

Department of

Primary Industry, Fisheries and Mines

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
Output Group		
Resource Industry Development	60 614	58 139
Resource Industry Management	17 030	16 133
Total Expenses	77 644	74 272
Output Appropriation	50 822	50 216
Capital Appropriation	291	251

2006-07 Staffing: 487

Agency Profile

The Department of Primary Industry, Fisheries and Mines has a critical role in supporting a strong, vibrant and growing Northern Territory economy. The department, in partnership with industry and the community, supports economic development in the Territory and the responsible management of resources across the Territory's regions.

The department delivers regulatory services and development functions to resource-based industries across the Northern Territory. These include mining, petroleum, gas, pastoral, horticulture, agriculture, aquaculture and fishing industries. In addition to a wide range of research and industry support programs, the department also provides financial support to resource-based industry organisations in the Territory.

Key functional responsibilities are to facilitate, regulate and promote industry and resource development through:

- facilitating sector-specific industry development;
- facilitating the development of the Territory's resources;
- providing accountable stewardship of the Territory's resources, specifically those relating to pastoralism, agriculture, fisheries, minerals and energy;
- identifying new industry opportunities and facilitating access to Territory resources;
- identifying new opportunities to improve competitiveness and productivity in a national and global marketplace;
- providing a framework for improving the economic return of industry and resources through information and regulation to ensure the long-term economic viability of the Territory's resources; and
- building partnerships with Indigenous communities and regions through policies and initiatives designed to increase participation in future industry and resource development opportunities.

Strategic issues facing the agency in 2006-07 include:

- continuing to provide information to industry on the prospectivity of the Territory as a base for minerals and petroleum exploration, and on the development of aquaculture ventures;
- establishing an innovative research policy for the department;
- providing a risk-based frontline response against the invasion of pests and diseases that might affect the viability of the Territory's plant, animal and fishing industries;
- developing partnerships with industries to facilitate the optimum use of the Territory's resources;
- reviewing key legislation to keep pace with developing business, community and environmental requirements;
- developing partnerships to advance Indigenous economic development and establish enterprises on Indigenous land and in the sea, including building business management capabilities;
- developing and implementing a fishing and aquaculture industry strategic plan, including Indigenous aquaculture; and
- supporting Indigenous communities to play a key role in managing their resources through initiatives such as the Indigenous Marine Ranger Program.

Budget Highlights

- Completion of the four year \$15.2 million Building the Territory's Resource Base investment attraction program.
- Funding of \$6.9 million to provide high-quality geological information to industry to promote and enhance mineral and petroleum prospectivity of the Territory.
- \$3.8 million to ensure compliance with legislation in the mining, energy and exploration industries and implement best practice safety and environmental management.
- Funding of \$0.2 million to develop and coordinate implementation of the Northern Territory Energy Policy.
- \$0.15 million to lead and coordinate the development of the Territory biosecurity system.
- \$0.64 million over two years, with matching Australian Government funding, to develop and implement the National Livestock Identification System for Territory cattle.
- \$0.35 million contribution to Indigenous economic development through the mud crab aquaculture program.
- \$0.45 million for financial and training support to Indigenous communities in relation to the Marine Ranger Program.
- \$0.35 million additional funding relating to the management and sustainable utilisation of inshore marine resources.

Outputs and Performance

Output Group/Output	2005-06	2006-07	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Resource Industry Development	60 614	58 139	-2 475
Minerals and Energy	19 394	18 702	- 692
Primary Industry	38 529	36 845	-1 684
Fisheries	2 691	2 592	- 99
Resource Industry Management	17 030	16 133	- 897
Minerals and Energy	10 083	9 969	- 114
Fisheries	6 947	6 164	- 783
Total Expenses	77 644	74 272	-3 372

Key Variations

- Output costs show an increase of \$0.13 million across outputs relating to additional funds for repairs and maintenance.

Variations for the Resource Industry Development output group are below.

- Minerals and Energy output cost decrease of \$0.7 million relating to the Australian Government Renewable Remote Power Generation Program is due to \$1.8 million funding received in 2004-05 and spent in 2005-06, offset by a funding increase in 2006-07 of \$1.1 million.
- Primary Industry – the net decrease of \$1.68 million is due to:
 - one-off expenses of \$0.67 million in 2005-06 relating to Australian Government FarmBis, Grapevine Leaf Rust Survey and other miscellaneous external projects where the funds were received in 2004-05 and spent in 2005-06;
 - \$0.34 million decrease in expenses due to a legal settlement in 2005-06 and the rationalisation of industry grants to facilitate a more strategic approach to industry assistance; and
 - \$0.96 million decrease in expenses relating to estimates for externally funded programs. This figure is expected to realign with the previous year's estimates once formal agreements on funding levels for new projects are achieved later in the year. Projects reducing or ceasing in 2006-07 include the Grapevine Leaf Rust Survey, Red Imported Fire Ants, Tuberculosis Freedom Assurance Program, Indigenous Land Corporation Pastoral Development and Cooperative Research Centre funded projects.
- Fisheries output costs show a decrease in expenses of \$0.1 million predominantly relating to one-off external grant funding in 2005-06 for the Kulaluk Mud Crab Project.

