committed to delivering its Strategy 2017-2022. The Strategy is focused on four pillars of success:

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

The Government will provide a total of \$77.2 million from 2019-20 (including \$28.0 million over the next four years) to address gaps in the Bureau of Meteorology's radar network and flood monitoring infrastructure in Queensland by installing four new weather radars, relocating one existing radar and installing new rain gauges.

The Government will also invest \$15.4 million to provide communities in the Barkly region with more real-time and short-term weather information. The investment will provide for the installation of a new radar in Tennant Creek to address gaps in coverage in the Northern Territory. The radar will support agriculture, pastoral, transport and mining industries to manage the impact of rainfall and improve decision-making for their businesses, while improving road and air travel safety for community members and businesses by providing accurate rainfall information. The radar supports the Barkly Regional Deal, and responds to a longstanding concern from the people of the Barkly.

The Bureau will continue to improve the security and resilience of its Information Communications Technology systems and business processes under the measure *Bureau*

*Bureau of Meteorology Budget Statements*

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

In addition, the Bureau will continue to contribute to the Assistance for Farmers and Farm Communities in Drought package announced in the Mid-Year Economic and Fiscal Outlook 2018-19, which provided \$2.7 million over two years to create of localised weather intelligence guides to enable farmers to improve their ability to make quantitative business risk management decisions.

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1: Bureau of Meteorology resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 (a) Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	102,807	101,032
Departmental appropriation (d)	229,296	238,359
s74 External Revenue (e)	81,135	80,218
Departmental capital budget (f)	40,695	34,738
Annual appropriations - other services - non-operating (g)		
Prior year appropriations available (c)	15,389	62,463
Equity injection	103,297	128,356
Total departmental annual appropriations	572,619	645,166
<b>Total departmental resourcing</b>	<b>572,619</b>	<b>645,166</b>
<b>Total resourcing for Bureau of Meteorology</b>	<b>572,619</b>	<b>645,166</b>
	2018-19	2019-20
<b>Average staffing level (number)</b>	1,569	1,573
<b>Third party payments from and on behalf of other entities</b>		
Payments made to other entities for the provision of services (disclosed above)	14,215	13,964
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	8,238	9,643

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

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

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills

(No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes \$11.6m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) Excludes departmental capital budget (DCB).

(e) Estimated External Revenue receipts under section 74 of the PGPA Act.

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

(g) Appropriation Bill (No. 2) 2019-20.



### 1.3 BUDGET MEASURES

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

**Table 1.2: Entity 2019-20 Budget measures**  
**Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)**

		2018-19	2019-20	2020-21	2021-22	2022-23
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expense measures</b>						
Bureau of Meteorology – additional radars and rain gauges	1.1					
Departmental expenses		-	-	-	565	2,175
<b>Total</b>		-	-	-	<b>565</b>	<b>2,175</b>
Barkly Regional Deal (a)	1.1					
Departmental expenses		-	-	-	248	512
<b>Total</b>		-	-	-	<b>248</b>	<b>512</b>
<b>Total expense measures</b>						
Departmental		-	-	-	813	2,687
<b>Total</b>		-	-	-	<b>813</b>	<b>2,687</b>
<b>Capital measures</b>						
Bureau of Meteorology – additional radars and rain gauges	1.1					
Departmental capital		-	469	2,026	15,104	7,706
<b>Total</b>		-	<b>469</b>	<b>2,026</b>	<b>15,104</b>	<b>7,706</b>
Barkly Regional Deal (a)	1.1					
Departmental capital		-	-	-	3,359	-
<b>Total</b>		-	-	-	<b>3,359</b>	-
<b>Total capital measures</b>						
Departmental		-	469	2,026	18,463	7,706
<b>Total</b>		-	<b>469</b>	<b>2,026</b>	<b>18,463</b>	<b>7,706</b>

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

(a) The lead entity for measure Barkly Regional Deal is the Department of Infrastructure, Regional Development and Cities (DIRDC).

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for the Bureau of Meteorology can be found at: [http://www.bom.gov.au/inside/Corporate\\_Plan\\_2018-19.pdf](http://www.bom.gov.au/inside/Corporate_Plan_2018-19.pdf).

The most recent annual performance statement can be found at: [http://www.bom.gov.au/inside/eiab/reports/ar17-18/annualReport/02\\_Annual\\_Performance\\_Statement.pdf](http://www.bom.gov.au/inside/eiab/reports/ar17-18/annualReport/02_Annual_Performance_Statement.pdf).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

<b>Department of the Environment and Energy</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.2 – Environmental Information and Research</li> <li>• Program 1.3 – Commonwealth Environmental Water</li> <li>• Program 2.2 – Adapting to Climate Change</li> <li>• Program 3.1 – Antarctica: Science, Policy and Presence</li> <li>• Program 4.1 – Energy</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Bureau of Meteorology is a partner in the Earth Systems and Climate Change Hub in the National Environmental Science Program.</p> <p>The Bureau of Meteorology is a collaborator in the delivery of the Geological and Bioregional Assessments program, contributing expertise in information technology and data management.</p> <p>In addition, the Bureau of Meteorology's water information services inform Commonwealth environmental water planning and decision making in relation to water resource availability and environmental water requirements.</p> <p>The Bureau of Meteorology works collaboratively with the Department of the Environment and Energy to provide weather and climate information and to engage with other climate science providers to identify priority investment areas and research needs.</p> <p>The Bureau of Meteorology provides meteorological and related services in support of the Australian Antarctic Program under a Memorandum of Understanding. There are also joint science projects underway between the Bureau of Meteorology and the Australian Antarctic Division.</p> <p>The Bureau of Meteorology provides information and warnings that contribute to the operation and management of Australia's energy networks. The Bureau has a Memorandum of Understanding with the Australian Energy Market Operator (AEMO) aimed at ensuring the safe, secure and efficient operation of Australia's energy system and to manage the impact of weather and climate conditions on Australia's energy demands. The Bureau is also working with the Department of the Environment and Energy, CSIRO and AEMO to improve climate information for long term decision making.</p>

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

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

<b>Department of Defence</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Various</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> The Bureau of Meteorology has a strategic partnering agreement for the provision of meteorological and oceanographic services to support the Department of Defence.

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

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

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

### Budgeted expenses for Outcome 1

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Bureau of Meteorology</b>					
Departmental expenses					
Departmental appropriation	231,658	238,359	236,900	217,760	203,773
s74 External Revenue (a)	72,884	72,807	72,737	73,751	61,758
Expenses not requiring appropriation in the Budget year (b)	95,852	95,852	95,852	95,852	95,852
<b>Departmental total</b>	<b>400,394</b>	<b>407,018</b>	<b>405,489</b>	<b>387,363</b>	<b>361,383</b>
<b>Total expenses for program 1.1</b>	<b>400,394</b>	<b>407,018</b>	<b>405,489</b>	<b>387,363</b>	<b>361,383</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation	231,658	238,359	236,900	217,760	203,773
s74 External Revenue (a)	72,884	72,807	72,737	73,751	61,758
Expenses not requiring appropriation in the Budget year (b)	95,852	95,852	95,852	95,852	95,852
<b>Departmental total</b>	<b>400,394</b>	<b>407,018</b>	<b>405,489</b>	<b>387,363</b>	<b>360,383</b>
<b>Total expenses for Outcome 1</b>	<b>400,394</b>	<b>407,018</b>	<b>405,489</b>	<b>387,363</b>	<b>360,383</b>
	2018-19	2019-20			
<b>Average staffing level (number)</b>	<b>1,569</b>	<b>1,573</b>			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

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

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

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services</b>		
<b>Program 1.1 – Bureau of Meteorology</b>		
Provides trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day.		
<b>Delivery</b>	Program 1.1 will be delivered by: <ul style="list-style-type: none"><li>• Weather, water, climate and ocean products and services that benefit the Australian community and drive competitive advantage for businesses and industries.</li><li>• Outstanding people, science, systems, infrastructure and partnerships working together for maximum simplicity, productivity and agility.</li><li>• Deep understanding and creative thinking that generates novel solutions for our customers and our organisation.</li><li>• One enterprise, that is safe and diverse, where our people grow and are empowered to excel, and where our customers come first, trust us and consider that we are a pleasure to work with.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2018-19	<ul style="list-style-type: none"><li>• Financial and social value is delivered to Government, industry and the Australian community.</li><li>• Delivery of products and services that meet customer requirements, are delivered to budget, meet quality and security specifications and benchmark well in relation to international standards and peer organisations.</li><li>• The speed, maturity and quality of innovation and novel solutions meets customer needs or enhances internal capability.</li><li>• Feedback from staff, customers and partners demonstrates alignment of our actual behaviours with our stated intent to create a safe, diverse and empowered enterprise that puts customers first, and provides an outstanding experience every time that they engage with us.</li></ul>	<p>The Bureau is on track to meet the 2018–19 key performance indicators.</p> <p>Evidence of achievement will be described in the Bureau's Annual Performance Statement 2018–19 in line with the evidence targets described in the Corporate Plan 2018–19.</p>
2019-20	<ul style="list-style-type: none"><li>• Financial and social value is delivered to Government, industry and the Australian community.</li><li>• Delivery of products and services that meet customer requirements, are delivered to budget, meet quality and security specifications and benchmark well in relation to international standards and peer organisations.</li><li>• The speed, maturity and quality of innovation and novel solutions meets customer needs or enhances internal capability.</li></ul>	<p>The Bureau's enterprise level performance criteria have broad relevance across the agency as a whole. Both quantitative and qualitative targets that collectively demonstrate the achievement of the Bureau's enterprise level performance criteria will be set in the Bureau's Corporate Plan 2019–20 and reported in the Bureau's Annual Performance Statement 2019-20.</p>

*Bureau of Meteorology Budget Statements*

<b>Program 1.1 – Bureau of Meteorology</b> Provides trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day.		
	<ul style="list-style-type: none"> <li>Feedback from staff, customers and partners demonstrates alignment of our actual behaviours with our stated intent to create a safe, diverse and empowered enterprise that puts customers first, and provides an outstanding experience every time that they engage with us.</li> </ul>	
2020-21 and beyond	As per 2019–20.	
<b>Purposes</b>	To provide trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day.	



## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Explanatory notes and analysis of budgeted financial statements**

An analysis of the Bureau of Meteorology's (the Bureau) budgeted financial statements, as reflected in the Bureau's budgeted departmental financial statements and administered schedules for the 2019-20 Budget, is provided below:

Total revised revenue to the Bureau in 2019-20 is estimated to be \$315.8 million, an increase of \$6.1 million from the 2018-19 Budget estimated actual. The movement in funding is the result of a number of factors including changes in New Policy Proposal (NPP) funding year upon year, and includes movements in Efficiency dividend and Indexation rates and adjustments related to other Budget items.

The overall appropriated revenue includes specific funding related to:

- funding associated with the 2014-15 Budget measure Supercomputer;
- funding associated with the 2016-17 Additional estimates Budget measure – Essential Commonwealth Water Functions;
- funding associated with the 2017-18 Budget measure – Improved security and resilience;
- funding associated with the 2018-19 Budget measure – Improved security and resilience – Tranche 2;
- funding associated with the 2018-19 Additional Estimates Budget measure – Assistance for Framers and Farm communities in Drought;
- funding associated with the 2019-20 Budget measure – Bureau of Meteorology – additional radars and rain gauges; and
- funding associated with the 2019-20 Budget measure – Barkly Regional Deal.

Total expenses are estimated to be \$407.0 million, an increase of \$6.6 million from the 2018-19 estimated actual. Whilst the Bureau is no longer funded for Depreciation through Appropriation Bill 1 the expenditure is still recognised on the Income Statement.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	176,341	175,240	174,184	174,375	173,761
Suppliers	124,159	131,880	131,404	113,081	87,708
Depreciation and amortisation (a)	97,813	97,813	97,813	97,813	97,813
Write-down and impairment of assets	1	1	1	1	1
Other expenses	2,080	2,084	2,087	2,093	2,100
<b>Total expenses</b>	<b>400,394</b>	<b>407,018</b>	<b>405,489</b>	<b>387,363</b>	<b>361,383</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	77,844	77,373	77,409	77,455	62,358
<b>Total own-source revenue</b>	<b>77,844</b>	<b>77,373</b>	<b>77,409</b>	<b>77,455</b>	<b>62,358</b>
<b>Gains</b>					
Sale of assets	209	91	(84)	-	-
<b>Total gains</b>	<b>209</b>	<b>91</b>	<b>(84)</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>78,053</b>	<b>77,464</b>	<b>77,325</b>	<b>77,455</b>	<b>62,358</b>
<b>Net (cost of)/contribution by services</b>	<b>(322,341)</b>	<b>(329,554)</b>	<b>(328,164)</b>	<b>(309,908)</b>	<b>(299,025)</b>
Revenue from Government	231,658	238,359	236,900	217,760	203,773
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(90,683)</b>	<b>(91,195)</b>	<b>(91,264)</b>	<b>(92,148)</b>	<b>(95,252)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(90,683)</b>	<b>(91,195)</b>	<b>(91,264)</b>	<b>(92,148)</b>	<b>(95,252)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(90,683)</b>	<b>(91,195)</b>	<b>(91,264)</b>	<b>(92,148)</b>	<b>(95,252)</b>

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)****Note: Impact of net cash appropriation arrangements**

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>5,169</b>	<b>4,657</b>	<b>4,588</b>	<b>3,704</b>	<b>600</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	95,852	95,852	95,852	95,852	95,852
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(90,683)</b>	<b>(91,195)</b>	<b>(91,264)</b>	<b>(92,148)</b>	<b>(95,252)</b>

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	722	722	722	722	722
Trade and other receivables	157,635	158,385	128,457	129,207	129,957
Other financial assets	4,652	4,652	4,652	4,652	4,652
<b>Total financial assets</b>	<b>163,009</b>	<b>163,759</b>	<b>133,831</b>	<b>134,581</b>	<b>135,331</b>
<b>Non-financial assets</b>					
Land and buildings	89,097	83,057	76,681	75,096	74,512
Property, plant and equipment	381,634	461,071	522,622	562,817	522,000
Intangibles	108,839	104,404	97,274	83,801	85,668
Inventories	6,635	6,635	6,635	6,635	6,635
Other non-financial assets	8,587	8,587	8,587	8,587	8,587
<b>Total non-financial assets</b>	<b>594,792</b>	<b>663,754</b>	<b>711,799</b>	<b>736,936</b>	<b>697,402</b>
Assets held for sale	5,737	5,737	5,737	5,737	5,737
<b>Total assets</b>	<b>763,538</b>	<b>833,250</b>	<b>851,367</b>	<b>877,254</b>	<b>838,470</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	29,235	29,235	29,235	29,235	29,235
Other payables	53,391	54,141	54,891	55,641	56,391
<b>Total payables</b>	<b>82,626</b>	<b>83,376</b>	<b>84,126</b>	<b>84,876</b>	<b>85,626</b>
<b>Provisions</b>					
Employee provisions	66,666	66,666	66,666	66,666	66,666
Other provisions	24,105	24,105	24,105	24,105	24,105
<b>Total provisions</b>	<b>90,771</b>	<b>90,771</b>	<b>90,771</b>	<b>90,771</b>	<b>90,771</b>
Liabilities included in disposal Groups held for sale					
<b>Total liabilities</b>	<b>173,397</b>	<b>174,147</b>	<b>174,897</b>	<b>175,647</b>	<b>176,397</b>
<b>Net assets</b>	<b>590,141</b>	<b>659,103</b>	<b>676,470</b>	<b>701,607</b>	<b>662,073</b>

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	934,353	1,097,447	1,208,411	1,326,151	1,381,869
Reserves	275,144	275,144	275,144	275,144	275,144
Retained surplus (accumulated deficit)	(619,356)	(713,488)	(807,085)	(899,688)	(994,940)
<b>Total parent entity interest</b>	<b>590,141</b>	<b>659,103</b>	<b>676,470</b>	<b>701,607</b>	<b>662,073</b>
<b>Total equity</b>	<b>590,141</b>	<b>659,103</b>	<b>676,470</b>	<b>701,607</b>	<b>662,073</b>

Prepared on Australian Accounting Standards basis.

