

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS 2009-10**

RESOURCES, ENERGY AND TOURISM
PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2009-10

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THE HON MARTIN FERGUSON AM MP
MINISTER FOR RESOURCES AND ENERGY
MINISTER FOR TOURISM

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2009-10 Additional Estimates for the Resources, Energy and Tourism Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Martin Ferguson', written over a horizontal line.

Martin Ferguson

Abbreviations and conventions

(a) The following notations may be used:

-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
\$'000	\$ thousand
\$m	\$ million

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

ENQUIRIES

Should you have any enquiries regarding this publication please contact Enabling Services in the Department of Resources, Energy and Tourism on (02) 6243 7020.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>, and at <http://www.ret.gov.au>.

USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATE STATEMENTS

USER GUIDE

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Agency Resource Statement to inform Parliament of the revised estimate of the total resources available to an agency, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2009-10. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2009-10* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by Additional Estimates.

Section 1: Agency overview and resources	This section details the total resources available to an agency, the impact of any measures since Budget, and impact on Appropriation Bills No. 3 and No. 4.
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Section 2: Revisions to outcomes and planned performance	This section details changes to Government outcomes and/or changes to the planned performance of agency programs.
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Section 3: Explanatory tables and budgeted financial statements	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.
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Glossary	Explains key terms relevant to the Portfolio.
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CONTENTS

Portfolio Overview3

Agency Additional Estimates Statements.....7

Glossary31

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

RESOURCES, ENERGY AND TOURISM PORTFOLIO OVERVIEW

MINISTER AND PORTFOLIO RESPONSIBILITIES

The Hon Martin Ferguson AM MP is the responsible portfolio Minister. The portfolio is responsible for improving the strength, competitiveness and sustainability of the resources, energy and tourism industries; providing geoscientific research and geospatial information; the delivery of health and safety regulation for the offshore petroleum industry; accelerating innovation in solar thermal and photovoltaic technologies; and international and domestic positioning of Australia as a quality tourism destination.

The portfolio comprises:

- The Department of Resources, Energy and Tourism (a Department of State under the *Financial Management and Accountability Act 1997* (FMA Act)) ;
- Geoscience Australia (a prescribed agency under the FMA Act);
- The National Offshore Petroleum Safety Authority (a statutory agency established under the provisions of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and, for the purposes of governance arrangements, a prescribed agency under the FMA Act);
- Tourism Australia (a statutory agency established under the *Tourism Australia Act 2004* and subject to the provisions of the *Commonwealth Authorities and Companies Act 1997* (CAC Act)); and
- Australian Solar Institute (a wholly-owned Commonwealth company that forms part of the Clean Energy Initiative (CEI), and subject to the provisions of the CAC Act).

The Department of Resources, Energy and Tourism plays an important role in assisting the Government to achieve its objectives by providing high quality advice and services to achieve improved strength, competitiveness and sustainability of the resources, energy and tourism industries. The Department advises the Australian Government on the impact of policies in the resources, energy and tourism sectors. In addition, the Department administers a number of programs, targeted to achieve improved outcomes for industry and Australia. The Department works closely with state and territory governments and the private sector, including major corporations and business associations, to achieve these goals.

Geoscience Australia is financially independent of the Department and exists within the portfolio structure as a prescribed agency. Geoscience Australia is Australia's national geoscience research and geospatial information agency. Geoscience Australia is a world leader in providing first class geoscientific information and knowledge that enables the Australian Government and community to make informed decisions about the exploitation of resources, the management of the environment, the safety of critical infrastructure and the resultant wellbeing of all Australians. Geoscience Australia also encompasses the Office of Spatial Data Management which coordinates the implementation of the Australian Government's policy on spatial data access and pricing.

The National Offshore Petroleum Safety Authority (NOPSA) is responsible for the delivery of world class health and safety regulation for the Australian offshore petroleum industry. In addition, NOPSA is responsible for the promotion of the occupational health and safety of persons engaged in offshore petroleum operations in Australian Government, state and territory coastal waters. The primary objectives for NOPSA include: improving safety outcomes across the Australian offshore petroleum industry; ensuring health and safety regulation of the offshore petroleum industry is provided to standards that are equal to the best in the world; and reducing the regulatory burden on the offshore petroleum industry, which operates across multiple jurisdictions, by delivering a consistent and comprehensive health and safety regime.