Variations for the Resource Industry Management output group are below.

- Minerals and Energy output costs show a net decrease of \$0.11 million, predominantly relating to a decrease of \$0.37 million annual funding for the rehabilitation and management of the Mt Todd mine site. Vista Gold will contribute \$0.19 million in the first half of 2006-07 to offset this decrease and will take over the management of the site from January 2007.
- Fisheries – the net decrease of \$0.78 million is due to:
 - \$0.35 million in additional expenses relating to the management and sustainable utilisation of inshore marine resources;

- one-off expenses of \$0.37 million in 2005-06 relating to miscellaneous external projects and the Northern Territory Fisheries Industry Research and Development Fund, where the funds were received in 2004-05 and spent in 2005-06; and
- \$0.75 million decrease in expenses relating to the reduction or cessation of externally funded projects, including the transfer of the surveillance and apprehension of illegal fishing vessels back to the Australian Government and a number of projects funded by the Fishing Research and Development Corporation.

Output Group: Resource Industry Development

Provision of strategic programs and activities with a focus on developing and enhancing capacity, performance and sustainability of the Territory's economy through the resource industry sectors.

The outcome is responsible development of the Territory's resources and enhanced capacity and performance of industry sectors.

Minerals and Energy

Provision of strategic services to support the acceleration of exploration and sustainable development of Northern Territory mineral (and onshore petroleum) resources and facilitation of efficient and economic use of energy.

Performance Measures		2005-06 Estimate	2006-07 Estimate
Northern Territory Geological Survey			
<i>Quantity</i>	New geospatial data sets and publications requested by key client group	400	400
	Geoscientific data product developed	150	150
	Northern Territory Geological Survey product and online geoscientific database	1	1
<i>Quality</i>	Target rating for Mineral Potential Index in Fraser Institute Annual Survey ¹	11	11
	Target rating for geological database in Fraser Institute Annual Survey ¹	5	5
	Client satisfaction ²		80%
<i>Timeliness</i>	Information and product request responses within agreed timeframes	90%	90%
	Quarterly advice of data product releases to key clients	100%	100%
Renewable Energy			
<i>Quantity</i>	Rebate applications approved	65	65
<i>Quality</i>	Client satisfaction ²		80%
<i>Timeliness</i>	Applications and rebate payments processed within agreed timeframes	95%	95%
Mining Development			
<i>Quantity</i>	Project leads generated or progressed	20	20
	Promotion and investment attraction activities completed	10	10
<i>Quality</i>	Client satisfaction ²		95%
<i>Timeliness</i>	Information and advice provided within agreed timeframes	90%	90%

¹ The Fraser Institute is a research organisation that seeks to establish the relative investment attractiveness of regions throughout the world.

² Not measured in 2005-06.

Primary Industry

Delivery of a range of strategic services that facilitate profitable and sustainable primary industries in the Northern Territory and maintain access to markets for animals, plants, and animal and plant products.

Strategic outcomes are achieved through focused research and development programs, specific programs that support Indigenous pastoral and horticultural development, effective extension services and maintaining targeted programs to monitor, detect and respond to emergency and endemic animal and plant pests and diseases.

Performance Measures		2005-06 Estimate	2006-07 Estimate
Biosecurity and Market Access			
<i>Quantity</i>	Animal disease and residue projects being implemented ¹	13	8
	Plant pest and disease biosecurity plans developed ²	0	1
<i>Quality</i>	Compliance with national animal health system performance standards	90%	90%
	Client satisfaction ³		80%
<i>Timeliness</i>	Project and plan milestones met ²	85%	90%
	Response time for animal and plant pest and disease incursions	< 24hrs	24 hrs
Sustainable Primary Industry Development			
<i>Quantity</i>	Research, development and extension projects in progress ⁴	33	30
	Technical publications and information packages available to clients ⁵	805	884
	New and improved agricultural products produced through research, development and extension projects	4	4
<i>Quality</i>	Client satisfaction ³		80%
<i>Timeliness</i>	Research and development project milestones completed on time	90%	90%
	Technical publications and information packages produced or updated within specified timeframes ⁵	80%	85%
	New and improved product commercialisation timelines met	90%	90%

1 The reduced animal disease and residue projects estimate reflects that smaller projects are being amalgamated.

2 The biosecurity plan is progressing and is expected to be completed during 2006-07.

3 Not measured in 2005-06.

4 Research and development projects – reduction in target reflects some smaller projects merged.

5 Some technical publications were withdrawn during 2005-06 due to the age of the information, and are expected to be updated during 2006-07.