\*'Equity' is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>					
Balance carried forward from previous period	(619,356)	275,144	-	934,353	590,141
<b>Adjusted opening balance</b>	<b>(619,356)</b>	<b>275,144</b>	<b>-</b>	<b>934,353</b>	<b>590,141</b>
<b>Comprehensive income</b>					
Other comprehensive income					-
Surplus/(deficit) for the period	(91,195)	-	-	-	(91,195)
<b>Total comprehensive income</b>	<b>(91,195)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91,195)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity injection - Appropriation Departmental Capital Budget (DCB)	-	-	-	128,356	128,356
Other	(2,937)	-	-	34,738	34,738
	(2,937)	-	-	-	(2,937)
<b>Sub-total transactions with owners</b>	<b>(2,937)</b>	<b>-</b>	<b>-</b>	<b>163,094</b>	<b>160,157</b>
<b>Estimated closing balance as at 30 June 2020</b>	<b>(713,488)</b>	<b>275,144</b>	<b>-</b>	<b>1,097,447</b>	<b>659,103</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(713,488)</b>	<b>275,144</b>	<b>-</b>	<b>1,097,447</b>	<b>659,103</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	295,662	314,609	343,828	294,010	265,381
Receipts from Government					
Sale of goods and rendering of services	77,843	77,372	77,408	77,454	62,357
Other					
<b>Total cash received</b>	<b>373,505</b>	<b>391,981</b>	<b>421,236</b>	<b>371,464</b>	<b>327,738</b>
<b>Cash used</b>					
Employees	179,636	174,490	173,434	173,625	173,011
Suppliers	124,159	131,880	131,404	113,081	87,708
s74 External Revenue transferred to the OPA	80,795	79,937	79,333	77,455	62,358
Other	2,080	2,084	2,087	2,093	2,100
<b>Total cash used</b>	<b>386,670</b>	<b>388,391</b>	<b>386,258</b>	<b>366,254</b>	<b>325,177</b>
<b>Net cash from/(used by) operating activities</b>	<b>(13,165)</b>	<b>3,590</b>	<b>34,978</b>	<b>5,210</b>	<b>2,561</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	3,291	2,845	2,135	1,225	1,225
<b>Total cash received</b>	<b>3,291</b>	<b>2,845</b>	<b>2,135</b>	<b>1,225</b>	<b>1,225</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	134,118	169,529	148,077	124,175	59,504
<b>Total cash used</b>	<b>134,118</b>	<b>169,529</b>	<b>148,077</b>	<b>124,175</b>	<b>59,504</b>
<b>Net cash from/(used by) investing activities</b>	<b>(130,827)</b>	<b>(166,684)</b>	<b>(145,942)</b>	<b>(122,950)</b>	<b>(58,279)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	143,992	163,094	110,964	117,740	55,718
Other					
<b>Total cash received</b>	<b>143,992</b>	<b>163,094</b>	<b>110,964</b>	<b>117,740</b>	<b>55,718</b>
<b>Cash used</b>					
Other					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>143,992</b>	<b>163,094</b>	<b>110,964</b>	<b>117,740</b>	<b>55,718</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	722	722	722	722	722
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>722</b>	<b>722</b>	<b>722</b>	<b>722</b>	<b>722</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	40,695	34,738	42,268	44,199	48,012
Equity injections - Bill 2	103,297	128,356	68,696	73,541	7,706
<b>Total new capital appropriations</b>	<b>143,992</b>	<b>163,094</b>	<b>110,964</b>	<b>117,740</b>	<b>55,718</b>
<b>Provided for:</b>					
Purchase of non-financial assets	143,992	163,094	110,964	117,740	55,718
<b>Total items</b>	<b>143,992</b>	<b>163,094</b>	<b>110,964</b>	<b>117,740</b>	<b>55,718</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	86,488	128,356	99,374	73,541	7,706
Funded by capital appropriation - DCB (b)	40,695	34,738	42,268	44,199	48,012
Funded internally from departmental resources (c)	6,935	6,435	6,435	6,435	3,786
<b>TOTAL</b>	<b>134,118</b>	<b>169,529</b>	<b>148,077</b>	<b>124,175</b>	<b>59,504</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	134,118	169,529	148,077	124,175	59,504
<b>Total cash used to acquire assets</b>	<b>134,118</b>	<b>169,529</b>	<b>148,077</b>	<b>124,175</b>	<b>59,504</b>

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 External Revenue; and
- proceeds from the sale of assets.



**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>							
Gross book value	12,235	91,065	540,819	1,212	262,472	5,737	913,540
Accumulated depreciation/ amortisation and impairment	-	(14,203)	(160,397)	-	(153,633)	-	(328,233)
<b>Opening net book balance</b>	<b>12,235</b>	<b>76,862</b>	<b>380,422</b>	<b>1,212</b>	<b>108,839</b>	<b>5,737</b>	<b>585,307</b>
<b>Capital asset additions</b>							
<b>Estimated expenditure on new or replacement assets</b>							
By purchase - appropriation equity (a)	-	-	121,962	-	6,394	-	128,356
By purchase - appropriation ordinary annual services (b)	-	1,967	19,587	-	13,184	-	34,738
By purchase - donated funds	-	-	-	-	-	-	-
By purchase - other	-	-	6,435	-	-	-	6,435
<b>Total additions</b>	<b>-</b>	<b>1,967</b>	<b>147,984</b>	<b>-</b>	<b>19,578</b>	<b>-</b>	<b>169,529</b>
<b>Other movements</b>							
Depreciation/amortisation expense	-	(5,278)	(68,522)	-	(24,013)	-	(97,813)
Disposals (c)	-	-	-	-	-	-	-
From disposal of entities or operations (including restructuring)	-	(2,729)	(25)	-	-	-	(2,754)
Other	-	-	-	-	-	-	-
<b>Total other movements</b>	<b>-</b>	<b>(8,007)</b>	<b>(68,547)</b>	<b>-</b>	<b>(24,013)</b>	<b>-</b>	<b>(100,567)</b>
<b>As at 30 June 2020</b>							
Gross book value	12,235	90,303	688,778	1,212	282,050	5,737	1,080,315
Accumulated depreciation/ amortisation and impairment	-	(19,481)	(228,919)	-	(177,646)	-	(426,046)
<b>Closing net book balance</b>	<b>12,235</b>	<b>70,822</b>	<b>459,859</b>	<b>1,212</b>	<b>104,404</b>	<b>5,737</b>	<b>654,269</b>

Prepared on Australian Accounting Standards basis.

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

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

(c) Net proceeds may be returned to the OPA.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	nfp	nfp	nfp	nfp	nfp
<b>Total non-taxation revenue</b>	-	-	-	-	-
<b>Total own-source revenue administered on behalf of Government</b>	-	-	-	-	-
<b>Total own-sourced income administered on behalf of Government</b>	-	-	-	-	-
<b>Net (cost of)/contribution by services</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimate d actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>
<b>Total cash received</b>	-	-	-	-	-
<b>Net cash from/(used by) operating activities</b>	-	-	-	-	-
<b>Net increase/(decrease) in cash held</b>	-	-	-	-	-
<b>Cash and cash equivalents at beginning of reporting period</b>					
Cash from Official Public Account for:					
- Appropriations	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>
<b>Total cash from Official Public Account</b>	-	-	-	-	-
<b>Cash and cash equivalents at end of reporting period</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.



# **CLEAN ENERGY FINANCE CORPORATION**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# CLEAN ENERGY FINANCE CORPORATION

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# CLEAN ENERGY FINANCE CORPORATION

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Clean Energy Finance Corporation was established to facilitate increased flows of finance into the clean energy sector. The Corporation invests in accordance with its legislation, the *Clean Energy Finance Corporation Act 2012* (CEFC Act) and the *Clean Energy Finance Corporation Investment Mandate Direction 2018*, as made by the Minister for Energy and the Minister for Finance and the Public Service which took effect on 17 December 2018.

The Corporation is an independent statutory authority - defined as a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Corporation has access to \$10 billion in appropriations via the Clean Energy Finance Corporation Special Account (CEFC Special Account).

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

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

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

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

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

In the Investment Mandate Direction 2018, the responsible Ministers have directed the Board to target an average return of at least the five-year Australian Government bond rate, +3 to +4 per cent per annum as the benchmark return of the core portfolio and the five-year Australian Government bond rate, +1 per cent per annum as the benchmark return of the Clean Energy Innovation Fund portfolio. Performance against these benchmarks is measured before operating expenses. The Portfolio benchmark returns set by the responsible Ministers are medium-term targets and expected to be earned across the portfolios and over a period of time. In targeting these benchmark returns:

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

In the Investment Mandate Direction 2018 the responsible Ministers have directed the CEFC to include in its investment activities a focus on technologies and financial products as part of the development of a market for firming intermittent sources of renewable energy generation, as well as supporting emerging and innovative clean energy technologies.

In supporting clean energy technologies, the Corporation is strongly encouraged to prioritise investments that support reliability and security of electricity supply.

The responsible Ministers have also directed the CEFC to make available up to:

- \$1 billion of investment finance over 10 years for a Reef Funding Program in support of The Reef 2050 Plan;
- \$1 billion of investment finance over 10 years for a Sustainable Cities Investment Program; and
- \$200 million for debt and equity investment through the Clean Energy Innovation Fund.

The ways in which the Corporation addresses financial barriers include:

- attracting finance to the Australian market to improve the flow and diversification of funds for investment into the sector;
- assisting project proponents as an arranger, helping to develop the business case and introduce the proponents to other financiers to seek transaction close;

- building knowledge and capacity within the finance sector by participating in transactions to de-risk the investment, familiarising financiers with new asset types or through reducing their size of exposure;
- supporting the fledgling innovation ecosystem surrounding clean energy technologies through direct investment in early stage technologies and developing the venture capital market through the Clean Energy Innovation Fund;
- working with the finance sector to develop and deliver new financial products to the market, tailored to the needs, attributes and emerging delivery models for new technologies, which in turn enables small and mid-sized businesses to access finance for energy productivity enhancing capital investment;
- building knowledge and capacity within industry through demonstration and case studies to promote successful models and opportunities in energy productivity and clean energy investment; and
- providing loans at commercial and concessional rates. Where it is necessary and justified, the Corporation may choose to deploy concessional finance to assist in overcoming financial impediments and facilitate realisation of the project.

Since inception, the Corporation has had a strong focus on maximising the impact of its activities, deploying capital to a broad spectrum of eligible projects across the economy while also establishing its business operations. Establishing critical mass of deployed funds in the Corporation's portfolio has been important to generate sufficient revenue to cover both the operational costs and a self-imposed implied notional cost of capital. The 2017-18 year first saw the Corporation achieve critical mass in its deployed portfolio, and the Corporation is increasingly focussed now on achieving optimum carbon abatement, leverage and innovation impact from the capital invested. This includes maximising the contribution to emissions reduction on each project while minimising the amount of capital invested, and/or investing in demonstration projects to encourage decarbonisation across the economy, to achieve the greatest impact for the capital deployed.

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

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

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1: Clean Energy Finance Corporation resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Opening balance/cash reserves at 1 July (a, b)</b>	<b>487,754</b>	<b>326,839</b>
<b>Funds from other sources</b>		
Interest	143,510	150,763
Dividends and other equity distributions	13,576	16,009
<b>Total funds from other sources</b>	<b>157,086</b>	<b>166,772</b>
<b>Total net resourcing for Clean Energy Finance Corporation</b>	<b>644,840</b>	<b>493,611</b>
<hr/>		
	2018-19	2019-20
<b>Average staffing level (number)</b>	<b>112</b>	<b>121</b>

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

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

- (a) The Corporation is not directly appropriated as it is a corporate Commonwealth entity as defined under the *Public Governance, Performance and Accountability Act 2013*.
- (b) The Corporation does not hold the Special Account itself and therefore does not have a balance carried forward from earlier years. Under the CEFC Act, the CEFC is able to draw on the cumulative funds available in the Special Account, which are estimated to be \$5.679b at 1 July 2019.

### **1.3 BUDGET MEASURES**

There are no 2019-20 Budget measures relating to the Clean Energy Finance Corporation.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

The most recent annual performance statement can be found at: <https://annualreport2018.cefc.com.au/performance/>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

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

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



<b>Great Barrier Reef Marine Park Authority</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Protects and manages the environment, biodiversity, and heritage values of the Great Barrier Reef Region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Clean Energy Finance Corporation is making available up to \$1 billion of investment finance over 10 years for the Reef Funding Program. The Program will deliver financial investment in clean energy projects delivered in the Great Barrier Reef catchment region. In targeting the financing of clean energy projects and businesses in the region, the Reef Funding Program supports delivery of the Australian and Queensland governments’ Reef 2050 plan.</p>

### Budgeted expenses for Outcome 1

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Facilitate increased flows of finance into Australia's clean energy sector, applying commercial rigour to investing in renewable energy, low-emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Clean Energy Finance Corporation</b>					
Expenses not requiring appropriation in the budget year (a)	63,119	56,439	56,337	53,936	54,189
Expenses funded by Revenues from other independent sources	45,630	53,368	57,793	61,778	64,283
<b>Total expenses for Program 1.1</b>	<b>108,749</b>	<b>109,807</b>	<b>114,130</b>	<b>115,714</b>	<b>118,472</b>
<b>Outcome 1 Totals by appropriation type</b>					
Expenses not requiring appropriation in the budget year (a)	63,119	56,439	56,337	53,936	54,189
Expenses funded by Revenues from other independent sources	45,630	53,368	57,793	61,778	64,283
<b>Total expenses for Outcome 1</b>	<b>108,749</b>	<b>109,807</b>	<b>114,130</b>	<b>115,714</b>	<b>118,472</b>
	2018-19	2019-20			
<b>Average staffing level (number)</b>	112	121			

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

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

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

*Clean Energy Finance Corporation Budget Statements*

<p><b>Program 1.1 – Clean Energy Finance Corporation.</b> The Clean Energy Finance Corporation's mission is: "To accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction" through:</p> <ul style="list-style-type: none"> <li>investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects; and</li> <li>applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector.</li> </ul>		
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19	Investment in renewable energy, low emissions and energy efficiency technologies.	Forecast is to achieve the target \$1.0b to \$1.2b of new contracted investments during the year.
	Placement of Funds into Australia's clean energy sector.	Forecast is to achieve the deployment target of \$1.0b to \$1.2b. Carbon abatement from committed projects at 'cost' to the Corporation of < \$0 is in line with target. On target to achieve financial leverage better than 1:1.
	Performance against portfolio benchmark return set by the government in the Investment Mandate Direction 2018, and prior to 16 December 2018, the Investment Mandate Direction 2016 (No.2).	The Corporation has taken all reasonable steps to achieve portfolio benchmark return target of the five-year Australian Government bond rate + 3 to + 4 per cent per annum, however portfolio returns are heavily influenced by the Corporation's public policy purpose and market rates and are currently forecast to be in excess of relevant five-year Australian Government bond rate but less than the target PBR.  The new accounting Standard AASB 9 has introduced volatility into the Corporation's financial results and the return of the Innovation Fund, in particular, has been negatively impacted by write-downs in the value of investments.  Operating expenditure before concession and impairment is forecast to be less than the target of 1.5% of the deployed portfolio balance.
	Dissemination of information to industry stakeholders and building industry capacity.	Increase in value and diversity of tangible pipeline opportunities is reflected in the above target level of commitments and deployment.  The Corporation has participated in significant marketing and communications activity, media reach, conferences, events, symposiums and industry events and made a number of submissions to industry and government inquiries.

*Clean Energy Finance Corporation Budget Statements*

<b>Program 1.1 – Clean Energy Finance Corporation.</b> The Clean Energy Finance Corporation's mission is: "To accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction" through: <ul style="list-style-type: none"> <li>investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects; and</li> <li>applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector.</li> </ul>		
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2019-20	Investment in renewable energy, low emissions and energy efficiency technologies.	Funds contracted during the year > \$1.0b to \$1.2b.
	Placement of additional funds into Australia's clean energy sector (measured gross before any return of funds).	Funds Deployed > \$1.0b.
	Acting as a catalyst to increased investment in emissions reduction.	Leverage ratio of private sector finance to CEFC finance for capital committed >2:1.
	Contribution to emissions reduction.	Annual emissions reduction of 2.0MT COTE per \$1.0b of CEFC capital committed.
	Contribution to transformation of the clean energy investment market across all states and territories through investments that are catalytic, including investments in innovative technologies and businesses and innovative financing structures.	Meaningful progress based on integrated development plans for: <ul style="list-style-type: none"> <li>Storage development</li> <li>EV development</li> <li>Bio fuels and non-energy emissions</li> <li>markets development</li> <li>General policy influence including the development of Green Bond markets</li> <li>Nation building project participation (e.g., Snowy 2.0 &amp; Tasmania's battery of the nation)</li> <li>Geographic diversification</li> </ul>
	Performance against portfolio benchmark return set by the government in the Investment Mandate Direction 2018.	Optimise portfolio returns while recognising the Corporation's public policy purpose, and taking all reasonable steps to achieve portfolio benchmark return targets of the five-year Australian Government bond rate + 3 to + 4 per cent per annum for the core portfolio and the five-year Australian Government bond rate + 1 per cent per annum for the Clean Energy Innovation Fund portfolio.  Operating result, before concession and impairment of Innovation Fund investments of \$100m to \$110m.

*Clean Energy Finance Corporation Budget Statements*

<p><b>Program 1.1 – Clean Energy Finance Corporation.</b> The Clean Energy Finance Corporation's mission is: "To accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction" through:</p> <ul style="list-style-type: none"> <li>investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects; and</li> </ul> <p>applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector.</p>		
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
	Dissemination of information to industry stakeholders and building industry capacity.	<p>Increase the value and diversity of the investment pipeline.</p> <p>Significant marketing and communications activity, including media outreach and targeted participation in conferences and industry events.</p> <p>Positive stakeholder awareness and knowledge.</p>
2020-21 and beyond	As per 2019-20	
<b>Purposes</b>	The CEFC's purpose is to overcome financing barriers to facilitate increased flows of finance into Australia's clean energy sector and in turn to achieve emissions reductions.	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between entity resourcing and financial statements

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

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

##### Basis of accounting

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

Forward estimates are prepared on the basis of accounting standards currently in force. Adoption of new accounting standards such as *AASB16 - Leases* will impact the measurement and classification of certain assets, liabilities and expenses in future periods.

