

Service Delivery Statements

Department of Environment and Heritage Protection

2016-17 Queensland Budget Papers

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Appropriation Bills

Budget Highlights

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Service Delivery Statements

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Department of Environment and Heritage Protection

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef:

<p style="text-align: center;">Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef</p> <p style="text-align: center;">The Honourable Dr Steven Miles MP</p>
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<p style="text-align: center;">Department of Environment and Heritage Protection</p> <p style="text-align: center;">Director-General: Jim Reeves</p>
Service area 1: Environmental Protection Services
Service area 2: Species and Ecosystem Protection Services
Service area 3: Heritage Protection Services

Additional information can be sourced from: www.ehp.qld.gov.au

Departmental overview

The Department of Environment and Heritage Protection is committed to the vision of a healthy and resilient environment for a sustainable and prosperous Queensland. The department's mission is to lead environment and heritage protection and sustainability in Queensland.

The department will be a significant contributor to the Queensland Government's objective for the community to protect the environment and its key priorities: protecting the Great Barrier Reef, conserving nature and heritage, ensuring sustainable management of natural resources, and enabling sustainable development.

To support the achievement of the Government's objectives for the community and address the State's environmental challenges, the department has identified five goals, each with a number of strategies.

Goal one: Conserve nature at both the species and landscape levels

- Set standards and objectives to protect Queensland's ecosystems; increase the State's Protected Area Estate to protect and conserve Queensland's ecosystems and species; minimise negative interactions between wildlife and communities; educate and engage with communities about the State's ecosystems and species; establish initiatives to enhance functionality of Queensland's ecosystems and habitat.

Goal two: Protect the Great Barrier Reef

- Coordinate the State's contribution to the Reef 2050 Long-Term Sustainability Plan; coordinate the implementation of the Government's response to the recommendations of the Great Barrier Reef Water Science Taskforce; partner with key stakeholders and support the delivery of programs to reduce diffuse pollution from agricultural industries in reef catchments.

Goal three: Protect significant heritage places

- Regulate and support the management and protection of places with State heritage value; promote the value and understanding of Queensland's heritage through programs and education initiatives.

Goal four: Avoid, minimise or mitigate negative impacts on the environment

- Regulate environmentally significant activities to achieve best practice outcomes; maintain a contemporary compliance framework that focuses on risk; oversee the development of whole-of-government climate change mitigation and adaptation programs; administer the offsets framework to minimise impacts on the environment; implement programs to reduce unlawful waste activities and promote increased re-use and recycling; implement programs to address impacts on coasts and catchments from urban and rural development.

Goal five: Provide efficient, responsive and integrated services

- Partner with universities and other academic bodies to provide the information required to monitor environmental performance and inform policy; leverage funding and other resourcing from industry and the community; continue to invest in developing a safe, responsive, ethical, inclusive and engaged workforce; continue to strengthen the department's governance and accountability frameworks to ensure resources are targeted at key issues.

Departmental challenges and opportunities include:

- Preserving the ecological integrity of the Great Barrier Reef by implementing initiatives to improve water quality and address the cumulative effects of climate change and the increasing intensity of climatic events.
- Mitigating the environmental impacts of urbanisation and rural and urban development through regulation of Environmentally Relevant Activities, developing innovative solutions to achieve better waste management and implementing programs to address the impacts of urban and rural development on our coasts and catchments.
- Enhancing ecosystems and habitats through developing a long term strategy to increase the Protected Area Estate and enhance the functionality of Queensland's ecosystems and habitats; and extending the program of report cards to monitor ecosystems' health and status against environmental standards.
- Leading and contributing to a range of activities to address the causes and consequences of climate change.
- Transitioning to a business model built on collaboration and interdependence by collaborating more effectively with public, private and non-government organisations; fostering a greater understanding of the economic and social benefits of maintaining Queensland's ecosystems and environment; and becoming a highly regarded honest broker of information and analysis about the condition of Queensland's environment.
- Using new technologies to acquire up to the minute knowledge of environmental hazards and access to "citizen science", including greater use of social networking and technology to engage more fully and better communicate and consult with stakeholders.

Service performance

Performance statement

Environmental Protection Services

Service area objective

To avoid, minimise or mitigate negative impacts on the environment through the design, application and monitoring of strategic direction, standards and regulations that guide the operation and control the activities of businesses and individuals that have or can have significant environmental impacts.