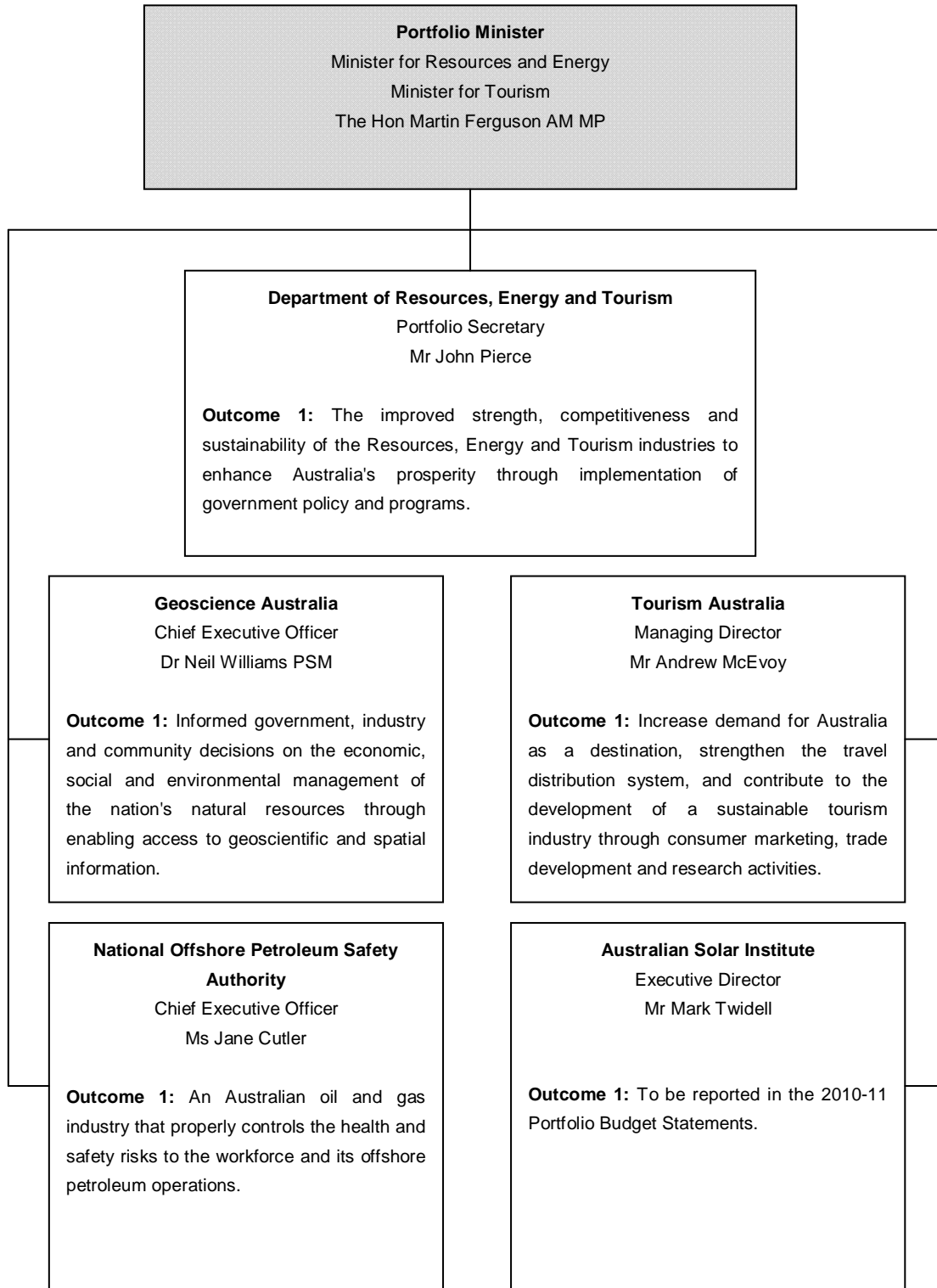
Tourism Australia is a Statutory Authority whose three key objectives are to: facilitate tourism industry and market development through strategic insights; increase distribution of Australian tourism product and facilitation of niche, events and regional tourism growth; and, to facilitate consumer travel demand stimulation. To meet these objectives it promotes Australia as a travel destination internationally and domestically. Using a broad mix of consumer and trade marketing, in partnership with State and Territory tourism organisations, industry and commercial partners, Tourism Australia aims to increase the economic benefits of tourism to Australia by building demand and increasing visitation and visitor spend to and throughout the country. Through its 13 offices the agency targets leisure, business events and working holiday travellers across 26 countries. Through its research and trade development activities Tourism Australia also aims to foster a sustainable and quality-focussed tourism industry in Australia.