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

## **Notes to the budgeted financial statements**

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

### *Concession loan discount*

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

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

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

### *Impairment*

#### *(a) Loans*

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

#### *(b) Investments in shares*

The Corporation carries its equity investments at fair value. Since the adoption of AASB9 – *Financial Instruments* effective 1 July 2018, any reduction in these fair values is required to be recorded as a charge to the income statement. The Corporation is in the business of investing equity in early stage clean energy technology entities under the Clean Energy Innovation Fund. The performance of the Innovation Fund portfolio will reflect the nature, status and lifecycle of the underlying investments and the Corporation expects that a number of these investments will become impaired over the period covered by these financial statements. This is consistent with the design of the Clean



Energy Innovation Fund as essentially a venture capital-style offering, where perhaps 40 per cent of investments are expected to fail, 40 per cent expected to yield average returns and the remaining 20 per cent expected to outperform. It is envisaged that the outperforming investments in the Clean Energy Innovation Fund will therefore cover, and ideally exceed, any investment losses – enabling the Fund to meet or exceed its performance benchmark return of the 5-year government bond rate +1 per cent per annum.

*Variability in forecasts*

The responsible Ministers give guidance to the Board in relation to the performance of the Corporation's investment function in the form of an Investment Mandate issued under subsection 64(1) of the CEFC Act. The current Investment Mandate, *The Clean Energy Finance Corporation Investment Mandate Direction 2018*, was issued on 14 December 2018 by the Hon Angus Taylor MP, Minister for Energy, and Senator the Hon Mathias Cormann, Minister for Finance and the Public Service. This Investment Mandate includes specific areas of focus. These areas of focus have direct implication on the likely rate of return that is achievable in the portfolio, the amount of risk that the Corporation will be incurring across its portfolio and the variability of earnings from period to period.

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

Adoption of AASB9 – *Financial Instruments* effective 1 July 2018 has resulted in a greater variability in earnings related to changes in market values of investments as certain of the Corporation's loans and investments in other interest-bearing securities and the Corporation's investments in equity are now carried at fair value with adjustments resulting in a charge or credit to the Income Statement. Changes in these values may arise for example from a change in interest rates or property prices being impacted by more general macro-economic issues e.g. RBA rate rises, GDP growth etc, none of which are within the control of the Corporation. It is also not always possible for the Corporation to exit such investments at market opportune times, as the public policy purpose of the investment may not have been fully achieved at this time. The Corporation enters into investments which may need to be held for a longer period to ensure the carbon reduction initiatives and other public policy benefits are fully achieved.

The energy sector as a whole, and particularly the clean energy sector is undergoing a period of transition with the Renewable Energy Target effectively already met on the basis of constructed and committed projects, and the volatility of energy prices combined with a lower level of Power Purchasing Agreements (PPA's) available in the market. This transition, together with the requirement for the Corporation to ensure that at least half of the funds invested must be invested in renewable energy, is likely to cause greater variability in the level of new investment undertaken by the Corporation relative to a free market investor and in turn the financial results achieved by the Corporation.

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

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

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

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

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

The private sector has been able to refinance certain of the Corporation's investments once they have been de-risked and the commercial sector is able to confidently invest. Given the current low interest rate environment in particular, there have been a number of the Corporation's investments that, for example having completed construction, or obtained contractual certainty or operated successfully for a period, are then sufficiently de-risked and able to be financed by the commercial banks and/or institutional investors. This has resulted in some of the Corporation's higher yielding loans being refinanced by the private sector. Noting that encouraging private sector finance to the clean energy sector is one of the Corporation's key objectives, we expect this refinancing to continue to challenge returns.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	32,589	39,043	42,614	45,627	47,186
Suppliers	13,041	14,325	15,179	16,151	17,097
Depreciation and amortisation	1,223	1,439	1,837	1,936	2,189
Write-down and impairment of assets	37,637	30,000	27,500	25,000	25,000
Concessional loan charges	24,259	25,000	27,000	27,000	27,000
<b>Total expenses</b>	<b>108,749</b>	<b>109,807</b>	<b>114,130</b>	<b>115,714</b>	<b>118,472</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest and fees	157,370	166,523	176,011	178,275	179,490
Dividends and other equity distributions	15,235	16,759	17,592	21,182	23,267
Unwind of concessional loan discount	8,000	8,025	10,527	10,748	12,325
<b>Total own-source revenue</b>	<b>180,605</b>	<b>191,307</b>	<b>204,130</b>	<b>210,205</b>	<b>215,082</b>
<b>Gains</b>					
Sale of assets	4,382	-	-	-	-
Share of net profit from associates using equity method	1,253	-	-	-	-
Fair value gains - loans and advances designated at fair value	9	-	-	9	390
<b>Total gains</b>	<b>5,644</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>390</b>
<b>Total own-source income</b>	<b>186,249</b>	<b>191,307</b>	<b>204,130</b>	<b>210,214</b>	<b>215,472</b>
<b>Net contribution by services</b>	<b>77,500</b>	<b>81,500</b>	<b>90,000</b>	<b>94,500</b>	<b>97,000</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>77,500</b>	<b>81,500</b>	<b>90,000</b>	<b>94,500</b>	<b>97,000</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>77,500</b>	<b>81,500</b>	<b>90,000</b>	<b>94,500</b>	<b>97,000</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>77,500</b>	<b>81,500</b>	<b>90,000</b>	<b>94,500</b>	<b>97,000</b>

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

<b>Reconciliation of the impact of significant non-cash concessionality income and charges</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>77,500</b>	<b>81,500</b>	<b>90,000</b>	<b>94,500</b>	<b>97,000</b>
<b>Add</b> concessional loan charge	24,259	25,000	27,000	27,000	27,000
<b>Less</b> unwind of concessional loan charge	(8,000)	(8,025)	(10,527)	(10,748)	(12,325)
Net non-cash concessionality impact	16,259	16,975	16,473	16,252	14,675
<b>Total comprehensive income attributable to the Australian Government after eliminating significant non-cash concessionality adjustments</b>	<b>93,759</b>	<b>98,475</b>	<b>106,473</b>	<b>110,752</b>	<b>111,675</b>

Prepared on Australian Accounting Standards basis.

*Clean Energy Finance Corporation Budget Statements*

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	326,839	291,459	364,070	343,401	296,213
Advances and loans	2,469,961	2,588,671	2,562,358	2,638,314	2,675,825
Investment in shares	482,520	913,805	1,188,597	1,187,752	1,355,642
Investments in other interest bearing securities	1,239,630	1,287,263	1,328,568	1,248,874	1,305,189
Interest and other receivables	21,068	21,718	22,221	22,698	22,999
Investments accounted for under the equity method	213,088	351,326	429,820	499,820	583,809
<b>Total financial assets</b>	<b>4,753,106</b>	<b>5,454,242</b>	<b>5,895,634</b>	<b>5,940,859</b>	<b>6,239,677</b>
<b>Non-financial assets</b>					
Property, plant and equipment	1,408	1,303	1,241	1,210	1,521
Intangibles	1,111	1,277	1,002	1,152	1,152
Other non-financial assets	740	740	740	740	740
<b>Total non-financial assets</b>	<b>3,259</b>	<b>3,320</b>	<b>2,983</b>	<b>3,102</b>	<b>3,413</b>
Assets held for sale					
<b>Total assets</b>	<b>4,756,365</b>	<b>5,457,562</b>	<b>5,898,617</b>	<b>5,943,961</b>	<b>6,243,090</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	4,496	4,496	4,496	4,496	4,496
Unearned income and other payables	41,165	39,362	40,317	40,161	41,290
<b>Total payables</b>	<b>45,661</b>	<b>43,858</b>	<b>44,813</b>	<b>44,657</b>	<b>45,786</b>
<b>Provisions</b>					
Employee provisions	10,006	11,506	11,606	12,606	13,606
Other provisions	12,690	12,690	12,690	12,690	12,690
<b>Total provisions</b>	<b>22,696</b>	<b>24,196</b>	<b>24,296</b>	<b>25,296</b>	<b>26,296</b>
Derivative liabilities	1,439	1,439	1,439	1,439	1,439
<b>Total liabilities</b>	<b>69,796</b>	<b>69,493</b>	<b>70,548</b>	<b>71,392</b>	<b>73,521</b>
<b>Net assets</b>	<b>4,686,569</b>	<b>5,388,069</b>	<b>5,828,069</b>	<b>5,872,569</b>	<b>6,169,569</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	4,408,363	5,028,363	5,378,363	5,328,363	5,528,363
Reserves	65	65	65	65	65
Retained surplus	278,141	359,641	449,641	544,141	641,141
<b>Total parent entity interest</b>	<b>4,686,569</b>	<b>5,388,069</b>	<b>5,828,069</b>	<b>5,872,569</b>	<b>6,169,569</b>
<b>Total equity</b>	<b>4,686,569</b>	<b>5,388,069</b>	<b>5,828,069</b>	<b>5,872,569</b>	<b>6,169,569</b>

Prepared on Australian Accounting Standards basis.

\*'Equity' is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>					
Balance carried forward from previous period	278,141	65	-	4,408,363	4,686,569
<b>Adjusted opening balance</b>	<b>278,141</b>	<b>65</b>	<b>-</b>	<b>4,408,363</b>	<b>4,686,569</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	81,500				81,500
<b>Total comprehensive income</b>	<b>81,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,500</b>
of which:					
Attributable to the Australian Government	81,500	-	-	-	81,500
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity injection	-	-	-	620,000	620,000
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>620,000</b>	<b>620,000</b>
<b>Estimated closing balance as at 30 June 2020</b>	<b>359,641</b>	<b>65</b>	<b>-</b>	<b>5,028,363</b>	<b>5,388,069</b>
<b>Closing balance attributable to the Australian Government</b>	<b>359,641</b>	<b>65</b>	<b>-</b>	<b>5,028,363</b>	<b>5,388,069</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest and fees	143,510	150,763	165,707	162,850	168,959
Dividends and other equity distributions	13,576	16,009	17,042	20,859	22,832
<b>Total cash received</b>	<b>157,086</b>	<b>166,772</b>	<b>182,749</b>	<b>183,709</b>	<b>191,791</b>
<b>Cash used</b>					
Employees	30,731	37,543	42,514	44,627	46,186
Suppliers	12,567	14,324	15,178	16,151	17,097
<b>Total cash used</b>	<b>43,298</b>	<b>51,867</b>	<b>57,692</b>	<b>60,778</b>	<b>63,283</b>
<b>Net cash from/(used by) operating activities</b>	<b>113,788</b>	<b>114,905</b>	<b>125,057</b>	<b>122,931</b>	<b>128,508</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Loans and advances	652,240	463,022	626,687	646,190	750,221
Sale of investments	13,916	28,672	141,859	342,500	200,000
<b>Total cash received</b>	<b>666,156</b>	<b>491,694</b>	<b>768,546</b>	<b>988,690</b>	<b>950,221</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	1,932	1,500	1,500	2,055	2,500
Loans and advances	1,060,737	604,718	626,809	745,831	805,613
Purchase of Investments	478,190	655,761	542,683	334,404	517,804
<b>Total cash used</b>	<b>1,540,859</b>	<b>1,261,979</b>	<b>1,170,992</b>	<b>1,082,290</b>	<b>1,325,917</b>
<b>Net cash from/(used by) investing activities</b>	<b>(874,703)</b>	<b>(770,285)</b>	<b>(402,446)</b>	<b>(93,600)</b>	<b>(375,696)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	800,000	620,000	650,000	650,000	1,000,000
Return of contributed equity	(200,000)	-	(300,000)	(700,000)	(800,000)
<b>Total cash received</b>	<b>600,000</b>	<b>620,000</b>	<b>350,000</b>	<b>(50,000)</b>	<b>200,000</b>
<b>Net cash from/(used by) financing activities</b>	<b>600,000</b>	<b>620,000</b>	<b>350,000</b>	<b>(50,000)</b>	<b>200,000</b>
<b>Net increase/(decrease) in cash held</b>	<b>(160,915)</b>	<b>(35,380)</b>	<b>72,611</b>	<b>(20,669)</b>	<b>(47,188)</b>
Cash and cash equivalents at the beginning of the reporting period	487,754	326,839	291,459	364,070	343,401
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>326,839</b>	<b>291,459</b>	<b>364,070</b>	<b>343,401</b>	<b>296,213</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	1,932	1,500	1,500	2,055	2,500
<b>TOTAL</b>	<b>1,932</b>	<b>1,500</b>	<b>1,500</b>	<b>2,055</b>	<b>2,500</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,932	1,500	1,500	2,055	2,500
<b>Total cash used to acquire assets</b>	<b>1,932</b>	<b>1,500</b>	<b>1,500</b>	<b>2,055</b>	<b>2,500</b>

Prepared on Australian Accounting Standards basis.



**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>			
Gross book value	3,084	2,407	5,491
Accumulated depreciation/ amortisation and impairment	(1,676)	(1,296)	(2,972)
<b>Opening net book balance</b>	<b>1,408</b>	<b>1,111</b>	<b>2,519</b>
<b>Capital asset additions</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase - other	500	1,000	1,500
<b>Total additions</b>	<b>500</b>	<b>1,000</b>	<b>1,500</b>
<b>Other movements</b>			
Depreciation/amortisation expense	(605)	(834)	(1,439)
<b>Total other movements</b>	<b>(605)</b>	<b>(834)</b>	<b>(1,439)</b>
<b>As at 30 June 2020</b>			
Gross book value	3,584	3,407	6,991
Accumulated depreciation/ amortisation and impairment	(2,281)	(2,130)	(4,411)
<b>Closing net book balance</b>	<b>1,303</b>	<b>1,277</b>	<b>2,580</b>

Prepared on Australian Accounting Standards basis.



# **CLEAN ENERGY REGULATOR**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# CLEAN ENERGY REGULATOR

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# CLEAN ENERGY REGULATOR

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

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

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

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

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



## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1: Clean Energy Regulator resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	20,217	20,872
Departmental appropriation (c)	69,879	70,093
Departmental capital budget (d)	1,161	1,161
Total departmental annual appropriations	91,257	92,126
<b>Total departmental resourcing</b>	<b>91,257</b>	<b>92,126</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	15,673	6
Outcome 1	205,425	256,678
Total administered annual appropriations	221,098	256,684
Total administered special appropriations	12,774	402
Special accounts (e)		
Opening balance	1,123	1,123
Non-appropriation receipts	3,500	3,500
Total special account receipts	4,623	4,623
<b>Total administered resourcing</b>	<b>238,495</b>	<b>261,709</b>
<b>Total resourcing for Clean Energy Regulator</b>	<b>329,752</b>	<b>353,835</b>
	2018-19	2019-20
<b>Average staffing level (number)</b>	<b>322</b>	<b>322</b>

(a) Appropriation Bill (No. 1) 2019-20.

(b) There is no appropriation subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(c) Excludes departmental capital budget (DCB).

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

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

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Clean Energy Regulator are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Entity 2019-20 Budget measures**

**Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Expense measures</b>						
Climate Solutions Package (a)	1.1					
Administered expenses		-	-	14,688	52,644	94,301
Departmental expenses		-	-	1,865	1,774	1,788
<b>Total</b>		-	-	<b>16,553</b>	<b>54,418</b>	<b>96,089</b>
<b>Total expense measures</b>						
Administered		-	-	14,688	52,644	94,301
Departmental		-	-	1,865	1,774	1,788
<b>Total</b>		-	-	<b>16,553</b>	<b>54,418</b>	<b>96,089</b>
<b>Capital measures</b>						
Climate Solutions Package	1.1					
Administered capital		-	-	-	-	-
Departmental capital		-	-	3,500	1,750	-
<b>Total</b>		-	-	<b>3,500</b>	<b>1,750</b>	-
<b>Total capital measures</b>						
Administered		-	-	-	-	-
Departmental		-	-	3,500	1,750	-
<b>Total</b>		-	-	<b>3,500</b>	<b>1,750</b>	-

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

(a) The lead entity for measure Climate Solutions Package is the Department of the Environment and Energy. The full measure description and package details appear in Budget Paper No. 2 under the Environment and Energy portfolio.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for the Clean Energy Regulator can be found at: [www.cleanenergyregulator.gov.au/About/Accountability-and-reporting/Corporate-plans](http://www.cleanenergyregulator.gov.au/About/Accountability-and-reporting/Corporate-plans).