Fisheries

Provision of research, information, advice and marine resource management and facilitation services to the commercial, recreational and Indigenous fishing and aquaculture industries for the stewardship of marine resources and their sustainable utilisation. The services include policy development and implementation, granting and maintenance of licences, development of formal Fishery Management Plans, advice on new investment opportunities and development of production technologies through aquaculture research.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Current aquaculture development projects	30	30
	Presentations made and scientific and technical articles published ¹	5	5
	Aquaculture licences issued	18	18
<i>Quality</i>	Client satisfaction ²		80%
<i>Timeliness</i>	Milestones completed within agreed timeframes	90%	90%

¹ Reduced emphasis on research due to increased emphasis on emerging mud crab production requirements to meet needs of Indigenous community project.

² Not measured in 2005-06.

Output Group: Resource Industry Management

Provision of strategic programs and activities focused on resource management, safety and sustainability.

The outcome is sustainable and responsible management of Territory industry resources.

Minerals and Energy

Provision of a range of services including primary responsibility for delivering strategic services that regulate mining and petroleum tenure, inspection and audits to ensure best practice in environmental management, workplace safety, occupational health and radiation safety, and the evaluation and reduction of environmental impacts arising from mine sites.

Performance Measures		2005-06 Estimate	2006-07 Estimate
Authorisations			
<i>Quantity</i>	Planning documents assessed	200	250
<i>Quality</i>	Client satisfaction ¹		80%
<i>Timeliness</i>	Plans assessed within established timeframes	90%	90%
Compliance			
<i>Quantity</i>	Site reported incidents	1 100	1 100
	Site Category 1 non-conformances identified ²	3	3
<i>Quality</i>	Client satisfaction ¹		80%
<i>Timeliness</i>	Site reported incidents finalised within agreed timeframes	90%	90%
	Site Category 1 non-conformances finalised within timeframes specified in notices of non-conformances ²	90%	90%
Mining Evaluation			
<i>Quantity</i>	Projects dealing with long-term mining issues ³	15	15
	Mining site monitoring programs actioned	50	50
<i>Quality</i>	Client satisfaction ¹		80%
<i>Timeliness</i>	Project milestones completed within agreed timeframes	90%	90%
	Sites monitored according to agreed schedule	90%	90%
Mineral Titles			
<i>Quantity</i>	Mineral exploration licences granted ⁴	734	800
	Applications for mineral exploration licences ⁵	776	750
<i>Quality</i>	Client satisfaction ¹		80%
<i>Timeliness</i>	Mineral exploration licence applications determined within specified timeframes	80%	80%
Petroleum Titles			
<i>Quantity</i>	Petroleum exploration permits granted	10	25
	Applications for petroleum exploration permits ⁶	26	15
<i>Quality</i>	Client satisfaction ¹		80%
<i>Timeliness</i>	Petroleum exploration permit applications determined within specified timeframes	80%	80%

1 Not measured in 2005-06.

2 Site Category 1 represents a deviation from expectations that could potentially result in a high risk occupational health and safety or environmental event occurring.

3 The original 2005-06 estimate of 30 projects for Mining Evaluations dealing with long-term mining issues has been revised subsequent to the amalgamation Mining Evaluations with Authorisations. These actions resulted in a temporary reduction in staff and as a consequence the unit has refocused on core functions.

4 Mineral exploration licences granted are expected to increase in 2006-07 due to increased number of applications received.

5 Increase in mineral exploration licence applications on hand for 2005-06 due to the Building the Territory's Resource Base initiative and an increase in commodity prices.

6 Although interest in petroleum exploration remains high, the anticipated high level of activity during 2005-06 has not eventuated. The 2006-07 estimate has been revised to reflect this.

Fisheries

Management of the Northern Territory's aquatic resources through the provision of information and assistance to the community, Government and the fishing industry sectors to support sustainable development. Services include policy development and implementation, research, the granting and maintenance of licences, the development and implementation of fishery management arrangements and the monitoring and control of aquatic pest and disease issues.