The Australian Solar Institute Limited was registered as a company limited by guarantee under the CAC Act on 10 August 2009, and aims to drive collaborative, focused research and development that will have a major impact on the efficiency and cost-effectiveness of solar technologies. It will also disseminate the results and learnings from solar research for the benefit of the Australian and global solar communities and the Australian public and will act as a catalyst and champion for Australia's leadership strengths in solar research and development.

More comprehensive information on activities undertaken by the Resources, Energy and Tourism portfolio is available from the following web sites:

- Department of Resources, Energy and Tourism
<http://www.ret.gov.au>
- Geoscience Australia
<http://www.ga.gov.au>
- National Offshore Petroleum Safety Authority
<http://www.nopsa.gov.au>
- Tourism Australia
<http://www.tourism.australia.com>
- Australian Solar Institute
<http://www.australiansolarinstitute.com.au>

Figure 1: Resources, Energy and Tourism portfolio structure and outcomes



AGENCY ADDITIONAL ESTIMATES STATEMENTS

Department of Resources, Energy and Tourism9

DEPARTMENT OF RESOURCES, ENERGY AND TOURISM

Section 1: Agency overview and resources.....	11
1.1 Strategic direction.....	11
1.2 Agency resource statement	11
1.3 Agency measures table	14
1.4 Additional estimates and variations.....	15
1.5 Breakdown of additional estimates by appropriation bill	17
Section 2: Revisions to agency outcomes and planned performance	18
2.1 Outcomes and performance information	18
Section 3: Explanatory tables and budgeted financial statements.....	20
3.1 Explanatory tables.....	20
3.2 Budgeted financial statements.....	21

DEPARTMENT OF RESOURCES, ENERGY AND TOURISM

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Department of Resources, Energy and Tourism is the key adviser to Government on policy options for Australia's resources, energy and tourism industries. The key priorities remain consistent with those outlined in the 2009-10 Portfolio Budget Statements, with the following changes to resource allocations occurring since the Budget:

- The establishment of a statutory authority to regulate petroleum, mineral and greenhouse gas storage activities in the Commonwealth offshore areas will be undertaken over a three year period and will improve the efficiency, responsiveness and expertise of regulation.
- The agreement of the governance arrangements for the Climate Change Action Fund and the subsequent allocation of the resources from the Department of Climate Change to the Department.
- The transfer of sub-programs from within the Department and from the Department of Environment, Water, Heritage and the Arts into the Clean Energy Initiative Special Account, to enable more efficient management of clean energy technology programs through the Australian Centre for Renewable Energy (ACRE).
- The transfer of Tourism Research Australia to the Department of Resources, Energy and Tourism will bolster capacity to achieve relevant tourism research for the Australian Government and the tourism industry.
- The establishment of a Minister-Counsellor position at the Australian High Commission in New Delhi to promote and facilitate Australia's energy and resources trade and investment opportunities with India.
- A number of administered rephasing requests have been approved.

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the Department of Resources, Energy and Tourism at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009-10 Budget year, including variations through Appropriation Bills No.3 and No.4, special appropriations and special accounts.

Table 1.1: Department of Resources, Energy and Tourism resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009

	Estimate as at Budget	+	Proposed Additional Estimates	=	Total estimate at Additional Estimates	Total available appropriation
	2009-10 \$'000		2009-10 \$'000		2009-10 \$'000	2008-09 \$'000
Ordinary annual services¹						
Departmental appropriation						
Departmental appropriation	95,903	⁴	10,217		106,120	110,894
Section 31 Relevant agency receipts ³	10,788		-		10,788	5,450
Expenses not requiring appropriation	190		15		205	-
Total	106,881		10,232		117,113	116,344
Administered expenses						
Outcome 1	912,645		(171,040)		741,605	349,719
Payments to CAC Act bodies	136,686		4,936		141,622	137,559
Total	1,049,331		(166,104)		883,227	487,278
Total ordinary annual services	A 1,156,212		(155,872)		1,000,340	603,622
Other services²						
Departmental non-operating						
Previous years' outputs	2,330		-		2,330	1,425
Equity Injections	-		-		-	2,521
Total	2,330		-		2,330	3,946
Total other services	B 2,330		-		2,330	3,946
Total available annual appropriations	1,158,542		(155,872)		1,002,670	607,568
Special appropriations						
Special appropriations limited by criteria/entitlement						
- Offshore Petroleum and Greenhouse Gas Storage Act 2006 – Ashmore and Cartier Islands	1,500		-		1,500	1,738
- Offshore Minerals Act 1994 – Offshore Minerals Act (Fees)	60		-		60	-
- Offshore Petroleum and Greenhouse Gas Storage Act 2006 – Offshore Petroleum Fees	15,000		-		15,000	5,604
Total special appropriations	C 16,560		-		16,560	7,342
Total appropriations excluding special accounts	1,175,102		(155,872)		1,019,230	614,910