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

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

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

### Budgeted expenses for Outcome 1

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable energy generation.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Clean Energy Regulator</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	221,092	256,678	277,028	341,794	338,753
Special appropriations					
<i>Renewable Energy (Electricity)     Act 2000</i>	74,424	402	442	482	523
<b>Administered total</b>	<b>295,516</b>	<b>257,080</b>	<b>277,470</b>	<b>342,276</b>	<b>339,276</b>
Departmental expenses					
Departmental appropriation	69,879	70,093	72,417	72,713	73,192
Expenses not requiring appropriation in the Budget year (a)	7,089	3,767	2,633	2,728	1,665
<b>Departmental total</b>	<b>76,968</b>	<b>73,860</b>	<b>75,050</b>	<b>75,441</b>	<b>74,857</b>
<b>Total expenses for program 1.1</b>	<b>372,484</b>	<b>330,940</b>	<b>352,520</b>	<b>417,717</b>	<b>414,133</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	221,092	256,678	277,028	341,794	338,753
Special appropriations	74,424	402	442	482	523
<b>Administered total</b>	<b>295,516</b>	<b>257,080</b>	<b>277,470</b>	<b>342,276</b>	<b>339,276</b>
Departmental expenses					
Departmental appropriation	69,879	70,093	72,417	72,713	73,192
Expenses not requiring appropriation in the Budget year (a)	7,089	3,767	2,633	2,728	1,665
<b>Departmental total</b>	<b>76,968</b>	<b>73,860</b>	<b>75,050</b>	<b>75,441</b>	<b>74,857</b>
<b>Total expenses for Outcome 1</b>	<b>372,484</b>	<b>330,940</b>	<b>352,520</b>	<b>417,717</b>	<b>414,133</b>

*Clean Energy Regulator Budget Statements*

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
<b>Movement of administered funds between years</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Outcome 1:					
Program 1.1: Clean Energy Regulator	15,667	1,668	11,130	(2,434)	9,083
<b>Total movement of administered funds</b>	<b>15,667</b>	<b>1,668</b>	<b>11,130</b>	<b>(2,434)</b>	<b>9,083</b>

	2018-19	2019-20
<b>Average staffing level (number)</b>	<b>322</b>	<b>322</b>

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

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

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.</b>		
<b>Program 1.1 – Effective and efficient regulation of greenhouse and energy reporting and market based schemes that contribute to a reduction in Australia's net greenhouse gas emissions and promote investment in renewable energy.</b>		
<b>Delivery</b>	The Clean Energy Regulator delivers Program 1.1 by: <ul style="list-style-type: none"><li>collecting, analysing, assessing, providing and publishing emissions and energy data, to inform government policy and the Australian public, to meet international reporting obligations and to support Australia's emissions and energy data needs;</li><li>operating the Australian National Registry of Emissions Units and the Renewable Energy Certificate Registry for market participants;</li><li>monitoring, facilitating and enforcing compliance by its clients for the schemes it administers;</li><li>issuing Australian carbon credit units to organisations and individuals for approved projects that reduce greenhouse gas emissions;</li><li>conducting auctions and managing contracts;</li><li>accrediting greenhouse and energy auditors to undertake audit activities under its schemes;</li><li>working with other Commonwealth, state and territory law enforcement and regulatory bodies; and</li><li>providing education and information to current and potential scheme participants on the schemes it administers and how they work.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2018-19	Proportion of contracted abatement delivered. <b>Expected achievement against criterion:</b> The delivery of abatement contracted through the Emissions Reduction Fund results in emissions reductions and contributes to meeting Australia's emissions reduction targets.	<b>Against a target of:</b> ≥ 80% of contracted abatement is delivered on time.  On track.



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<b>Program 1.1</b> – Effective and efficient regulation of greenhouse and energy reporting and market based schemes that contribute to a reduction in Australia’s net greenhouse gas emissions and promote investment in renewable energy.		
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
	<p>Compliance levels by regulated and liable entities.</p> <p><b>Expected achievement against criterion:</b></p> <p>Regulated entities comply with the National Greenhouse and Energy Reporting Scheme by reporting emissions and energy data which underpins the reduction of net greenhouse gas emissions and supports Australia’s emissions and energy data needs.</p> <p>The compliance of Renewable Energy Target liable entities, Emissions Reduction Fund project proponents and safeguard facilities with their reporting obligations indicates the effectiveness of the schemes in promoting renewable energy generation and reducing emissions.</p>	<p><b>Against a target of:</b> ≥ 95% of regulated and liable entities are materially compliant with their statutory obligations.</p> <p>On track.</p>
2019-20	<i>Proportion of contracted abatement delivered</i>	<i>≥ 80% of contracted abatement is delivered on time.</i>
	<i>Compliance levels by regulated and liable entities.</i>	<i>≥ 95% of regulated and liable entities are materially compliant with their statutory obligations</i>
2020-21 and beyond	As for 2019-20.	As for 2019-20.
<b>Purposes</b>	Accelerating carbon abatement for Australia.	
<b>Material changes to Program 1.1 resulting from the following measures:</b>		
<ul style="list-style-type: none"><li><b>Measure title – Climate Solutions Package</b></li></ul>		

- (a) Performance criteria for Outcome 1 are derived from the key performance indicators identified in the Clean Energy Regulator Corporate Plan 2018-22.
- (b) New or modified performance criteria that reflect new or materially changed programs are shown in italics.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between entity resourcing and financial statements

The entity resource statement (Table 1.1) provides a consolidated view of all the resources in 2019-20. This includes appropriation receivable that is yet to be drawn down to cover payables and provisions on the balance sheet. The comprehensive income statement (Table 3.1) shows the operating appropriation provided in 2019-20.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

##### **Departmental**

##### *Comprehensive Income Statement*

The Clean Energy Regulator is budgeting for a break-even position in 2019-20 and the forward estimates, excluding non-appropriated expenses relating to depreciation and amortisation.

Budgeted Revenue from Government in 2019-20 is estimated at \$70.09 million (2018-19: \$68.88 million). Operating expenses for 2019-20 are estimated to total \$73.86 million (2018-19: \$76.97 million). The increase in revenue and expenses in the forward estimates is attributable to additional funding received under the new budget measure as outlined in Table 1.2.

##### *Balance Sheet*

The net assets position in 2019-20 is estimated to reduce by \$2.22 million to \$10.28 million as the level of departmental capital budget funding is lower than the loss incurred due to net cash appropriation arrangements. Total net assets and equity increase over the forward years as a result of the \$5.25 million increase in contributed equity received under the new budget measure as outlined in Table 1.2.

##### *Capital budget statement*

The departmental capital budget statement shows the expected capital works program for the current and forward years. Total capital expenditure in 2019-20 is estimated to be \$1.161 million. The Clean Energy Regulator forecasts spending a further \$8.80 million on capital projects over the forward estimates, which includes \$5.25 million received under the new budget measure as outlined in Table 1.2.

**Administered**

*Schedule of budgeted income and expenses administered on behalf of government*

Estimated administered expenses for 2018-19 and the budget and forward years reflect the re-profiling and movement of funds between years of \$19.45 million as outlined in Table 2.1.1 and the \$161.63 million received under the new budget measure as outlined in Table 1.2.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	39,088	39,457	39,829	40,205	40,607
Suppliers	31,176	31,021	32,973	32,893	32,970
Depreciation and amortisation (a)	6,704	3,382	2,248	2,343	1,280
<b>Total expenses</b>	<b>76,968</b>	<b>73,860</b>	<b>75,050</b>	<b>75,441</b>	<b>74,857</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Gains</b>					
Other	385	385	385	385	385
<b>Total gains</b>	<b>385</b>	<b>385</b>	<b>385</b>	<b>385</b>	<b>385</b>
<b>Total own-source income</b>	<b>385</b>	<b>385</b>	<b>385</b>	<b>385</b>	<b>385</b>
<b>Net (cost of)/contribution by services</b>	<b>(76,583)</b>	<b>(73,475)</b>	<b>(74,665)</b>	<b>(75,056)</b>	<b>(74,472)</b>
Revenue from Government	69,879	70,093	72,417	72,713	73,192
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(6,704)</b>	<b>(3,382)</b>	<b>(2,248)</b>	<b>(2,343)</b>	<b>(1,280)</b>
<b>Total comprehensive income/(loss)</b>	<b>(6,704)</b>	<b>(3,382)</b>	<b>(2,248)</b>	<b>(2,343)</b>	<b>(1,280)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(6,704)</b>	<b>(3,382)</b>	<b>(2,248)</b>	<b>(2,343)</b>	<b>(1,280)</b>

**Note: Impact of net cash appropriation arrangements**

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	6,704	3,382	2,248	2,343	1,280
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(6,704)</b>	<b>(3,382)</b>	<b>(2,248)</b>	<b>(2,343)</b>	<b>(1,280)</b>

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	117	117	117	117	117
Trade and other receivables	21,387	21,387	21,387	21,387	21,387
Other financial assets	129	129	129	129	129
<b>Total financial assets</b>	<b>21,633</b>	<b>21,633</b>	<b>21,633</b>	<b>21,633</b>	<b>21,633</b>
<b>Non-financial assets</b>					
Land and buildings	3,271	2,149	1,028	0	0
Property, plant and equipment	274	118	37	2	2
Intangibles	4,368	3,425	7,047	8,693	8,597
Other non-financial assets	1,189	1,189	1,189	1,189	1,189
<b>Total non-financial assets</b>	<b>9,102</b>	<b>6,881</b>	<b>9,301</b>	<b>9,884</b>	<b>9,788</b>
<b>Total assets</b>	<b>30,735</b>	<b>28,514</b>	<b>30,934</b>	<b>31,517</b>	<b>31,421</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	7,278	7,278	7,278	7,278	7,278
Other payables	390	390	390	390	390
<b>Total payables</b>	<b>7,668</b>	<b>7,668</b>	<b>7,668</b>	<b>7,668</b>	<b>7,668</b>
<b>Provisions</b>					
Employee provisions	10,564	10,564	10,564	10,564	10,564
<b>Total provisions</b>	<b>10,564</b>	<b>10,564</b>	<b>10,564</b>	<b>10,564</b>	<b>10,564</b>
<b>Total liabilities</b>	<b>18,232</b>	<b>18,232</b>	<b>18,232</b>	<b>18,232</b>	<b>18,232</b>
<b>Net assets</b>	<b>12,503</b>	<b>10,282</b>	<b>12,702</b>	<b>13,285</b>	<b>13,189</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	82,288	83,449	88,117	91,043	92,227
Reserves	9,622	9,622	9,622	9,622	9,622
Retained surplus (accumulated deficit)	(79,407)	(82,789)	(85,037)	(87,380)	(88,660)
<b>Total parent entity interest</b>	<b>12,503</b>	<b>10,282</b>	<b>12,702</b>	<b>13,285</b>	<b>13,189</b>
<b>Total equity</b>	<b>12,503</b>	<b>10,282</b>	<b>12,702</b>	<b>13,285</b>	<b>13,189</b>

Prepared on Australian Accounting Standards basis.

\*‘Equity’ is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>					
Balance carried forward from previous period	(79,407)	9,622	-	82,288	12,503
<b>Adjusted opening balance</b>	<b>(79,407)</b>	<b>9,622</b>	<b>-</b>	<b>82,288</b>	<b>12,503</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(3,382)	-	-	-	(3,382)
<b>Total comprehensive income</b>	<b>(3,382)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,382)</b>
<b>Contributions by owners</b>					
Departmental Capital Budget (DCB)	-	-	-	1,161	1,161
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,161</b>	<b>1,161</b>
<b>Estimated closing balance as at 30 June 2020</b>	<b>(82,789)</b>	<b>9,622</b>	<b>-</b>	<b>83,449</b>	<b>10,282</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(82,789)</b>	<b>9,622</b>	<b>-</b>	<b>83,449</b>	<b>10,282</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	69,224	70,093	72,417	72,713	73,192
<b>Total cash received</b>	<b>69,224</b>	<b>70,093</b>	<b>72,417</b>	<b>72,713</b>	<b>73,192</b>
<b>Cash used</b>					
Employees	38,487	39,457	39,829	40,205	40,607
Suppliers	30,737	30,636	32,588	32,508	32,585
<b>Total cash used</b>	<b>69,224</b>	<b>70,093</b>	<b>72,417</b>	<b>72,713</b>	<b>73,192</b>
<b>Net cash from/(used by) operating activities</b>	-	-	-	-	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	1,161	1,161	4,668	2,926	1,184
<b>Total cash used</b>	<b>1,161</b>	<b>1,161</b>	<b>4,668</b>	<b>2,926</b>	<b>1,184</b>
<b>Net cash from/(used by) investing activities</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>(4,668)</b>	<b>(2,926)</b>	<b>(1,184)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	1,161	1,161	4,668	2,926	1,184
<b>Total cash received</b>	<b>1,161</b>	<b>1,161</b>	<b>4,668</b>	<b>2,926</b>	<b>1,184</b>
<b>Net cash from/(used by) financing activities</b>	<b>1,161</b>	<b>1,161</b>	<b>4,668</b>	<b>2,926</b>	<b>1,184</b>
<b>Net increase/(decrease) in cash held</b>	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	117	117	117	117	117
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	1,161	1,161	1,168	1,176	1,184
Equity injections - Bill 2	-	-	3,500	1,750	-
<b>Total new capital appropriations</b>	<b>1,161</b>	<b>1,161</b>	<b>4,668</b>	<b>2,926</b>	<b>1,184</b>
<i>Provided for:</i>					
Purchase of non-financial assets	1,161	1,161	4,668	2,926	1,184
<b>Total items</b>	<b>1,161</b>	<b>1,161</b>	<b>4,668</b>	<b>2,926</b>	<b>1,184</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	-	-	3,500	1,750	-
Funded by capital appropriation - DCB (b)	1,161	1,161	1,168	1,176	1,184
<b>TOTAL</b>	<b>1,161</b>	<b>1,161</b>	<b>4,668</b>	<b>2,926</b>	<b>1,184</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,161	1,161	4,668	2,926	1,184
<b>Total cash used to acquire assets</b>	<b>1,161</b>	<b>1,161</b>	<b>4,668</b>	<b>2,926</b>	<b>1,184</b>

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

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



**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>				
Gross book value	5,514	1,376	60,340	67,230
Accumulated depreciation/ amortisation and impairment	(2,243)	(1,102)	(55,972)	(59,317)
<b>Opening net book balance</b>	<b>3,271</b>	<b>274</b>	<b>4,368</b>	<b>7,913</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	-	-	1,161	1,161
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>1,161</b>	<b>1,161</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(1,122)	(156)	(2,104)	(3,382)
<b>Total other movements</b>	<b>(1,122)</b>	<b>(156)</b>	<b>(2,104)</b>	<b>(3,382)</b>
<b>As at 30 June 2020</b>				
Gross book value	5,514	1,376	61,501	68,391
Accumulated depreciation/ amortisation and impairment	(3,365)	(1,258)	(58,076)	(62,699)
<b>Closing net book balance</b>	<b>2,149</b>	<b>118</b>	<b>3,425</b>	<b>5,692</b>

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Suppliers	16,591	4,219	4,259	4,299	4,340
Other expenses	278,925	252,861	273,211	337,977	334,936
<b>Total expenses administered on behalf of Government</b>	<b>295,516</b>	<b>257,080</b>	<b>277,470</b>	<b>342,276</b>	<b>339,276</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Other taxes	220,458	824	867	909	895
<b>Total taxation revenue</b>	<b>220,458</b>	<b>824</b>	<b>867</b>	<b>909</b>	<b>895</b>
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	16,099	17,432	17,958	18,176	18,104
<b>Total non-taxation revenue</b>	<b>16,099</b>	<b>17,432</b>	<b>17,958</b>	<b>18,176</b>	<b>18,104</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>236,557</b>	<b>18,256</b>	<b>18,825</b>	<b>19,085</b>	<b>18,999</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>236,557</b>	<b>18,256</b>	<b>18,825</b>	<b>19,085</b>	<b>18,999</b>
<b>Net (cost of)/contribution by services</b>	<b>(58,959)</b>	<b>(238,824)</b>	<b>(258,645)</b>	<b>(323,191)</b>	<b>(320,277)</b>
<b>Total comprehensive income/(loss)</b>	<b>(58,959)</b>	<b>(238,824)</b>	<b>(258,645)</b>	<b>(323,191)</b>	<b>(320,277)</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,129	1,129	1,129	1,129	1,129
Trade and other receivables	6,983	6,983	6,983	6,983	6,983
<b>Total financial assets</b>	<b>8,112</b>	<b>8,112</b>	<b>8,112</b>	<b>8,112</b>	<b>8,112</b>
<b>Total assets administered on behalf of Government</b>	<b>8,112</b>	<b>8,112</b>	<b>8,112</b>	<b>8,112</b>	<b>8,112</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	831	831	831	831	831
Other payables	46,367	46,367	46,367	46,367	46,367
<b>Total payables</b>	<b>47,198</b>	<b>47,198</b>	<b>47,198</b>	<b>47,198</b>	<b>47,198</b>
<b>Provisions</b>					
Other provisions	245,372	245,372	245,372	245,372	245,372
<b>Total provisions</b>	<b>245,372</b>	<b>245,372</b>	<b>245,372</b>	<b>245,372</b>	<b>245,372</b>
<b>Total liabilities administered on behalf of Government</b>	<b>292,570</b>	<b>292,570</b>	<b>292,570</b>	<b>292,570</b>	<b>292,570</b>
<b>Net assets/(liabilities)</b>	<b>(284,458)</b>	<b>(284,458)</b>	<b>(284,458)</b>	<b>(284,458)</b>	<b>(284,458)</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	16,099	17,432	17,958	18,176	18,104
Taxes	220,458	824	867	909	895
<b>Total cash received</b>	<b>236,557</b>	<b>18,256</b>	<b>18,825</b>	<b>19,085</b>	<b>18,999</b>
<b>Cash used</b>					
Suppliers	16,591	4,219	4,259	4,299	4,340
Other	217,275	252,861	273,211	337,977	334,936
<b>Total cash used</b>	<b>233,866</b>	<b>257,080</b>	<b>277,470</b>	<b>342,276</b>	<b>339,276</b>
<b>Net cash from/(used by) operating activities</b>	<b>2,691</b>	<b>(238,824)</b>	<b>(258,645)</b>	<b>(323,191)</b>	<b>(320,277)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Special Account	3,500	3,500	3,500	3,500	3,500
<b>Total cash received</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>
<b>Cash used</b>					
Net repayment of borrowings					
Special Account	3,500	3,500	3,500	3,500	3,500
<b>Total cash used</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>2,691</b>	<b>(238,824)</b>	<b>(258,645)</b>	<b>(323,191)</b>	<b>(320,277)</b>
Cash and cash equivalents at beginning of reporting period	1,129	1,129	1,129	1,129	1,129
Cash from Official Public Account for:					
- Appropriations	233,866	257,080	277,470	342,276	339,276
<b>Total cash from Official Public Account</b>	<b>233,866</b>	<b>257,080</b>	<b>277,470</b>	<b>342,276</b>	<b>339,276</b>
Cash to Official Public Account for:					
- Appropriations	(236,557)	(18,256)	(18,825)	(19,085)	(18,999)
<b>Total cash to Official Public Account</b>	<b>(236,557)</b>	<b>(18,256)</b>	<b>(18,825)</b>	<b>(19,085)</b>	<b>(18,999)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>1,129</b>	<b>1,129</b>	<b>1,129</b>	<b>1,129</b>	<b>1,129</b>

Prepared on Australian Accounting Standards basis.