Performance Measures		2005-06 Estimate	2006-07 Estimate
Research Services			
<i>Quantity</i>	Current research projects ¹	15	17
	Presentations made and scientific and technical articles published	50	50
	Aquatic pest management projects	3	3
<i>Quality</i>	Client satisfaction ²		80%
<i>Timeliness</i>	Milestones completed within agreed timeframes	90%	90%
Aquatic Resource Management			
<i>Quantity</i>	Recreational fisheries management projects	8	8
	Commercial fisheries management projects	3	3
	Indigenous fisheries projects	3	3
	Fisheries accredited	8	9
	Other aquatic resource management projects ³	1	4
<i>Quality</i>	Client satisfaction ²		80%
<i>Timeliness</i>	Project milestones completed within agreed timeframes	90%	90%

1 New demersal and pelagic fishery projects expected in 2006-07.

2 Not measured in 2005-06.

3 Resources for 2006-07 have been redirected from fishery accreditations to meet Government priorities on resource management projects.

Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	1 380	825
Capital	6 903	8 010
Output revenue	50 822	50 216
Sales of goods and services	7 672	5 757
Interest revenue		
Goods and services received free of charge	4 544	4 544
Gain(+)/loss(-) on disposal of assets		
Other revenue	3 190	1 547
TOTAL INCOME	74 511	70 899
EXPENSES		
Employee expenses	35 627	36 312
Administrative expenses		
Purchases of goods and services	20 696	18 044
Repairs and maintenance	1 456	1 581
Depreciation and amortisation	3 373	3 373
DCIS services free of charge	4 544	4 544
Other administrative expenses		
Grants and subsidies expenses		
Current	3 275	2 408
Capital	8 673	8 010
Community service obligations		
Interest expense		
TOTAL EXPENSES	77 644	74 272
NET SURPLUS(+)/DEFICIT(-)	- 3 133	- 3 373

Income Administered for the Central Holding Authority

INCOME		
Taxation revenue		
Grants and subsidies revenue		
GST revenue		
Current		
Capital		
Fees from regulatory services	1,050	1,050
Interest revenue		
Royalties and rents	1 523	1 405
Other revenue	245	245
TOTAL INCOME	2 818	2 700

Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
ASSETS		
Cash and deposits	4 498	4 504
Receivables	1 547	1 549
Prepayments	138	138
Inventories		
Advances and investments		
Property, plant and equipment	64 354	61 226
Other assets		
TOTAL ASSETS	70 537	67 417
LIABILITIES		
Deposits held	2 892	2 892
Creditors and accruals	2 023	2 025
Borrowings and advances		
Provisions	6 161	6 161
Other liabilities		
TOTAL LIABILITIES	11 076	11 078
NET ASSETS	59 461	56 339
EQUITY		
Capital		
Opening balance	67 708	73 268
Equity injections/withdrawals	5 560	251
Reserves	2 277	2 277
Accumulated funds		
Opening balance	- 12 950	- 16 083
Current year surplus(+)/deficit(-)	- 3 133	- 3 373
Accounting policy changes and corrections		
TOTAL EQUITY	59 462	56 340

Assets and Liabilities Administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	2 266	2 266
TOTAL ASSETS	2 266	2 266
LIABILITIES		
Central Holding Authority income payable		
Unearned Central Holding Authority income	2 265	2 265
TOTAL LIABILITIES	2 265	2 265
NET ASSETS	1	1

Cash Flow Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	1 380	825
Capital	6 903	8 010
Receipts from sales of goods and services		
Output revenue received	50 822	50 216
Other agency receipts	9 956	7 302
Interest received	18	
Total operating receipts	69 079	66 353
Operating payments		
Payments to employees	37 133	36 312
Payments for goods and services	22 305	19 623
Grants and subsidies paid		
Current	3 275	2 408
Capital	8 673	8 010
Community service obligations		
Interest paid		
Total operating payments	71 386	66 353
NET CASH FROM OPERATING ACTIVITIES	- 2 307	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	6	6
Repayment of advances	- 3 344	
Sales of investments		
Total investing receipts	- 3 338	6
Investing payments		
Purchases of assets	291	251
Advances and investing payments	- 5 227	
Total investing payments	- 4 936	251
NET CASH FROM INVESTING ACTIVITIES	1 598	- 245
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Capital Appropriation	291	251
Other equity injections	4 000	
Total financing receipts	4 291	251
Financing payments		
Repayment of borrowings		
Finance lease payments		
Equity withdrawals	304	
Total financing payments	304	
NET CASH FROM FINANCING ACTIVITIES	3 987	251
Net increase(+)/decrease(-) in cash held	3 278	6
Cash at beginning of financial year	1 220	4 498
CASH AT END OF FINANCIAL YEAR	4 498	4 504