Table 1.1: Department of Resources, Energy and Tourism resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

	Estimate as at Budget *	Proposed Additional Estimates =	Total estimate at Additional Estimates	Total available appropriation
	2009-10 \$'000	2009-10 \$'000	2009-10 \$'000	2008-09 \$'000
Special accounts				
Opening balance ⁵	58,990	1,333	60,323	57,592
Appropriation receipts ⁶	2,143	383,310	385,453	2,195
Appropriation receipts				
- other agencies ⁷	4,322	-	4,322	1,021
Non-appropriation receipts to				
Special accounts	8,310	(1,810)	6,500	5,863
Total special account	D 73,765	382,833	456,598	66,671
Total resourcing	1,248,867	226,961	1,475,828	681,581
A+B+C+D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts				
and/or CAC Act bodies through annual appropriations	(138,829)	(388,246)	(527,075)	(139,754)
Total net resourcing for RET	1,110,038	(161,285)	948,753	541,827

¹ Appropriation Bill (No.3) 2009-10

² Appropriation Bill (No.4) 2009-10

³ s31 Relevant agency receipts - estimate

⁴ Estimated adjusted balance carried from previous year for Annual Appropriations

⁵ Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.3.

⁶ Appropriations for the Energy Special Account and the newly created Clean Energy Initiatives Special Account.

⁷ Appropriation receipts from the Department of Environment, Water, Heritage and the Arts for their contribution to the Energy Special Account for 2008-09 included above.

Reader note: All figures are GST exclusive.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Agency Measures since Budget

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expense measures					
Establishment of the National Offshore Petroleum Regulatory Authority	2				
Administered expenses		1,447	6,898	1,048	-
Departmental expenses		1,075	2,530	5,872	-
Total		2,522	9,428	6,920	-
A RET counsellor and locally engaged staff member in India	2				
Departmental expenses		450	722	754	759
Total		450	722	754	759
Climate Change Action Fund ¹	3				
Administered expenses		43,908	-	-	-
Departmental expenses		5,049	-	-	-
Total		48,957	-	-	-
Total expense measures					
Administered		45,355	6,898	1,048	-
Departmental		6,574	3,252	6,626	759
Total		51,929	10,150	7,674	759

Note 1: Appropriated \$60.908 million with a reduction of \$2.0 million relating to Climate Change Action Fund advertising campaign. A further \$15.0 million was also withheld until governance arrangements were in place.

The lead agency for this measure is the Department of Climate Change. The full measure description and package details appear in Mid Year Economic and Fiscal Outlook under the Prime Minister and Cabinet portfolio.

Prepared on a Government Financial Statistics (fiscal) basis

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Department of Resources, Energy and Tourism at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2009-10 Budget in Appropriation Bills No.3 and No.4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

	Program impacted	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Outcome 1					
Increase in estimates (administered)					
Establishment of the National Offshore Petroleum Regulatory Authority	2	1,447	6,898	1,048	-
Climate Change Action Fund	3	43,908	-	-	-
Net impact on estimates for Outcome 1 (administered)		45,355	6,898	1,048	
Increase in estimates (departmental)					
Establishment of the National Offshore Petroleum Regulatory Authority	2	1,075	2,530	5,872	-
A RET counsellor and locally engaged staff member in India	2	450	722	754	759
Climate Change Action Fund	3	5,049	-	-	-
Net impact on estimates for Outcome 1 (departmental)		6,574	3,252	6,626	759