# **CLIMATE CHANGE AUTHORITY**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# CLIMATE CHANGE AUTHORITY

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# CLIMATE CHANGE AUTHORITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1: Climate Change Authority resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services		
Prior year appropriations available	-	-
s74 External Revenue (a)	1,555	1,553
Total departmental annual appropriations	1,555	1,553
<b>Total departmental resourcing</b>	<b>1,555</b>	<b>1,553</b>
<b>Total resourcing for Climate Change Authority</b>	<b>1,555</b>	<b>1,553</b>
	2018-19	2019-20
<b>Average staffing level (number)</b>	9	9

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

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

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

### **1.3 BUDGET MEASURES**

There are no 2019-20 Budget measures relating to the Climate Change Authority.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for the Climate Change Authority can be found at: <http://www.climatechangeauthority.gov.au/corporate-plan-2018-19>.

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

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

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

### Budgeted expenses for Outcome 1

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Reviewing Climate Change Mitigation Policies</b>					
Departmental expenses					
s74 External Revenue (a)	1,555	1,553	1,556	1,579	1,589
Expenses not requiring appropriation in the Budget year (b)	286	-	-	-	-
<b>Departmental total</b>	<b>1,841</b>	<b>1,553</b>	<b>1,556</b>	<b>1,579</b>	<b>1,589</b>
<b>Total expenses for program 1.1</b>	<b>1,841</b>	<b>1,553</b>	<b>1,556</b>	<b>1,579</b>	<b>1,589</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
s74 External Revenue (a)	1,555	1,553	1,556	1,579	1,589
Expenses not requiring appropriation in the Budget year (b)	286	-	-	-	-
<b>Departmental total</b>	<b>1,841</b>	<b>1,553</b>	<b>1,556</b>	<b>1,579</b>	<b>1,589</b>
<b>Total expenses for Outcome 1</b>	<b>1,841</b>	<b>1,553</b>	<b>1,556</b>	<b>1,579</b>	<b>1,589</b>
<b>Average staffing level (number)</b>					
	2018-19	2019-20			
	9	9			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

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

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and undertaking climate change research.		
Program 1.1 – Reviewing climate change mitigation policies		
The Climate Change Authority’s objective is to provide rigorous, independent and balanced advice to the Minister for the Environment and the Minister for Energy, to assist the Department and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.		
Delivery	<p>The Authority will conduct regular legislative reviews, and undertake climate change research by:</p> <ul style="list-style-type: none"><li>performing desktop and in-depth research and analysis.</li><li>commissioning external resources to do analytic work where needed.</li><li>conducting meaningful and transparent consultation with experts and stakeholders including business, industry, environment and other community groups.</li><li>monitoring developments in climate change policy by reviewing publicly available resources and building networks with expert, local and international organisations.</li></ul> <p>The Authority secretariat will assist Authority decision making by:</p> <ul style="list-style-type: none"><li>providing briefing, draft reports and other supporting documents that are fit for purpose and of a high quality.</li></ul>	
Performance information		
Year	Performance criteria	Targets
2018-19	Legislative reviews and research reports conducted by the Authority are timely, high quality, well-received by stakeholders, and inform or influence public policy forums and discussions.	<p>Statutory deadlines for legislative reviews are met. Forecast: on-track</p> <p>Stakeholders express the view that reports are of high quality and influential. Forecast: on-track</p>
	Public consultation processes are transparent, accessible and facilitate meaningful engagement with stakeholders.	<p>Stakeholders express the view that consultation has been meaningful and transparent. Forecast: on-track</p> <p>Issues papers, public submissions, research reports and review reports are accessible on the Authority’s website. Forecast: on-track</p>

*Climate Change Authority Budget Statements*

<b>Program 1.1 – Reviewing climate change mitigation policies</b> The Climate Change Authority's objective is to provide rigorous, independent and balanced advice to the Minister for the Environment and the Minister for Energy, to assist the Department and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
	The Authority secretariat's work supports effective decision making by the Authority.	Authority members express satisfaction with the work of the secretariat.  On track.
2019-20 (a)	Legislative reviews and research reports conducted by the Authority are timely, high quality, well-received by stakeholders, and inform or influence public policy forums and discussions.	As per 2018–19
	Public consultation processes are transparent, accessible and facilitate meaningful engagement with stakeholders.	As per 2018–19
	The Authority secretariat's work supports effective decision making by the Authority.	As per 2018–19
2020-21 and beyond	As per 2019–20	As per 2019–20
<b>Purposes</b>	The Climate Change Authority's objective is to provide rigorous, independent and balanced advice to the Minister for the Environment and the Minister for Energy and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.  The Authority will do this by conducting regular and specifically commissioned reviews, and undertaking climate change research published as issues papers, research and review reports.	

(a) Performance criteria for Outcome 1 will be reflected in the 2019-20 Corporate Plan.



## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Explanatory notes and analysis of budgeted financial statements**

The financial statements reflect the Authority' operations to 30 June 2020.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	1,350	<b>1,314</b>	1,325	1,336	1,344
Suppliers	491	<b>239</b>	241	243	245
<b>Total expenses</b>	<b>1,841</b>	<b>1,553</b>	<b>1,566</b>	<b>1,579</b>	<b>1,589</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Own-source revenue					
Other	1,555	<b>1,553</b>	1,566	1,579	1,589
<b>Total own-source revenue</b>	<b>1,555</b>	<b>1,553</b>	<b>1,566</b>	<b>1,579</b>	<b>1,589</b>
<b>Total own-source income</b>	<b>1,555</b>	<b>1,553</b>	<b>1,566</b>	<b>1,579</b>	<b>1,589</b>
<b>Net (cost of)/contribution by services</b>	<b>(286)</b>	-	-	-	-
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(286)</b>	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(286)</b>	-	-	-	-
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(286)</b>	-	-	-	-

**Note: Impact of net cash appropriation arrangements**

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations</b>	<b>(286)</b>	-	-	-	-
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(286)</b>	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	19	19	19	19	19
Trade and other receivables	78	78	78	78	78
<b>Total financial assets</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Total assets</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employee provisions	97	97	97	97	97
<b>Total provisions</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Total liabilities</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Net assets</b>	-	-	-	-	-
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	-	-	-	-	-
Retained surplus (accumulated deficit)	-	-	-	-	-
<b>Total parent entity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

\*Equity is the residual interest in assets after the deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>					
Balance carried forward from previous period	-	-	-	-	-
<b>Adjusted opening balance</b>	-	-	-	-	-
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-
of which:					
Attributable to the Australian Government	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2020</b>	-	-	-	-	-
<b>Closing balance attributable to the Australian Government</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	13	-	-	-	-
Other	1,555	1,553	1,566	1,579	1,589
<b>Total cash received</b>	<b>1,568</b>	<b>1,553</b>	<b>1,566</b>	<b>1,579</b>	<b>1,589</b>
<b>Cash used</b>					
Employees	1,772	1,314	1,325	1,336	1,344
Suppliers	573	239	241	243	245
s74 External Revenue transferred to the OPA	5	-	-	-	-
<b>Total cash used</b>	<b>2,350</b>	<b>1,553</b>	<b>1,566</b>	<b>1,579</b>	<b>1,589</b>
<b>Net cash from/(used by) operating activities</b>	<b>(782)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>(782)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	801	19	19	19	19
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>

Prepared on Australian Accounting Standards basis.



## **DIRECTOR OF NATIONAL PARKS**

### **ENTITY RESOURCES AND PLANNED PERFORMANCE**





## DIRECTOR OF NATIONAL PARKS

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# DIRECTOR OF NATIONAL PARKS

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

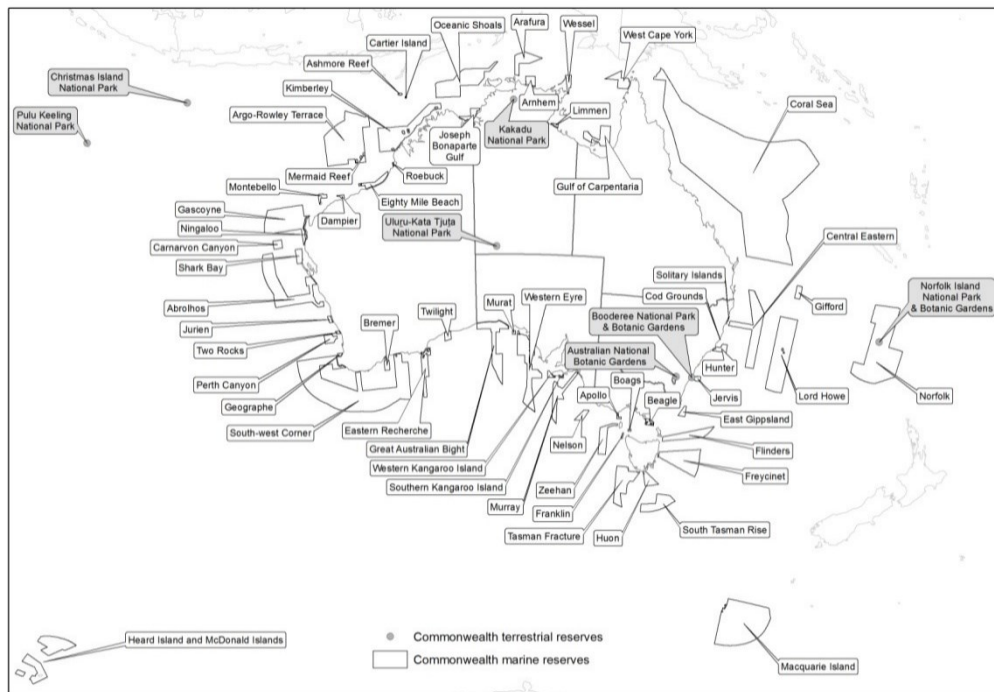
- Booderee, Kakadu and Uluru-Kata Tjuta National Parks, which are each jointly managed with their Aboriginal Traditional Owners. Kakadu and Uluru-Kata Tjuta National Parks are World Heritage listed.
- National parks in the Australian territories of Norfolk, Christmas and Cocos (Keeling) Islands.
- The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

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

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

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

**Diagram 1: Location of Commonwealth Parks and Reserves**



## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1: Director of National Parks resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>49,657</b>	<b>49,657</b>
<b>Funds from Government</b>		
Annual appropriations - other services (a)		
Equity injection - transferred by Portfolio Department	181	355
Total annual appropriations	181	355
Amounts received from related entities		
Amounts from Portfolio Department (b, c)	47,434	45,805
Total amounts received from related entities	47,434	45,805
<b>Total funds from Government</b>	<b>47,615</b>	<b>46,160</b>
<b>Funds from other sources</b>		
Interest	1,540	1,540
Sale of goods and services	24,433	23,897
Other	5,107	5,203
<b>Total funds from other sources</b>	<b>31,080</b>	<b>30,640</b>
<b>Total net resourcing for the Director of National Parks</b>	<b>128,352</b>	<b>126,457</b>
<hr/>		
	2018-19	2019-20
<b>Average staffing level (number)</b>	<b>331</b>	<b>331</b>

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

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

(a) Appropriation Bill (No. 2) 2019-20.

(b) Funding provided by the Portfolio Department that is not specified within the annual appropriation bills as a payment to the Director of National Parks.

(c) Funding provided by the Portfolio Department in 2018-19 does not include Appropriation Bill (No. 3) 2018-19 as it had not been enacted at the time of publication.

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Director of National Parks are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Director of National Parks 2019-20 Budget measures**  
**Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)**

		2018-19	2019-20	2020-21	2021-22	2022-23
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expense measures</b>						
Securing Tourism and Jobs in Kakadu (a)	1.1					
Departmental expense		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total Expense Measures</b>						
Departmental		-	-	-	-	-
<b>Total</b>		-	-	-	-	-

Prepared on a Government Financial Statistics (Fiscal) basis

(a) This measure was reported in the Portfolio Additional Estimates Statements 2018-19, and is included here for consistency with Budget Paper No. 2.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for Director of National Parks can be found at: <https://www.environment.gov.au/resource/corporate-plan-2018-22-director-national-parks>.

The most recent annual performance statement can be found at: <https://www.environment.gov.au/resource/annual-report-2017-18-director-national-parks>.



## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

#### Department of the Environment and Energy

##### Programs

- Program 1.1 – Sustainable Management of Natural Resources and the Environment
- Program 1.2 – Environmental Information and Research
- Program 1.4 – Conservation of Australia's Heritage and Environment

##### Contribution to Outcome 1 made by linked programs

The Department of the Environment and Energy and Director of National Parks work together through engagement on policy direction, heritage management and species conservation within Commonwealth-managed marine and terrestrial reserves. The Department of the Environment and Energy is working with the Director of National Parks to transition the Jabiru township to a post-mining environment.

#### Great Barrier Reef Marine Park Authority

##### Programs

- Program 1.1 – Improving the Outlook for the Great Barrier Reef

##### Contribution to Outcome 1 made by linked programs

The Coral Sea Commonwealth Marine Reserve managed by the Director of National Parks adjoins the Great Barrier Reef Marine Park and provides complementary protection for ecosystems and biodiversity in the region.

<b>Department of Infrastructure, Regional Development and Cities</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Infrastructure Investment</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of Infrastructure, Regional Development and Cities is working with the Director of National Parks to secure the future of Jabiru by supporting the township’s transition from a reliance on mining to a tourism-based economy that leverages its proximity to the Kakadu National Park. Funding of \$70 million for roads under the Infrastructure Investment Program will complement an investment of more than \$100 million by the Australian Government to improve tourism infrastructure and to bolster the local economy and support Indigenous businesses and employment.</p>

**Budgeted expenses for Outcome 1**

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Parks and Reserves</b>					
Revenue from Government					
Payment from related entities	47,438	45,805	43,466	44,494	44,808
Expenses not requiring appropriation in the budget year (a)	9,951	5,463	5,599	4,207	3,682
Revenues from other independent sources	31,080	30,640	29,859	29,927	29,404
<b>Total expenses for Program 1.1</b>	<b>88,469</b>	<b>81,908</b>	<b>78,924</b>	<b>78,628</b>	<b>77,894</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Payment from related entities	47,438	45,805	43,466	44,494	44,808
Expenses not requiring appropriation in the budget year (a)	9,951	5,463	5,599	4,207	3,682
Revenues from other independent sources	31,080	30,640	29,859	29,927	29,404
<b>Total expenses for Outcome 1</b>	<b>88,469</b>	<b>81,908</b>	<b>78,924</b>	<b>78,628</b>	<b>77,894</b>
<b>Average staffing level (number)</b>					
	2018-19	2019-20			
	331	331			

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

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

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Management of Commonwealth reserves as outstanding natural places that enhance Australia’s well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.</b>		
<b>Program 1.1 – Parks and Reserves: healthy and resilient parks, gardens and marine reserves, protecting nature and culture and valued by the community now and into the future.</b>		
<b>Delivery</b>	With traditional owners and stakeholders, develop and implement management plans for Commonwealth reserves.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2018-19	Populations of threatened and significant species are increasing.	Increase in populations of prioritised threatened and significant species.  On track
	Populations of priority invasive species are reduced.	Decrease in size of populations of prioritised invasive species.  On track
	Increase in numbers of Indigenous staff and/or contractors directly or indirectly providing park services.	Increase in numbers of Indigenous staff. Increase in value of services provided by Indigenous providers.  On track
	Maintain or improve the level of visitor satisfaction and number of visitors.	Maintain or improve levels of visitor satisfaction. 5 per cent increase in visitor numbers.  On track
	Enhance level of active management of marine reserves and engagement of users and stakeholders.	New management plans for Commonwealth marine parks in effect and consultative arrangements established.  Achieved
	Increase the knowledge base for long term adaptive management of the marine reserves.	Increase in the number of marine reserves long-term monitoring sites.  On track

*Director of National Parks Budget Statements*

<b>Program 1.1 – Parks and Reserves:</b> healthy and resilient parks, gardens and marine reserves, protecting nature and culture and valued by the community now and into the future.		
<b>Delivery</b>	With traditional owners and stakeholders, develop and implement management plans for Commonwealth reserves.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2019-20	Enhance level of active management of marine reserves and engagement of users and stakeholders.	Number of management plans for Australian marine parks in effect. Number of advisory committees meetings.
	As per 2018–19 for remaining performance criteria.	As per 2018–19 for remaining targets.
2020-21 and beyond	As for 2019-20	As for 2019-20
<b>Purposes</b>	<ul style="list-style-type: none"><li>Resilient places and ecosystems: to protect and conserve the natural and cultural values of Commonwealth reserves.</li><li>Multiple benefits to traditional owners and local communities: to support the aspirations of traditional owners and local communities in managing land and sea country.</li><li>Amazing destinations: to offer world class natural and cultural experiences, enhancing Australia’s visitor economy.</li></ul>	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

Estimates for the Director of National Parks have increased primarily as a result of the measure supporting the implementation of the \$216 million Jabiru and Kakadu National Park package announced in early 2019.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

The Agency Resource Statement (Table 1.1) is prepared on a cash basis and provides a consolidated view of all the cash resources available to the Director of National Parks in 2019-20. For departmental items this includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the Departmental Balance Sheet (Table 3.2). The Comprehensive Income Statement (Table 3.1) shows only the operating appropriation provided each year and own source revenue generated by the agency.

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

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	37,541	36,651	35,424	36,484	36,658
Suppliers	35,597	31,079	29,186	29,222	28,839
Depreciation and amortisation	14,326	14,178	14,314	12,922	12,397
Other expenses	1,005	-	-	-	-
<b>Total expenses</b>	<b>88,469</b>	<b>81,908</b>	<b>78,924</b>	<b>78,628</b>	<b>77,894</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	24,433	23,897	23,125	23,137	22,614
Interest	1,540	1,540	1,540	1,540	1,540
Other	5,107	5,203	5,194	5,250	5,250
<b>Total own-source revenue</b>	<b>31,080</b>	<b>30,640</b>	<b>29,859</b>	<b>29,927</b>	<b>29,404</b>
<b>Total own-source income</b>	<b>31,080</b>	<b>30,640</b>	<b>29,859</b>	<b>29,927</b>	<b>29,404</b>
<b>Net (cost of)/contribution by services</b>	<b>(57,389)</b>	<b>(51,268)</b>	<b>(49,065)</b>	<b>(48,701)</b>	<b>(48,490)</b>
Revenue from Government	47,438	45,805	43,466	44,494	44,808
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(9,951)</b>	<b>(5,463)</b>	<b>(5,599)</b>	<b>(4,207)</b>	<b>(3,682)</b>
<b>Total comprehensive income/(loss)</b>	<b>(9,951)</b>	<b>(5,463)</b>	<b>(5,599)</b>	<b>(4,207)</b>	<b>(3,682)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(9,951)</b>	<b>(5,463)</b>	<b>(5,599)</b>	<b>(4,207)</b>	<b>(3,682)</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7,063	7,063	7,063	7,063	7,063
Trade and other receivables	2,810	2,810	2,810	2,810	2,810
Other investments	42,594	42,594	42,594	42,594	42,594
Other financial assets	1,337	1,337	1,337	1,337	1,337
<b>Total financial assets</b>	<b>53,804</b>	<b>53,804</b>	<b>53,804</b>	<b>53,804</b>	<b>53,804</b>
<b>Non-financial assets</b>					
Land and buildings	75,080	74,270	73,926	73,926	73,926
Property, plant and equipment	139,904	135,606	130,351	126,144	122,462
Intangibles	3,332	3,332	3,332	3,332	3,332
Other non-financial assets	752	752	752	752	752
<b>Total non-financial assets</b>	<b>219,068</b>	<b>213,960</b>	<b>208,361</b>	<b>204,154</b>	<b>200,472</b>
<b>Total assets</b>	<b>272,872</b>	<b>267,764</b>	<b>262,165</b>	<b>257,958</b>	<b>254,276</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,374	3,374	3,374	3,374	3,374
Other payables	10,859	10,859	10,859	10,859	10,859
<b>Total payables</b>	<b>14,233</b>	<b>14,233</b>	<b>14,233</b>	<b>14,233</b>	<b>14,233</b>
<b>Provisions</b>					
Employee provisions	7,895	7,895	7,895	7,895	7,895
Other provisions	38	38	38	38	38
<b>Total provisions</b>	<b>7,933</b>	<b>7,933</b>	<b>7,933</b>	<b>7,933</b>	<b>7,933</b>
<b>Total liabilities</b>	<b>22,166</b>	<b>22,166</b>	<b>22,166</b>	<b>22,166</b>	<b>22,166</b>
<b>Net assets</b>	<b>250,706</b>	<b>245,598</b>	<b>239,999</b>	<b>235,792</b>	<b>232,110</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	37,621	37,976	37,976	37,976	37,976
Reserves	188,796	188,796	188,796	188,796	188,796
Retained surplus (accumulated deficit)	24,289	18,826	13,227	9,020	5,338
<b>Total parent entity interest</b>	<b>250,706</b>	<b>245,598</b>	<b>239,999</b>	<b>235,792</b>	<b>232,110</b>
<b>Total equity</b>	<b>250,706</b>	<b>245,598</b>	<b>239,999</b>	<b>235,792</b>	<b>232,110</b>

Prepared on Australian Accounting Standards basis.

\*Equity is the residual interest in assets after the deduction of liabilities.



**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>				
Balance carried forward from previous period	24,289	188,796	37,621	250,706
<b>Adjusted opening balance</b>	<b>24,289</b>	<b>188,796</b>	<b>37,621</b>	<b>250,706</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(5,463)	-	-	(5,463)
<b>Total comprehensive income</b>	<b>(5,463)</b>	<b>-</b>	<b>-</b>	<b>(5,463)</b>
of which:				
Attributable to the Australian Government	(5,463)	-	-	(5,463)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection - transferred by Portfolio Department	-	-	355	355
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>355</b>	<b>355</b>
<b>Estimated closing balance as at 30 June 2020</b>	<b>18,826</b>	<b>188,796</b>	<b>37,976</b>	<b>245,598</b>
<b>Closing balance attributable to the Australian Government</b>	<b>18,826</b>	<b>188,796</b>	<b>37,976</b>	<b>245,598</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of goods and rendering of services	24,433	23,897	23,125	23,137	22,614
Interest	1,540	1,540	1,540	1,540	1,540
Other	907	916	907	963	963
Receipts from Government	47,438	45,805	43,466	44,494	44,808
<b>Total cash received</b>	<b>74,318</b>	<b>72,158</b>	<b>69,038</b>	<b>70,134</b>	<b>69,925</b>
<b>Cash used</b>					
Employees	37,541	36,651	35,424	36,484	36,658
Suppliers	31,397	26,792	24,899	24,935	24,552
Other	1,005	-	-	-	-
<b>Total cash used</b>	<b>69,943</b>	<b>63,443</b>	<b>60,323</b>	<b>61,419</b>	<b>61,210</b>
<b>Net cash from/(used by) operating activities</b>	<b>4,375</b>	<b>8,715</b>	<b>8,715</b>	<b>8,715</b>	<b>8,715</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	8,896	9,070	8,715	8,715	8,715
<b>Total cash used</b>	<b>8,896</b>	<b>9,070</b>	<b>8,715</b>	<b>8,715</b>	<b>8,715</b>
<b>Net cash from/(used by) investing activities</b>	<b>(8,896)</b>	<b>(9,070)</b>	<b>(8,715)</b>	<b>(8,715)</b>	<b>(8,715)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Equity injection - transferred by Portfolio Department	181	355	-	-	-
<b>Total cash received</b>	<b>181</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>181</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>(4,340)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	11,403	7,063	7,063	7,063	7,063
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>7,063</b>	<b>7,063</b>	<b>7,063</b>	<b>7,063</b>	<b>7,063</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injection - transferred by Portfolio Department	181	355	-	-	-
<b>Total new capital appropriations</b>	<b>181</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provided for:</b>					
Purchase of non-financial assets	181	355	-	-	-
<b>Total items</b>	<b>181</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	181	355	-	-	-
Funded internally from departmental resources (b)	8,715	8,715	8,715	8,715	8,715
<b>TOTAL</b>	<b>8,896</b>	<b>9,070</b>	<b>8,715</b>	<b>8,715</b>	<b>8,715</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	8,896	9,070	8,715	8,715	8,715
<b>Total cash used to acquire assets</b>	<b>8,896</b>	<b>9,070</b>	<b>8,715</b>	<b>8,715</b>	<b>8,715</b>

Prepared on Australian Accounting Standards basis.

(a) Includes both current Appropriation Bill (No. 2) and prior Act (No. 2/4/6) appropriations.

(b) Includes the following sources of funding:

- current Appropriation Bill (No. 1) and prior Act (No. 1/3/5) appropriations;
- donations and contributions;
- internally developed assets; and
- proceeds from the sale of assets.

**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>					
Gross book value	12,531	69,742	160,825	3,394	246,492
Accumulated depreciation/ amortisation and impairment	-	(7,193)	(20,921)	(62)	(28,176)
<b>Opening net book balance</b>	<b>12,531</b>	<b>62,549</b>	<b>139,904</b>	<b>3,332</b>	<b>218,316</b>
<b>Capital asset additions</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity (a)	-	-	355	-	355
By purchase - appropriation ordinary annual services (b)	-	2,500	6,215	-	8,715
<b>Total additions</b>	<b>-</b>	<b>2,500</b>	<b>6,570</b>	<b>-</b>	<b>9,070</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(3,310)	(10,868)	-	(14,178)
<b>Total other movements</b>	<b>-</b>	<b>(3,310)</b>	<b>(10,868)</b>	<b>-</b>	<b>(14,178)</b>
<b>As at 30 June 2020</b>					
Gross book value	12,531	72,242	167,395	3,394	255,562
Accumulated depreciation/ amortisation and impairment	-	(10,503)	(31,789)	(62)	(42,354)
<b>Closing net book balance</b>	<b>12,531</b>	<b>61,739</b>	<b>135,606</b>	<b>3,332</b>	<b>213,208</b>

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses.

# **GREAT BARRIER REEF MARINE PARK AUTHORITY**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# GREAT BARRIER REEF MARINE PARK AUTHORITY

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## **GREAT BARRIER REEF MARINE PARK AUTHORITY**

### **Section 1: Entity overview and resources**

#### **1.1 STRATEGIC DIRECTION STATEMENT**

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

The Authority was established under the *Great Barrier Reef Marine Park Act 1975* to ensure the long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park. The Act allows for ecologically sustainable use and encourages stakeholder engagement in protection and management. The Authority delivers against the objectives of the Act by directing our work to four main focus areas:

- Providing expert knowledge to influence and advise decision makers on managing, reducing or avoiding significant threats to the Reef.
- Planning, regulating and ensuring compliance.
- Educating and fostering stewardship to enhance protection of the Reef.
- Enhancing Reef resilience through continuous improvement and new initiatives across all aspects of management.

The Authority seeks to protect and conserve the Great Barrier Reef Marine Park from the key pressures and threats to the values of the Reef. The most concerning threats to the Reef come from outside the Marine Park boundary, most significantly from the impacts of climate change, but also land-based runoff from Reef catchments and coastal development. In order to address these significant challenges, the Authority will continue to work with key partners and decision-makers to raise awareness of the effects of activities both inside and outside the Marine Park.

While accelerating global actions to address climate change are critical to ensure the future of the Reef, the Authority also recognises the need to intensify efforts and adopt new approaches to build the Reef's resilience to current and future disturbances, as well as support its ongoing recovery from previous disturbances. The Authority's Zoning Plan and established management practices are the foundation upon which new

approaches can be tailored to promote recovery and resilience of the ecosystem. The Authority will build on this foundation by maturing our regulatory framework and delivering on a strategic roadmap for future policy and planning.

Complementing proven techniques with the adoption of new innovative approaches – including restoration and intervention - will ensure the Authority continues to address the local and regional stressors to the Great Barrier Reef Marine Park.

The Authority's ability to effectively manage the Marine Park is enhanced by its partnership with the Queensland Government through the Reef Joint Field Management Program. This Program is essential for the effective management of the Marine Park, through delivery of practical conservation actions, monitoring Reef health, responding to incidents, and enforcing the Zoning Plan. The Australian Government provided an additional \$42.7 million over five years from 2018-19 and an ongoing commitment of \$10.2 million (indexed) beyond that point to the Reef Joint Field Management Program, which will increase the presence and delivery of field activities essential for resilience of the Reef. This new funding has been matched by the Queensland Government. A dedicated compliance capacity has been established in the southern half of the Reef and the Authority has been able to support the Queensland Government's implementation of vessel tracking in the commercial fishing industry.

Additional funding of \$10.4 million over two years from 2017-18 was provided to extend crown-of-thorns starfish control efforts within the Marine Park. With these additional resources, the Authority has increased the number of vessels on the water to control outbreaks, reducing coral mortality and preventing further declines of healthy coral at high value sites.

The Authority will work with Traditional Owners of the Great Barrier Reef to implement the Aboriginal and Torres Strait Islander Heritage Strategy to keep their Indigenous heritage strong, safe and healthy and move towards a future where the enduring culture and connection of Reef Traditional Owners with their sea country is widely recognised.

In 2015, the Australian and Queensland governments released the Reef 2050 Long-Term Sustainability Plan. An updated Reef 2050 Plan was released in July 2018 following a mid-term review. The Authority will continue to play a key role in implementation of the Reef 2050 Plan which sets an overarching framework for protection of the Reef's Outstanding Universal Value. The Reef 2050 Plan will be the subject of a comprehensive review in 2020, which will outline the strategic direction of the Australian and Queensland government's management of the Reef.

The Authority views engagement with the international community as critically important for the protection of coral reefs world-wide. Australia, through the Authority, was one of eight countries that founded the International Coral Reef Initiative (ICRI) in 1994 – and has been an active member over the past 25 years. Australia is currently co-chairing the ICRI Secretariat with Monaco and Indonesia. ICRI also provides a united

voice to raise awareness, and encourage action, to combat pressures on coral reefs that are occurring at a global scale.

The Authority continues to empower communities and industry to protect and conserve the Reef through activities that support recovery and resilience.

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

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1: Great Barrier Reef Marine Park Authority resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 (a) Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	22,700	22,700
Departmental appropriation (c)	41,772	34,826
s74 External Revenue (d)	28,669	27,227
Departmental capital budget (e)	758	757
Annual appropriations - other services - non-operating (f)		
Equity injection	1,321	1,000
<i>Total departmental annual appropriations</i>	<i>95,220</i>	<i>86,510</i>
Total departmental special appropriations (g)	11,000	11,000
Special accounts (g)		
Opening balance	34,884	30,847
Appropriation receipts (h)	11,965	12,740
Non-appropriation receipts	16,228	15,391
<i>Total special accounts</i>	<i>63,077</i>	<i>58,978</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(28,193)</i>	<i>(28,131)</i>
<b>Total departmental resourcing</b>	<b>197,490</b>	<b>184,619</b>
	2018-19	2019-20
<b>Average staffing level (number)</b>	222	224

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

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

- (a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.
- (b) Appropriation Bill (No. 1) 2019-20.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2019-20.
- (g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account(s) from the Authority's annual and special appropriations.

### **1.3 BUDGET MEASURES**

There are no 2019-20 Budget measures relating to the Great Barrier Reef Marine Park Authority.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for the Great Barrier Reef Marine Park Authority can be found at:

<http://elibrary.gbrmpa.gov.au/jspui/bitstream/11017/3400/4/GBRMPA-2018-19-CorporatePlan.pdf>

The most recent annual performance statement can be found at:

<http://elibrary.gbrmpa.gov.au/jspui/bitstream/11017/3403/9/GBRMPA-Annual-Report-2017-18.pdf>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

#### **Australian Institute of Marine Science**

##### **Programs**

- Program 1 – Marine Research

##### **Contribution to Outcome 1 made by linked programs**

The Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science work together on implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.

#### **Department of the Environment and Energy**

##### **Programs**

- Program 1.1 – Sustainable Management of Natural Resources and the Environment
- Program 1.4 – Conservation of Australia's Heritage and Environment
- Program 1.5 – Environmental Regulation
- Program 2.1 – Reducing Australia's Greenhouse Gas Emissions
- Program 2.2 – Adapting to Climate Change

##### **Contribution to Outcome 1 made by linked programs**

The Department of the Environment and Energy and the Great Barrier Reef Marine Park Authority work together on heritage management, environment health, species conservation and fisheries management as well as joint implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef. Climate Change is the most significant threat to the Great Barrier Reef. The Department of the Environment and Energy is responsible for policy to support an effective global response to climate change and for adapting to climate change.



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

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

**Budgeted expenses for Outcome 1**

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Improving the Outlook for the Great Barrier Reef</b>					
Departmental expenses					
Departmental appropriation	29,807	22,086	22,369	22,550	22,762
s74 External Revenue (a)	12,441	11,836	3,018	3,018	3,018
Special appropriations					
Great Barrier Reef Marine Park Act 1975	11,000	11,000	11,000	11,000	11,000
Special accounts					
Great Barrier Reef Field Management Special Account	28,193	28,131	35,031	40,415	40,123
Expenses not requiring appropriation in the Budget year (b)	1,354	1,354	1,354	1,354	1,354
<b>Departmental total</b>	<b>82,795</b>	<b>74,407</b>	<b>72,772</b>	<b>78,337</b>	<b>78,257</b>
<b>Total expenses for program 1.1</b>	<b>82,795</b>	<b>74,407</b>	<b>72,772</b>	<b>78,337</b>	<b>78,257</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation	29,807	22,086	22,369	22,550	22,762
s74 External Revenue (a)	12,441	11,836	3,018	3,018	3,018
Special appropriations	11,000	11,000	11,000	11,000	11,000
Special accounts	28,193	28,131	35,031	40,415	40,123
Expenses not requiring appropriation in the Budget year (b)	1,354	1,354	1,354	1,354	1,354
<b>Departmental total</b>	<b>82,795</b>	<b>74,407</b>	<b>72,772</b>	<b>78,337</b>	<b>78,257</b>
<b>Total expenses for Outcome 1</b>	<b>82,795</b>	<b>74,407</b>	<b>72,772</b>	<b>78,337</b>	<b>78,257</b>
	2018-19	2019-20			
<b>Average staffing level (number)</b>	222	224			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

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

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

**Table 2.1.2.: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 –The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park.</b>		
<b>Program 1.1 – Great Barrier Reef Marine Park Authority</b> Protects and manages the environment, biodiversity, and heritage values of the Great Barrier Reef Region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.		
<b>Delivery</b>	Program 1.1 will be delivered by: <ul style="list-style-type: none"><li>• Providing expert knowledge to influence and advise key decision makers on managing, reducing or avoiding significant threats to the Reef</li><li>• Regulating, and ensuring Marine Park user compliance</li><li>• Educating and fostering stewardship to enhance protection of the Reef</li></ul> Enhancing reef resilience through continuous improvement and new initiatives across all aspects of management	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19	GBRMPA is the authoritative voice on the Reef; its positions on values and threats to the Reef shape its priorities and investment and that of its key stakeholders.  On track	Key stakeholders policies, positions and priorities are influenced by GBRMPA strategic advice and position statements for key issues, values and threats.  On track.  The Reef Knowledge System framework delivers improved access to data to support Reporting, Incident Response and Reef 2050 planning and adaptive management of the Great Barrier Reef.  On-track.  Reef Outlook report is delivered by June 2019 and recognised as the authoritative source on the state of the Reef and utilised by key partners, stakeholders, and international bodies and internal and Reef 2050 programs and activities.  On-track.