Table 1.4: Additional estimates and variations to outcomes from other variations

	Program impacted	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Outcome 1					
Increase in estimates (administered)					
Radioactive Waste Management ¹	2	6,000	-	-	-
Decrease in estimates (administered)					
Tourism Australia					
- Transfer of Tourism Research Australia ²	4	(4,064)	(5,551)	(5,551)	(5,524)
Movement of funds (administered)					
National Low Emission Coal Initiative ³					
- Rephasing	2	16,471	-	-	-
Clean Energy Initiative:					
- Australian Centre for Renewable Energy ⁴	3	15,100	7,000	5,545	-
Low Emission Technology Demonstration Fund ⁵	3	(53,966)	51,415	3,750	12,000
Clean Energy Initiative ⁶	3	(200,000)	-	-	-
Tourism Australia					
- Rephasing	4	9,000	(9,000)	-	-
Net impact on estimates for Outcome 1 (administered)					
		(211,459)	43,864	3,744	6,476
Increase in estimates (departmental)					
Tourism Australia					
- Transfer of Tourism Research Australia ²	4	4,064	5,551	5,551	5,524
Decrease in estimates (departmental)					
Identified savings					
	All	(421)	(716)	(711)	(716)
Net impact on estimates for Outcome 1 (departmental)					
		3,643	4,835	4,840	4,808

Note 1: This increase relates to the return of the former atomic weapons test site at Maralinga to the Maralinga Tjarutja people. This will involve the Australian Government making a payment of \$6.0 million to the Maralinga Tjarutja people to provide for maintenance of the heritage listed buildings at the test site and seed funding for tourism related activities on the site.

Note 2: Net effect of zero on Resources, Energy and Tourism Portfolio.

Note 3: \$16.5 million was transferred from 2008-09.

Note 4: The movement of funds relate to the former Renewable Energy Fund (REF) and former Energy Innovation Fund (EIF). The programs under the former REF are now part of the Clean Energy Initiative. Furthermore, the formerly proposed Clean Energy Program under the former EIF is also now part of the Clean Energy Initiative. \$27.6 million was transferred from 2008-09; \$15.1 million from the former REF and \$12.5 million from the former EIF. In addition, as part of the former REF, \$15.1 million was transferred in 2009-10; -\$10,000 in 2010-11; and -\$10,000 in 2011-12. As part of the transfer from the former EIF, \$17.0 million was transferred in 2010-11 and \$15.5 million in 2011-12.

Note 5: \$13.2 million was transferred from 2008-09.

Note 6: \$200.0 million was transferred into 2013-14.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Department of Resources, Energy and Tourism through Appropriation Bills No.3 and No.4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

	2008-09 Available (\$'000)	2009-10 Budget (\$'000)	2009-10 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
The improved strength, competitiveness and sustainability of the Resources, Energy and Tourism industries to enhance Australia's prosperity through implementation of government policy and programs. ¹	349,719	1,049,331	883,227	91,926	(258,030)
Total	349,719	1,049,331	883,227	91,926	(258,030)
DEPARTMENTAL PROGRAMS					
Outcome 1					
The improved strength, competitiveness and sustainability of the Resources, Energy and Tourism industries to enhance Australia's prosperity through implementation of government policy and programs.	82,837	73,240	83,457	10,638	(421)
Total	82,837	73,240	83,457	10,638	(421)
Total administered and departmental	432,556	1,122,571	966,684	102,564	(258,451)

Note 1: This includes \$136.7 million for payments to Tourism Australia.

Section 2: Revisions to agency resources and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

OUTCOME 1

Outcome 1 Strategy

Outcome 1 strategy and program objectives remain consistent with those published in the Portfolio Budget Statements 2009-10.

Table 2.1 Budgeted Expenses and Resources for Outcome 1

Outcome 1: The improved strength, competitiveness and sustainability of the Resources, Energy and Tourism industries to enhance Australia's prosperity through implementation of government policy and programs.	2008-09	2009-10
	Actual expenses	Revised estimated expenses
	\$'000	\$'000
Program 1: Assistance to state and territory governments for resources and energy		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	40	40
Special appropriations	624,889	16,560
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	1,850	1,850
Total for Program 1	626,779	18,450
Program 2: Resources related initiatives and management		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	179,311	510,590
Ordinary annual services (Appropriation Bill No. 2 & 4)	4,064	-
Special accounts	-	135,000
Expenses not requiring appropriation in the Budget year	312	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	31,258	29,716
Revenues from independent sources (section 31)	390	-
Expenses not requiring appropriation in the Budget year	90	77
Total for Program 2	215,425	675,383

Table 2.1 Budgeted Expenses and Resources for Outcome 1 (continued)

Outcome 1: The improved strength, competitiveness and sustainability of the Resources, Energy and Tourism industries to enhance Australia's prosperity through implementation of government policy and programs.	2008-09	2009-10
	Actual expenses	Revised estimated expenses
	\$'000	\$'000
Program 3: Energy related initiatives and management		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	43,976	222,273
Ordinary annual services (Appropriation Bill No. 2 & 4)	8,207	-
Special accounts	-	248,310
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	39,953	36,889
Revenues from independent sources (section 31)	188	-
Special accounts	3,878	10,788
Expenses not requiring appropriation in the Budget year	91	96
Total for Program 3	96,293	518,356
Program 4: Tourism related initiatives and management		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	5,670	8,702
Payments to CAC Act agencies (Appropriation Bill No. 1 & 3)	137,559	141,622
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	12,106	15,002
Revenues from independent sources (section 31)	252	-
Expenses not requiring appropriation in the Budget year	29	32
Total for Program 4	155,616	165,358
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	228,997	741,605
Ordinary annual services (Appropriation Bill No. 2 & 4)	12,271	-
Special appropriations	624,889	16,560
Special accounts ¹	-	383,310
Expenses not requiring appropriation in the Budget year	312	-
Payments to CAC Act agencies (Appropriation Bill No. 1 & 3)	137,559	141,622
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	85,167	83,457
Revenues from independent sources (section 31)	830	-
Special accounts	3,878	10,788
Expenses not requiring appropriation in the Budget year	210	205
Total expenses for Outcome 1	1,094,113	1,377,547
	2008-09	2009-10
Average Staffing Level (number)	378	437

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Resources, Energy and Tourism. The corresponding table in the 2009-10 PB Statements is Table 3.1.2.

Table 3.1.1: Estimates of special account flows

		Opening balance 2009-10	Receipts 2009-10	Payments 2009-10	Adjustments 2009-10	Closing balance 2009-10
	Outcome	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000
Ranger Rehabilitation (A)	1	52,386 49,886	1,844 2,500	- -	- -	54,230 52,386
Sevices for other entities and trust monies (A)	1	- 128	- -	- -	- (128)	- -
Energy Special Account (D)	1	7,937 6,751	11,121 6,707	12,774 6,348	- 827	6,284 7,937
Building Australia Fund - Energy Portfolio Special Account ¹ (A)	1	-	-	-	-	-
Clean Energy Initiative Special Account (A)	1	-	383,310	383,310	-	-
		-	-	-	-	-
Total special accounts						
2009-10 Budget estimate		60,323	396,275	396,084	-	60,514
Total special accounts						
2008-09 estimate actual		56,765	9,207	6,348	699	60,323

Note 1: The Building Australia Fund appropriations will be made available as and when payments are required.

(A) = Administered

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The financial framework upon which the financial statements are based has not changed since the 2009-10 Budget.

3.2.2 Budgeted financial statements

Table 3.2.1: Budgeted departmental Comprehensive Income Statement (Showing Net Cost of Services)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
EXPENSES					
Employee benefits	38,969	43,770	34,669	37,241	29,870
Supplier	49,807	49,510	43,875	44,217	39,831
Grants	1,860	1,000	1,000	1,000	1,000
Depreciation and amortisation	394	170	170	170	170
Losses from asset sales	44	-	-	-	-
Other expenses	11	-	-	-	-
Total expenses	91,085	94,450	79,714	82,628	70,871
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	4,708	10,788	22,174	16,043	9,674
Total revenue	4,708	10,788	22,174	16,043	9,674
Gains					
Other gains	210	205	205	205	205
Total gains	210	205	205	205	205
Total own-source income	4,918	10,993	22,379	16,248	9,879
Net cost of (contribution by) services	(86,167)	(83,457)	(57,335)	(66,380)	(60,992)
Appropriation revenue	85,167	83,457	57,335	66,380	60,992
Surplus (Deficit)					
Surplus (Deficit) attributable to the Australian Government*	(1,000)	-	-	-	-
Total comprehensive income attributable to the Australian Government	(1,000)	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and equivalents	562	562	562	562	562
Trade and other receivables	25,786	25,956	26,126	26,296	26,466
Total financial assets	26,348	26,518	26,688	26,858	27,028
Non-financial assets					
Land and buildings	1,558	1,558	1,558	1,558	1,558
Infrastructure, plant and equipment	1,010	840	670	500	330
Intangibles	983	983	983	983	983
Other non-financial assets	189	189	189	189	189
Total non-financial assets	3,740	3,570	3,400	3,230	3,060
Total assets	30,088	30,088	30,088	30,088	30,088
LIABILITIES					
Provisions					
Employees	10,745	10,745	10,745	10,745	10,745
Total provisions	10,745	10,745	10,745	10,745	10,745
Payables					
Suppliers	-	-	-	-	-
Other payables	18,639	18,639	18,639	18,639	18,639
Total payables	18,639	18,639	18,639	18,639	18,639
Total liabilities	29,384	29,384	29,384	29,384	29,384
Net assets	704	704	704	704	704
EQUITY*					
Parent entity interest					
Contributed equity	4,662	2,521	2,521	2,521	2,521
Retained accumulated deficits	(3,958)	(1,817)	(1,817)	(1,817)	(1,817)
Total equity	704	704	704	704	704
Current assets	25,950	26,934	27,104	27,274	27,444
Non-current assets	4,138	3,154	2,984	2,814	2,644
Current liabilities	27,949	27,949	27,949	27,949	27,949
Non-current liabilities	1,435	1,435	1,435	1,435	1,435