*Great Barrier Reef Marine Park Authority Budget Statements*

<b>Program 1.1 – Great Barrier Reef Marine Park Authority</b> Protects and manages the environment, biodiversity, and heritage values of the Great Barrier Reef Region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.		
Year	Performance criteria	Targets
	Planning, permissions and compliance activities enable use of the Marine Park that is ecologically sustainable. On track.	A risk based approach for regulation of Marine Park activities is developed. On track.  Permissions facilitate sustainable use in the Marine Park. On track.  Reduced non-compliance of marine park users. On track.
	GBRMPA, its partners, and the public improve stewardship of the Reef through their commitment to, and adoption of, sustainable behaviours and best practices relevant to the Reef. On track.	Reef HQ exhibitions, public and community education activities improve awareness, attitudes and aspirations. On track.  Stewardship partnerships, networks and programs deliver outcomes informed by and consistent with GBRMPA positions. On track.
	Incident responses and interventions by GBRMPA and partners improve Reef health, and enhance future knowledge and capability On track.	Incident response is effective and efficient, and mitigates damage to the Reef. On track.  Stakeholders and partners are aware of and understand future intervention priorities and locations. On track.  Management activities and priority conservation actions are delivered on budget, provide the intended impact and inform future activities. On track.  Capability is developed to implement effective new approaches to conservation. On track.

*Great Barrier Reef Marine Park Authority Budget Statements*

<b>Program 1.1 – Great Barrier Reef Marine Park Authority</b> Protects and manages the environment, biodiversity, and heritage values of the Great Barrier Reef Region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.		
	Planning, permissions and compliance activities enable use of the Marine Park that is ecologically sustainable.  <div style="text-align: right;">On track.</div>	A risk based approach for regulation of Marine Park activities is developed.  <div style="text-align: right;">On track.</div>  Permissions facilitate sustainable use in the Marine Park.  <div style="text-align: right;">On track.</div>  Reduced non-compliance of marine park users.  <div style="text-align: right;">On track.</div>
2019-20 and beyond	As per 2018-19	
<b>Purposes</b>	Our Purpose is to ensure the long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park.	

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Explanatory notes and analysis of budgeted financial statements**

Changes in appropriation from 2018-19 to 2019-20 are the result of the additional funding received in 2018-19 for Crown of Thorns Control.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	26,865	26,803	26,543	27,344	27,639
Suppliers	36,474	28,002	21,205	21,962	21,899
Grants	97	97	95	95	96
Depreciation and amortisation (a)	1,300	1,300	1,300	1,300	1,300
Payments to Queensland Government for Field Management Program	18,059	18,205	23,629	27,636	27,323
<b>Total expenses</b>	<b>82,795</b>	<b>74,407</b>	<b>72,772</b>	<b>78,337</b>	<b>78,257</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	2,668	2,668	2,668	2,668	2,668
Fees and fines	340	340	340	340	340
Grants received from Government	12,331	11,460	1,947	1,720	1,866
Receipts from Queensland Government for Field Management Program	13,280	12,709	16,468	19,227	19,227
Other	50	50	50	50	50
<b>Total own-source revenue</b>	<b>28,669</b>	<b>27,227</b>	<b>21,473</b>	<b>24,005</b>	<b>24,151</b>
<b>Gains</b>					
Other	54	54	54	54	54
<b>Total gains</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>
<b>Total own-source income</b>	<b>28,723</b>	<b>27,281</b>	<b>21,527</b>	<b>24,059</b>	<b>24,205</b>
<b>Net (cost of)/contribution by services</b>	<b>(54,072)</b>	<b>(47,126)</b>	<b>(51,245)</b>	<b>(54,278)</b>	<b>(54,052)</b>
Revenue from Government	52,772	45,826	49,945	52,978	52,752
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>

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

**Note: Impact of net cash appropriation arrangements**

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	-	-	-	-
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.



*Great Barrier Reef Marine Park Authority Budget Statements*

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	36,104	36,104	36,104	36,104	36,104
Trade and other receivables	23,586	23,586	23,586	23,586	23,586
Other financial assets	17	17	17	17	17
<b>Total financial assets</b>	<b>59,707</b>	<b>59,707</b>	<b>59,707</b>	<b>59,707</b>	<b>59,707</b>
<b>Non-financial assets</b>					
Land and buildings	17,877	18,126	18,741	19,067	19,392
Property, plant and equipment	3,010	3,368	3,132	2,901	2,680
Computer software	1,951	1,801	1,651	1,501	1,351
Inventories	58	58	58	58	58
Other non-financial assets	488	488	488	488	488
<b>Total non-financial assets</b>	<b>23,384</b>	<b>23,841</b>	<b>24,070</b>	<b>24,015</b>	<b>23,969</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>83,091</b>	<b>83,548</b>	<b>83,777</b>	<b>83,722</b>	<b>83,676</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	4,808	4,808	4,808	4,808	4,808
Permit bonds	330	330	330	330	330
Other payables	66	66	66	66	66
<b>Total payables</b>	<b>5,204</b>	<b>5,204</b>	<b>5,204</b>	<b>5,204</b>	<b>5,204</b>
<b>Provisions</b>					
Employee provisions	8,707	8,707	8,707	8,707	8,707
Other provisions	30,720	30,720	30,720	30,720	30,720
<b>Total provisions</b>	<b>39,427</b>	<b>39,427</b>	<b>39,427</b>	<b>39,427</b>	<b>39,427</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>44,631</b>	<b>44,631</b>	<b>44,631</b>	<b>44,631</b>	<b>44,631</b>
<b>Net assets</b>	<b>38,460</b>	<b>38,917</b>	<b>39,146</b>	<b>39,091</b>	<b>39,045</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	28,242	29,999	31,528	32,773	34,027
Reserves	13,219	13,219	13,219	13,219	13,219
Retained surplus (accumulated deficit)	(3,001)	(4,301)	(5,601)	(6,901)	(8,201)
<b>Total parent entity interest</b>	<b>38,460</b>	<b>38,917</b>	<b>39,146</b>	<b>39,091</b>	<b>39,045</b>
<b>Total equity</b>	<b>38,460</b>	<b>38,917</b>	<b>39,146</b>	<b>39,091</b>	<b>39,045</b>

Prepared on Australian Accounting Standards basis.

\*Equity is the residual interest in assets after the deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>					
Balance carried forward from previous period	(3,001)	13,219	-	28,242	38,460
<b>Adjusted opening balance</b>	<b>(3,001)</b>	<b>13,219</b>	<b>-</b>	<b>28,242</b>	<b>38,460</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(1,300)				(1,300)
<b>Total comprehensive income</b>	<b>(1,300)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,300)</b>
of which:					
Attributable to the Australian Government	-	-	-	-	-
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity injection - Appropriation	-	-	-	1,000	1,000
Departmental Capital Budget (DCB)	-	-	-	757	757
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,757</b>	<b>1,757</b>
<b>Estimated closing balance as at 30 June 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,757</b>	<b>1,757</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(4,301)</b>	<b>13,219</b>	<b>-</b>	<b>29,999</b>	<b>38,917</b>

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	52,772	45,826	49,945	52,978	52,752
Receipts from Government	12,331	11,460	1,947	1,720	1,866
Sale of goods and rendering of services	2,668	2,668	2,668	2,668	2,668
Fees and fines	340	340	340	340	340
Receipts from Queensland Government for Field Management Program	13,280	12,709	16,468	19,227	19,227
Other	50	50	50	50	50
<b>Total cash received</b>	<b>81,441</b>	<b>73,053</b>	<b>71,418</b>	<b>76,983</b>	<b>76,903</b>
<b>Cash used</b>					
Employees	26,865	26,803	26,543	27,344	27,639
Suppliers	36,420	27,948	21,151	21,908	21,845
Payments to Queensland Government for Field Management Program	18,059	18,205	23,629	27,636	27,323
Grants	97	97	95	95	96
<b>Total cash used</b>	<b>81,441</b>	<b>73,053</b>	<b>71,418</b>	<b>76,983</b>	<b>76,903</b>
<b>Net cash from/(used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	2,079	1,757	1,528	1,245	1,254
<b>Total cash used</b>	<b>2,079</b>	<b>1,757</b>	<b>1,528</b>	<b>1,245</b>	<b>1,254</b>
<b>Net cash from/(used by) investing activities</b>	<b>(2,079)</b>	<b>(1,757)</b>	<b>(1,528)</b>	<b>(1,245)</b>	<b>(1,254)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	2,079	1,757	1,528	1,245	1,254
<b>Total cash received</b>	<b>2,079</b>	<b>1,757</b>	<b>1,528</b>	<b>1,245</b>	<b>1,254</b>
<b>Net cash from/(used by) financing activities</b>	<b>2,079</b>	<b>1,757</b>	<b>1,528</b>	<b>1,245</b>	<b>1,254</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	36,104	36,104	36,104	36,104	36,104
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>36,104</b>	<b>36,104</b>	<b>36,104</b>	<b>36,104</b>	<b>36,104</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	758	757	763	769	1,254
Equity injections - Bill 2	1,321	1,000	765	476	-
<b>Total new capital appropriations</b>	<b>2,079</b>	<b>1,757</b>	<b>1,528</b>	<b>1,245</b>	<b>1,254</b>
<b>Provided for:</b>					
Purchase of non-financial assets	2,079	1,757	1,528	1,245	1,254
<b>Total items</b>	<b>2,079</b>	<b>1,757</b>	<b>1,528</b>	<b>1,245</b>	<b>1,254</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	1,321	1,000	765	476	-
Funded by capital appropriation - DCB (b)	758	757	763	769	1,254
<b>TOTAL</b>	<b>2,079</b>	<b>1,757</b>	<b>1,528</b>	<b>1,245</b>	<b>1,254</b>

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>				
Gross book value	18,341	3,611	2,251	24,203
Accumulated depreciation/ amortisation and impairment	(464)	(601)	(300)	(1,365)
<b>Opening net book balance</b>	<b>17,877</b>	<b>3,010</b>	<b>1,951</b>	<b>22,838</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity (a)	419	581	-	1,000
By purchase - appropriation ordinary annual services (b)	250	377	130	757
By purchase - other				-
<b>Total additions</b>	<b>669</b>	<b>958</b>	<b>130</b>	<b>1,757</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(420)	(600)	(280)	(1,300)
Other				-
<b>Total other movements</b>	<b>(420)</b>	<b>(600)</b>	<b>(280)</b>	<b>(1,300)</b>
<b>As at 30 June 2020</b>				
Gross book value	19,010	4,569	2,381	25,960
Accumulated depreciation/ amortisation and impairment	(884)	(1,201)	(580)	(2,665)
<b>Closing net book balance</b>	<b>18,126</b>	<b>3,368</b>	<b>1,801</b>	<b>23,295</b>

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>	-	-	-	-	-
<b>Non-taxation revenue</b>					
Environmental Management Charge	11,000	11,000	11,000	11,000	11,000
Infringement Notices	80	80	80	80	80
Rental income	359	364	369	375	381
<b>Total non-taxation revenue</b>	<b>11,439</b>	<b>11,444</b>	<b>11,449</b>	<b>11,455</b>	<b>11,461</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>11,439</b>	<b>11,444</b>	<b>11,449</b>	<b>11,455</b>	<b>11,461</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>11,439</b>	<b>11,444</b>	<b>11,449</b>	<b>11,455</b>	<b>11,461</b>
<b>Net (cost of)/contribution by services</b>	<b>(11,439)</b>	<b>(11,444)</b>	<b>(11,449)</b>	<b>(11,455)</b>	<b>(11,461)</b>
<b>Surplus/(deficit) before income tax</b>	<b>(11,439)</b>	<b>(11,444)</b>	<b>(11,449)</b>	<b>(11,455)</b>	<b>(11,461)</b>
<b>Total comprehensive income/(loss)</b>	<b>(11,439)</b>	<b>(11,444)</b>	<b>(11,449)</b>	<b>(11,455)</b>	<b>(11,461)</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	2,793	2,793	2,793	2,793	2,793
<b>Total financial assets</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>
<b>Non-financial assets</b>					
Land and buildings	4,121	4,121	4,121	4,121	4,121
<b>Total non-financial assets</b>	<b>4,121</b>	<b>4,121</b>	<b>4,121</b>	<b>4,121</b>	<b>4,121</b>
<b>Total assets administered on behalf of Government</b>	<b>6,914</b>	<b>6,914</b>	<b>6,914</b>	<b>6,914</b>	<b>6,914</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	2,793	2,793	2,793	2,793	2,793
<b>Total payables</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>
<b>Total liabilities administered on behalf of Government</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>	<b>2,793</b>
<b>Net assets/(liabilities)</b>	<b>4,121</b>	<b>4,121</b>	<b>4,121</b>	<b>4,121</b>	<b>4,121</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Environmental Management Charge	11,000	11,000	11,000	11,000	11,000
Infringement Notices	80	80	80	80	80
Rental Income	359	364	369	375	381
<b>Total cash received</b>	<b>11,439</b>	<b>11,444</b>	<b>11,449</b>	<b>11,455</b>	<b>11,461</b>
<b>Net cash from/(used by) operating activities</b>	<b>11,439</b>	<b>11,444</b>	<b>11,449</b>	<b>11,455</b>	<b>11,461</b>
<b>Net increase/(decrease) in cash held</b>	<b>11,439</b>	<b>11,444</b>	<b>11,449</b>	<b>11,455</b>	<b>11,461</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special Appropriations	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
- Other	(439)	(444)	(449)	(455)	(461)
<b>Total cash to Official Public Account</b>	<b>(11,439)</b>	<b>(11,444)</b>	<b>(11,449)</b>	<b>(11,455)</b>	<b>(11,461)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.



**Table 3.10: Statement of administered asset movements (Budget year 2019-20)**

	Land	Total
	\$'000	\$'000
<b>As at 1 July 2019</b>		
Gross book value	4,121	4,121
Accumulated depreciation/amortisation and impairment	-	-
<b>Opening net book balance</b>	<b>4,121</b>	<b>4,121</b>
<b>CAPITAL ASSET ADDITIONS</b>		
<b>Estimated expenditure on new or replacement assets</b>		
By purchase - appropriation equity (a)	-	-
<b>Total additions</b>	<b>-</b>	<b>-</b>
<b>Other movements</b>		
Depreciation/amortisation expense	-	-
<b>Total other movements</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2020</b>		
Gross book value	4,121	4,121
Accumulated depreciation/amortisation and impairment	-	-
<b>Closing net book balance</b>	<b>4,121</b>	<b>4,121</b>

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2019-20, including CDABs.



# **SYDNEY HARBOUR FEDERATION TRUST**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# SYDNEY HARBOUR FEDERATION TRUST

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# SYDNEY HARBOUR FEDERATION TRUST

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Sydney Harbour Federation Trust (the Trust) manages some of Sydney's most renowned and prominent foreshore lands on Sydney Harbour. These sites are the former Defence lands at Middle Head-Georges Heights and Chowder Bay in Mosman, the North Head former School of Artillery, Macquarie Lightstation near South Head, Woolwich Dock and Parklands, Cockatoo Island, the former Marine Biological Station at Watsons Bay and the former HMAS Platypus at Neutral Bay. The *Sydney Harbour Federation Trust Act 2001* also provides the potential for other Commonwealth lands in Sydney Harbour, such as Snapper Island, to be vested in the Trust.

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

Whilst the Trust has rehabilitated buildings for preservation as well as revenue generation, the majority of the Trust's investment to date has been in enabling public access to the sites, conserving historic buildings, remediation activities and enhancing the public domain. These social investments are necessary to support visitation to the sites and provide a social return, however they generate minimal financial return on investment. While decontamination, conservation, refurbishment and rehabilitation of sites has been substantial, there remains significant works and unrealised potential at a number of sites including Cockatoo Island, North Head Sanctuary and Sub Base Platypus.

In 2007, the life of the Trust was extended to 2033. This has influenced the way the organisation views itself and its operations, as well as presenting a set of financial challenges. An increasing component of the Trust's efforts are presently concerned with the ongoing management and maintenance of our sites, growing visitation levels, as well as improving the experience of visitors and our tenants alike. Recent analysis in relation to the sustainability of the Trust's business model confirmed that completing the heritage restoration and rehabilitation of remaining buildings will require revised financial arrangements.