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Budgeted departmental statement of cash flows (as at 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	5,450	10,788	22,174	16,043	9,674
Appropriations	84,052	83,287	57,165	66,210	60,822
Total cash received	89,502	94,075	79,339	82,253	70,496
Cash used					
Employees	37,629	43,770	34,669	37,241	29,870
Suppliers	44,795	49,305	43,670	44,012	39,626
Grants	6,686	1,000	1,000	1,000	1,000
Net GST paid	615	-	-	-	-
Total cash used	89,725	94,075	79,339	82,253	70,496
Net cash from or (used by) operating activities	(223)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	2,307	-	-	-	-
Purchase of intangibles	666	-	-	-	-
Loan	691	-	-	-	-
Total cash used	3,664	-	-	-	-
Net cash from or (used by) investing activities	(3,664)	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Capital contribution	2,521	-	-	-	-
Total cash received	2,521	-	-	-	-
Net cash from or (used by) financing activities	2,521	-	-	-	-
Net increase or (decrease) in cash held	(1,366)	-	-	-	-
Cash at the beginning of the reporting period	1,928	562	562	562	562
Cash at the end of the reporting period	562	562	562	562	562

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009-10)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	-	-	-	2,521	2,521
Adjusted opening balance	-	-	-	2,521	2,521
Income and expense					
Surplus (deficit) for the period	-	-	-	(1,817)	(1,817)
Total income and expenses recognised directly in equity	-	-	-	(1,817)	(1,817)
Estimated closing balance as at 30 June 2010	-	-	-	704	704

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Capital Budget Statement - Departmental

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	2,521	-	-	-	-
Total capital appropriations	2,521	-	-	-	-
Represented by:					
Purchase of non-financial assets	1,500	-	-	-	-
Other	1,021	-	-	-	-
Total represented by	2,521	-	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	2,521	-	-	-	-
Funded internally from departmental resources	452				
TOTAL	2,973	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2009-10)

	Total Land and Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2009				
Gross book value	1,636	1,258	1,046	3,940
Accumulated depreciation/amortisation	78	248	63	389
Opening net book balance	1,558	1,010	983	3,551
Other movements				
Depreciation/amortisation expense	-	170	-	170
As at 30 June 2010				
Gross book value	1,636	1,258	1,046	3,940
Accumulated depreciation/amortisation	78	418	63	559
Closing net book balance	1,558	840	983	3,381

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	170	160	160	160	160
Total taxation	170	160	160	160	160
Non-taxation					
Royalties and fees	1,581,100	1,162,807	1,167,346	1,108,567	1,000,002
Interest and Dividends	11,187	16,467	16,695	16,939	17,199
Other sources of non-taxation revenues	2,047	1,600	1,600	1,600	1,600
Total non-taxation	1,594,334	1,180,874	1,185,641	1,127,106	1,018,801
Total revenues administered on behalf of government	1,594,504	1,181,034	1,185,801	1,127,266	1,018,961
Total income administered on behalf of government	1,594,504	1,181,034	1,185,801	1,127,266	1,018,961
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	225,971	735,835	795,194	580,641	469,809
Royalties and fees	628,993	16,600	16,600	16,600	16,600
Suppliers	10,124	4,730	3,142	1,931	16
Depreciation and amortisation	1,069	1,000	1,000	1,000	1,000
Write dow n and impairment of assets and asset sales	312	-	-	-	-
Payments to CAC bodies	137,559	141,622	122,344	132,908	134,070
Total expenses administered on behalf of government	1,004,028	899,787	938,280	733,080	621,495

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	55,991	52,524	48,829	44,890	40,691
Investments	381,410	381,410	381,410	381,410	381,410
Other financial assets	124,675	124,675	124,675	124,675	124,675
Total financial assets	562,076	558,609	554,914	550,975	546,776
Non-financial assets					
Land and buildings	142	142	142	142	142
Infrastructure, plant and equipment	88	88	88	88	88
Intangibles	6,083	5,083	4,083	3,083	2,083
Total non-financial assets	6,313	5,313	4,313	3,313	2,313
Total assets administered on behalf of government	568,389	563,922	559,227	554,288	549,089
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Royalties	364	364	364	364	364
Grants	44,625	44,625	44,625	44,625	44,625
Other payables	5,638	5,638	5,638	5,638	5,638
Total payables	50,627	50,627	50,627	50,627	50,627
Total liabilities administered on behalf of government	50,627	50,627	50,627	50,627	50,627

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	-	160	160	160	160
Interest and dividends	7,800	13,000	13,000	13,000	13,000
Royalties and fees	1,577,916	1,164,407	1,168,946	1,110,167	1,001,602
GST received		34,679	24,371	26,368	26,368
Other	2,037	-	-	-	-
Total cash received	1,587,753	1,212,246	1,206,477	1,149,695	1,041,130
Cash used					
Grant payments					
Grants, Royalties and fees	913,268	752,435	811,794	597,241	486,409
Suppliers	9,205	4,730	3,142	1,931	16
GST paid	34	34,679	24,371	26,368	26,368
Other	137,559	141,622	122,344	132,908	134,070
Total cash used	1,060,066	933,466	961,651	758,448	646,863
Net cash from or (used by) operating activities	527,687	278,780	244,826	391,247	394,267
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	14	-	-	-	-
Loan	3,980	-	-	-	-
Total cash used	3,994	-	-	-	-
Net cash from or (used by) investing activities	(3,994)	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- appropriations	1,064,026	933,466	961,651	758,448	646,863
Cash to Official Public Account for:					
- appropriations	1,587,719	1,212,246	1,206,477	1,149,695	1,041,130
Cash at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Statement of Administered Asset Movements (2009-10)

	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2009				
Gross book value	154	149	15,000	15,303
Accumulated depreciation/amortisation	(12)	(61)	(8,917)	(8,990)
Opening net book balance	142	88	6,083	6,313
Other movements				
Depreciation/amortisation expense			1,000	1,000
As at 30 June 2010				
Gross book value	154	149	15,000	15,303
Accumulated depreciation/amortisation	(12)	(61)	(9,917)	(9,990)
Closing net book balance	142	88	5,083	5,313

Prepared on Australian Accounting Standards basis.

3.2.3 Notes to the financial statements

Basis of Accounting

Accounting Policy

The agency budget statements have been prepared on an accrual accounting basis in accordance with:

- the Finance Minister's Orders; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

PORTFOLIO GLOSSARY

Term	Meaning
Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administrative Arrangements Order (AAOs)	The functions and activities of the Government are administered in accordance with AAOs, issued from time to time by the Government and signed by the Governor-General. The AAOs establish the principal matters or government outcomes to be dealt with by each Department of State, and the Acts of Parliament to be administered by each Minister.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.

Term	Meaning
Annual Appropriation	Acts of Parliament, which provide appropriation for the government's activities during a specific financial year. Three appropriation Bills are introduced into Parliament in May and comprise the Budget. Further supplementary Bills are introduced later in the financial year as part of the Additional Estimates process. The Parliamentary Departments have their own appropriation Bills.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency to produce outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items such as salary payments as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.

Term	Meaning
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.
Measure	A new policy or savings decision of the Government with financial impacts. Such proposals are normally made in the context of the annual Budget process.
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Portfolio	A Minister's area of responsibility as a member of Cabinet. A portfolio consists of a Department of State (a.k.a the Portfolio Department) and a number of agencies with similar general objectives and outcomes.

Term	Meaning
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Accounts	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (<i>Financial Management and Accountability Act 1997</i> (FMA Act), ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations — the amount appropriated will depend on circumstances specified in the legislation.</p>