In recognition of this, the Government will invest \$21.4 million over three years from 2019-20 for works at Headland Park and Sub base Platypus. This investment will focus on the renewal and adaptive reuse of heritage buildings and environmental work

*Sydney Harbour Federation Trust Budget Statements*

supporting opportunities for local communities and visitors to enjoy the foreshores of Sydney Harbour. The Government has also publicly committed to undertake a review of the Sydney Harbour Federation Trust, to ensure arrangements for the sites the Trust manages are fit for the future.

In parallel, the Trust is committed to improving existing revenue streams and identifying new revenue sources to enable the Trust to achieve its objects under its enabling legislation. To this end, throughout 2019-20 the Trust will further develop a philanthropy plan with the aim of diversifying its revenue streams and securing its financial sustainability.

Another focus for the Trust in 2019-20 is improving the visitor experience through progressing restoration and renewal works on our sites. The completion of Stage 1 of the Sub Base Platypus renewal project is expected to be achieved early in 2019-20. This phase of works will see the refurbishment of key buildings to allow their adaptive reuse by both community and commercial tenants.



## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1. Sydney Harbour Federation Trust resource statement — Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 Estimated actual	2019-20 Estimate
	\$'000	\$'000
<b>Opening balance/cash reserves at 1 July</b>	52,618	38,601
<b>Funds from Government</b>		
Annual appropriations - other services (a)		
Equity injection	-	1,700
Total annual appropriations	-	1,700
<b>Total funds from Government</b>	-	<b>1,700</b>
<b>Funds from other sources</b>		
Interest	1,096	873
Sale of goods and services	16,464	17,512
Other	421	316
<b>Total funds from other sources</b>	<b>17,981</b>	<b>18,701</b>
<b>Total net resourcing for Sydney Harbour Federation Trust</b>	<b>70,599</b>	<b>59,002</b>
<hr/>		
	2018-19	2019-20
<b>Average staffing level (number)</b>	58	63

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

(a) Appropriation Bill (No. 2) 2019-20

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Sydney Harbour Federation Trust are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Entity 2019-20 Budget measures**  
**Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)**

		2018-19	2019-20	2020-21	2021-22	2022-23
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital measures</b>						
Sydney Harbour Federation Trust	1.1					
Departmental capital		-	1,700	19,153	500	-
<b>Total</b>		-	<b>1,700</b>	<b>19,153</b>	<b>500</b>	-
<b>Total capital measures</b>						
Departmental		-	1,700	19,153	500	-
<b>Total</b>		-	<b>1,700</b>	<b>19,153</b>	<b>500</b>	-

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

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

## **2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1**

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

### **Linked programs**

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

### Budgeted expenses for Outcome 1

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.</b>					
	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Sydney Harbour Federation Trust</b>					
Revenues from other independent sources	19,193	21,095	20,495	20,870	21,154
<b>Total expenses for Program 1.1</b>	<b>19,193</b>	<b>21,095</b>	<b>20,495</b>	<b>20,870</b>	<b>21,154</b>
<b>Outcome 1 totals by resource type</b>					
Revenues from other independent sources	19,193	21,095	20,495	20,870	21,154
<b>Total expenses for Outcome 1</b>	<b>19,193</b>	<b>21,095</b>	<b>20,495</b>	<b>20,870</b>	<b>21,154</b>
	2018-19	2019-20			
<b>Average staffing level (number)</b>	58	63			

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.</b>		
<b>Program 1.1 – Sydney Harbour Federation Trust</b>		
To manage emblematic lands around Sydney Harbour, preserve their natural and cultural heritage and foster and promote them as place of leisure, enjoyment and interest for all Australians.		
<b>Delivery</b>	Undertake works and develop programs and facilities to ensure the Trust sites are progressively rehabilitated, conserved and made available for public use and enjoyment.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2018-19	<b>Steward Our Parklands</b> – To care for, conserve, and enhance our parklands and built assets, applying the principles of ecological sustainable development.	90% of our land open to public.  Not on track – Anticipated to be 89%. Completion of Platypus Stage 1B delayed (expected early 2019/20) and Terminal 10 project deferred pending future funding availability.  81% of our built assets in active use.  Not on track – Completion of Platypus Stage 1B delayed (expected early 2019/20). Funding to bring assets into service not available.  Visitor satisfaction with public domain greater than 88%  On track
	<b>Welcome Everyone</b> – Our parklands are for all Australians and we welcome both domestic and international visitors. We want to ensure our sites tell their rich stories, are easy to access, and are places of exploration and discovery.	1.75 million visits to Trust sites.  On track  Visitor satisfaction greater than 90%.  On track
	<b>Build Partnerships</b> – Underpin our work through collaboration and engagement with partners to help us deliver our vision. We are responsible for important public places, and we want to encourage dialogue and debate about their future and the choices we make to ensure sustainability.	Number of volunteer hours of 30,500.  On track  7 significant, multi-year cultural, environmental and heritage partners.  On track  \$7,500 in philanthropic and sponsorship contributions.  On track

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<b>Program 1.1 – Sydney Harbour Federation Trust</b> To manage emblematic lands around Sydney Harbour, preserve their natural and cultural heritage and foster and promote them as place of leisure, enjoyment and interest for all Australians.		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2019-20	<b>Steward Our Parklands</b> – To care for, conserve, and enhance our parklands and built assets, applying the principles of ecological sustainable development.	90% of our land open to public. 76% of our built assets in active use. Visitor satisfaction with public domain greater than 90%.
	<b>Welcome Everyone</b> – Our parklands are for all Australians and we welcome both domestic and international visitors. We want to ensure our sites tell their rich stories, are easy to access, and are places of exploration and discovery.	1.85 million visits to Trust sites. Visitor satisfaction greater than 90%.
	<b>Build Partnerships</b> – Underpin our work through collaboration and engagement with partners to help us deliver our vision. We are responsible for important public places, and we want to encourage dialogue and debate about their future and the choices we make to ensure sustainability.	Number of volunteer hours of 30,500. Eight significant, multi-year cultural, environmental and heritage partners. \$20,000 in philanthropic and sponsorship contributions.
2020-21 and beyond	As per 2019-20	As per 2019-20 except where indicated below.
		1.8 million visits to Trust sites in 2020/21 and 1.9 million visits in 2021/22.
		Nine significant, multi-year cultural, environmental and heritage partners in 2020/21 and 10 in 2021/22. \$50,000 in philanthropic and sponsorship contributions in each of 2020/21 and 2021/22.
<b>Purposes</b>	The Trust's purpose, as set out in the <i>Sydney Harbour Federation Trust Act 2001</i> , is: (1) To ensure that management of Harbour Trust land contributes to enhancing the amenity of the Sydney Harbour region; (2) To protect, conserve and interpret the environmental and heritage values of Harbour Trust land; (3) To maximise public access to Harbour Trust land; (4) To establish and manage suitable Harbour Trust land as a park on behalf of the Commonwealth as the national government; (5) To co-operate with other Commonwealth bodies that have a connection with any Harbour land in managing that land; and (6) To co-operate with NSW, affected councils and the community in furthering the above objects.  We achieve our purpose by vision planning, remediating and enabling the adaptive reuse of Commonwealth lands to create a network of urban parklands for the enjoyment of all Australians.	

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

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

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

##### **Income Statement**

The Sydney Harbour Federation Trust has budgeted for an operating deficit of \$2.394 million in 2019-20.

Operating deficits have been forecast for 2018-19 and 2019-20 with small operating surpluses being maintained in the forward years with improvement in own source revenue in forward years as a result of new property stock being released into the market. The Trust receives no operating funding from the Government with its final operating appropriation received in 2009-10. The majority of the Trust's income comes from the leasing of its rehabilitated heritage buildings. Property leasing revenue is estimated to grow by 6 per cent in 2019-20, with continued growth in 2020-21 as the full impact of new lease stock is realised on completion of the former HMAS Platypus capital project (renamed Sub Base Platypus). Overall expenditure forecast for the 2019-20 financial year is \$21.095 million, which reflects additional operational funds allocated to support the new Sub Base Platypus site. Resources will be focused on key strategic and planning works to enable the Trust to develop appropriate business plans for its forward operations under an environment of limited funds. The Trust will continue to focus on the preservation and conservation of our aging assets and the capture of asset condition information to assist in forward resource allocation decision making. The Trust will continue to improve tenant and visitor experiences at our sites, both supported by the introduction of property and marketing CRM solutions.

##### **Balance Sheet**

The Trust's major assets are its lands and buildings, which it holds on behalf of the Commonwealth. In 2019-20 the value of the Trust's non-financial assets is estimated to increase to \$354.758 million as a result of major building and infrastructure asset upgrades on the former HMAS Platypus site.



An additional \$20.0 million equity injection from Government for the rehabilitation of the former HMAS Platypus site was allocated to the Trust as a new measure at the 2015-16 Additional Estimates. The major building infrastructure and refurbishment works, are expected to be completed in October 2019. The Trust will receive equity injections from Government of \$21.4 million over three years from 2019-20 for the completion of renewal at Headland Park and for further remediation at Sub Bas Platypus.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	6,882	7,500	7,350	7,497	7,647
Suppliers	9,521	10,505	10,055	10,283	10,417
Depreciation and amortisation	2,790	3,090	3,090	3,090	3,090
<b>Total expenses</b>	<b>19,193</b>	<b>21,095</b>	<b>20,495</b>	<b>20,870</b>	<b>21,154</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	3,317	3,583	3,631	3,679	3,726
Fees and fines	300	308	315	323	331
Interest	1,096	873	776	753	740
Rental income	13,147	13,929	15,655	15,968	16,287
Other	121	8	158	158	158
<b>Total own-source revenue</b>	<b>17,981</b>	<b>18,701</b>	<b>20,535</b>	<b>20,881</b>	<b>21,242</b>
<b>Total own-source income</b>	<b>17,981</b>	<b>18,701</b>	<b>20,535</b>	<b>20,881</b>	<b>21,242</b>
<b>Net (cost of)/contribution by services</b>	<b>(1,212)</b>	<b>(2,394)</b>	<b>40</b>	<b>11</b>	<b>88</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(1,212)</b>	<b>(2,394)</b>	<b>40</b>	<b>11</b>	<b>88</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,212)</b>	<b>(2,394)</b>	<b>40</b>	<b>11</b>	<b>88</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(1,212)</b>	<b>(2,394)</b>	<b>40</b>	<b>11</b>	<b>88</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,431	3,439	3,457	3,380	3,380
Trade and other receivables	641	661	681	681	681
Other investments	35,170	30,313	27,713	25,297	22,975
<b>Total financial assets</b>	<b>39,242</b>	<b>34,413</b>	<b>31,851</b>	<b>29,358</b>	<b>27,036</b>
<b>Non-financial assets</b>					
Land and buildings	287,427	290,490	311,552	314,502	317,066
Property, plant and equipment	32,714	33,108	32,831	32,347	31,855
Intangibles	365	293	216	135	48
Inventories	130	100	130	100	100
Heritage and Cultural assets	30,269	30,694	31,349	31,774	32,199
Other non-financial assets	101	100	100	100	100
<b>Total non-financial assets</b>	<b>351,006</b>	<b>354,785</b>	<b>376,178</b>	<b>378,958</b>	<b>381,368</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>390,248</b>	<b>389,198</b>	<b>408,029</b>	<b>408,316</b>	<b>408,404</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,225	2,150	2,103	2,157	2,157
Personal benefits	56	103	56	56	56
Other payables	4,904	4,564	4,209	3,871	3,871
<b>Total payables</b>	<b>7,185</b>	<b>6,817</b>	<b>6,368</b>	<b>6,084</b>	<b>6,084</b>
<b>Provisions</b>					
Employee provisions	1,151	1,163	1,250	1,310	1,310
Other provisions					
<b>Total provisions</b>	<b>1,151</b>	<b>1,163</b>	<b>1,250</b>	<b>1,310</b>	<b>1,310</b>
<b>Total liabilities</b>	<b>8,336</b>	<b>7,980</b>	<b>7,618</b>	<b>7,394</b>	<b>7,394</b>
<b>Net assets</b>	<b>381,912</b>	<b>381,218</b>	<b>400,411</b>	<b>400,922</b>	<b>401,010</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	277,735	279,435	298,588	299,088	299,088
Reserves	95,503	95,503	95,503	95,503	95,503
Retained surplus (accumulated deficit)	8,674	6,280	6,320	6,331	6,419
<b>Total parent entity interest</b>	<b>381,912</b>	<b>381,218</b>	<b>400,411</b>	<b>400,922</b>	<b>401,010</b>
<b>Total equity</b>	<b>381,912</b>	<b>381,218</b>	<b>400,411</b>	<b>400,922</b>	<b>401,010</b>

Prepared on Australian Accounting Standards basis.

\*'Equity' is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2019</b>					
Balance carried forward from previous period	8,674	90,172	5,331	277,735	381,912
<b>Adjusted opening balance</b>	<b>8,674</b>	<b>90,172</b>	<b>5,331</b>	<b>277,735</b>	<b>381,912</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(2,394)	-	-	-	(2,394)
<b>Total comprehensive income</b>	<b>(2,394)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,394)</b>
of which:					
Attributable to the Australian Government	(2,394)	-	-	-	(2,394)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity injection - Appropriation	-	-	-	1,700	1,700
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,700</b>	<b>1,700</b>
<b>Estimated closing balance as at 30 June 2020</b>	<b>6,280</b>	<b>90,172</b>	<b>5,331</b>	<b>279,435</b>	<b>381,218</b>
<b>Closing balance attributable to the Australian Government</b>	<b>6,280</b>	<b>90,172</b>	<b>5,331</b>	<b>279,435</b>	<b>381,218</b>

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of goods and rendering of services	16,113	17,178	18,876	19,309	20,013
Interest	1,096	873	776	753	740
Other	445	308	465	473	481
<b>Total cash received</b>	<b>17,654</b>	<b>18,359</b>	<b>20,117</b>	<b>20,535</b>	<b>21,234</b>
<b>Cash used</b>					
Employees	6,982	7,441	7,310	7,437	7,647
Suppliers	9,413	10,045	9,627	9,694	10,409
Other	-	522	462	497	-
<b>Total cash used</b>	<b>16,395</b>	<b>18,008</b>	<b>17,399</b>	<b>17,628</b>	<b>18,056</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,259</b>	<b>351</b>	<b>2,718</b>	<b>2,907</b>	<b>3,178</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Investments	14,046	4,857	2,600	2,416	2,322
<b>Total cash received</b>	<b>14,046</b>	<b>4,857</b>	<b>2,600</b>	<b>2,416</b>	<b>2,322</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	15,276	6,900	24,453	5,900	5,500
<b>Total cash used</b>	<b>15,276</b>	<b>6,900</b>	<b>24,453</b>	<b>5,900</b>	<b>5,500</b>
<b>Net cash from/(used by) investing activities</b>	<b>(1,230)</b>	<b>(2,043)</b>	<b>(21,853)</b>	<b>(3,484)</b>	<b>(3,178)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	1,700	19,153	500	-
<b>Total cash received</b>	<b>-</b>	<b>1,700</b>	<b>19,153</b>	<b>500</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>1,700</b>	<b>19,153</b>	<b>500</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>29</b>	<b>8</b>	<b>18</b>	<b>(77)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,402	3,431	3,439	3,457	3,380
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,431</b>	<b>3,439</b>	<b>3,457</b>	<b>3,380</b>	<b>3,380</b>

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	1,700	19,153	500	-
<b>Total new capital appropriations</b>	-	<b>1,700</b>	<b>19,153</b>	<b>500</b>	-
<b>Provided for:</b>					
Purchase of non-financial assets	-	1,700	19,153	500	-
<b>Total items</b>	-	<b>1,700</b>	<b>19,153</b>	<b>500</b>	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	-	1,700	19,153	500	-
Funded internally from departmental resources (b)	15,276	5,200	5,300	5,400	5,500
<b>TOTAL</b>	<b>15,276</b>	<b>6,900</b>	<b>24,453</b>	<b>5,900</b>	<b>5,500</b>
<b>Total cash used to acquire assets</b>	<b>15,276</b>	<b>6,900</b>	<b>24,453</b>	<b>5,900</b>	<b>5,500</b>

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 External Revenue; and
- proceeds from the sale of assets.

**Table 3.6: Statement of asset movements (Budget year 2019-20)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>						
Gross book value	198,928	93,884	39,853	30,269	847	363,781
Accumulated depreciation/ amortisation and impairment	-	(5,385)	(7,139)	-	(482)	(13,006)
<b>Opening net book balance</b>	<b>198,928</b>	<b>88,499</b>	<b>32,714</b>	<b>30,269</b>	<b>365</b>	<b>350,775</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation equity (a)	-	1,700	-	-	-	1,700
By purchase - other	450	2,500	1,780	425	45	5,200
<b>Total additions</b>	<b>450</b>	<b>4,200</b>	<b>1,780</b>	<b>425</b>	<b>45</b>	<b>6,900</b>
<b>Other movements</b>						
Depreciation/ amortisation expense	-	(1,587)	(1,386)	-	(117)	(3,090)
<b>Total other movements</b>	<b>-</b>	<b>(1,587)</b>	<b>(1,386)</b>	<b>-</b>	<b>(117)</b>	<b>(3,090)</b>
<b>As at 30 June 2020</b>						
Gross book value	199,378	98,084	41,633	30,694	892	370,681
Accumulated depreciation/ amortisation and impairment	-	(6,972)	(8,525)	-	(599)	(16,096)
<b>Closing net book balance</b>	<b>199,378</b>	<b>91,112</b>	<b>33,108</b>	<b>30,694</b>	<b>293</b>	<b>354,585</b>

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.