Service area description

The service area:

- delivers the Government's environmental legislation and policy priorities
- provides targeted, consistent and transparent regulation that facilitates sustainable development in Queensland
- manages and monitors environmental risks proactively through modern and innovative assessment, compliance, investigation and enforcement programs
- delivers programs to improve water quality in the Great Barrier Reef through the Office of the Great Barrier Reef.

Services

- Monitoring legislative and regulatory compliance relating to the impact of industrial or commercial activity on the environment
- Identifying, monitoring and taking action in relation to unlawful activity
- Controlling and/or allowing actions that will impact on the State's environment
- Litigation
- Improving Great Barrier Reef water quality

2016-17 service area highlights

- Oversee implementation of the Reef 2050 Long Term Sustainability Plan and the Reef Water Quality Protection Plan.
- Coordinate the Queensland Government Great Barrier Reef Investment plan.
- Coordinate the implementation of the Government's response to the recommendations of the Great Barrier Reef Water Science Taskforce.
- Provide an additional \$1.9 million to facilitate improved waste management and resource recovery to help grow the waste management industry and improve associated employment opportunities in Queensland.
- Increased funding of \$1.8 million (\$6.8 million over four years) to lead the development of the Government's climate change strategies, including climate change adaptation, climate change mitigation and adapting to coastal hazards.
- Enhance the sustainable use of groundwater by the resource industry through administration of the underground water management framework of Chapter 3 of the *Water Act 2000*.
- Provide an additional \$1.1 million to develop a best practice regulatory framework and enhance compliance and licencing activities for Queensland's biofuels industry, and a further \$140,000 to implement the Biofutures Roadmap and Action Plan.
- Continue to expand the water quality report card system.

Department of Environment and Heritage Protection	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Environmental Protection Services				
Service: Monitoring legislative and regulatory compliance relating to the impact of industrial or commercial activity on the environment				
Service standards <i>Effectiveness measures</i> Percentage of identified unlicensed operators who have become licenced or enforcement action taken within 60 days	1	70%	70%	70%
Percentage of sites that show a reduction in overall risk to the environment as a result of site inspections	2	70%	70%	70%
<i>Efficiency measure</i> Average cost per environmental complaint resolution as a consequence of effective prioritisation of complaints	3	\$2,500	\$1,800	\$2,500
Service: Identifying, monitoring and taking action in relation to unlawful activity				
Service standards <i>Effectiveness measure</i> Proportion of monitored licensed operators returned to compliance with their environmental obligations	4	70%	70%	70%
<i>Efficiency measure</i> Average cost per formal investigation into serious non-compliance	5	\$2,500	\$2,900	\$3,500
Service: Controlling and/or allowing actions that will impact on the State's environment				
Service standards <i>Effectiveness measure⁶</i>				
<i>Efficiency measure</i> Average cost per permit/licence assessed	7	\$8,500	\$9,000	\$8,500
Service: Litigation				
Service standards <i>Effectiveness measure</i> Percentage of matters finalised with a finding of guilt or a successful application	8	85%	87%	85%

Department of Environment and Heritage Protection	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<i>Efficiency measure</i> Percentage of potential prosecutions reviewed and decision made, within 12 weeks of receiving a brief of evidence, on whether charges can be laid	9	90%	93%	90%
Service: Improving Great Barrier Reef water quality				
Service standards <i>Effectiveness measure</i> Queensland's contribution to a reduction in the annual loads of nitrogen, sediment and pesticides to the Great Barrier Reef	10	New measure	New measure	≥ 1%
<i>Efficiency measure</i> ¹¹				

Notes:

1. This service standard measures the effectiveness of the Compliance Centre Teams in addressing unauthorised environmentally relevant activities and enabling corrective action to be taken within what is regarded as an acceptable timeframe. The service standard will support a reduction in the number of unlicensed operators and level the playing field for all operators. This is not a regulatory timeframe as it is set by the service area. The 60 day timeframe was established as it strikes the right balance between allowing operators to go through the process to become licensed and allowing enough time for the department to take enforcement action against operators that do not become licensed.
2. This service standard measures the effectiveness of regulatory compliance activities to reduce the overall risk to the environment. Through the implementation of an effective compliance inspection program the department will conduct site inspections, with a focus on sites with a higher risk score, to ensure operators are meeting the conditions of their licences and permits. The program of compliance inspections is a vital part of the department's regulatory framework and is being strengthened through the measurement of any change in environmental risk between compliance inspections.
3. This service standard measures the efficiency of the department's complaint resolution effort from lodgement to resolution (deciding on actions to be taken). The purpose is to monitor the cost effectiveness of the new business model being used to address environmental complaints where all complaints are channelled through the Customer Response Team and "triaged" to ensure effective dealing with complaints.
4. This service standard measures the instances where non-compliance has been identified and corrective action taken to both assist customers to better understand their environmental obligations and to deal with non-compliance through proportionate and consistent enforcement action.
5. This service standard measures the efficiency of the Investigations Team's effort in investigating Formal Investigation Requests, including those referred from the Department of National Parks, Sport and Racing (DNPSR) and the Department of Aboriginal and Torres Strait Islander Partnerships (Cultural Heritage), to the point that a decision has been made to take action.
6. A measure is being developed and will be included in a future *Service Delivery Statement* (SDS).
7. This service standard measures the efficiency of the Business Centre Assessment Teams in making permit/licence application decisions. It measures the cost of each permit/licence assessed by the service area. The purpose is to monitor the efficiency of the Assessment Teams, including their ability to increase efficiency through continuous improvement and to focus on their core business of assessing permit/licence applications.
8. This service standard measures the effectiveness of the Litigation Unit in successfully finalising litigation matters in order to support best practice environmental management.
9. This service standard measures the performance of the Litigation Unit in reviewing all potential prosecutions and making timely decisions on whether charges can be laid against the offender or offenders. The purpose is to monitor the efficiency of the Litigation Unit, including its ability to increase efficiency through continuous improvement and to focus on its core business of assessing undertaking litigation on behalf of the department and DNPSR. This is not a regulatory timeframe as it is set by the service area.
10. This is a whole-of-government measure, included as part of the department's role in coordinating reef reporting across government. Performance for this service standard will be reported annually (including through the Great Barrier Reef Report Card). Due to a 12-month time lag the performance result reported in the 2017-18 SDS will relate to the 2015-16 financial year.
11. A measure is being developed and will be included in a future SDS.

Species and Ecosystem Protection Services

Service area objective

To protect Queensland's ecosystems by ensuring the diversity and integrity of Queensland's natural ecosystems are preserved and conservation status of native species are maintained or enhanced.

Service area description

The service area:

- protects Queensland's flora and fauna and high value ecosystems and manages negative interactions between humans and wildlife
- promotes sustainable management of Queensland's terrestrial and marine biodiversity values and wetlands, and employs Indigenous rangers through the Land and Sea Rangers Program
- works with key stakeholders including local government, environment and conservation groups, businesses and communities to achieve a sustainable environment for the future by reducing our environmental footprint and communicating the health of our ecosystems.

Services

- Protecting environments, ecosystems, habitats and species
- Controlling and/or allowing the use of native species

2016-17 service area highlights

- Manage the Government's NatureAssist Program to secure and maintain existing protected areas on private land in Queensland, whilst providing a further \$5 million for acquisition of publicly-owned Protected Area Estate.
- Encourage and support community groups, through a new Community Sustainability Action Grants program (\$4 million per year over three years) to support community-based delivery of environmental, conservation and heritage protection activities and outcomes.
- Provide an additional \$3.5 million (\$12.1 million over four years) to enhance and extend initiatives to support koala conservation work, including the development of two supported urban refuges, expansion of the existing koala survey and monitoring program of the broader South East Queensland region and continued support for the Daisy Hill Koala Centre and the Moggill Koala Hospital.
- Continue wildlife management across Queensland, including an additional \$3.8 million (\$15.2 million over four years) to support wildlife hospitals and wildlife call centres, as well as develop improvements to wildlife management policy, regulatory reform and service delivery reform.
- Provide an additional \$1.7 million (\$5.8 million over three years) for crocodile management activities in Northern Queensland, including the expansion of the Rockhampton Crocodile Urban Management Area and implementation of a crocodile survey and monitoring program.
- Work with Traditional Owners to develop a framework to protect Queensland's pristine rivers from the impact of large scale industrial operations.
- Progress World Heritage nominations for Cape York Peninsula and extension to the Fraser Island World Heritage area.
- Implement alternative management strategies for problem urban flying-fox roosts (\$2.7 million over three years).

Department of Environment and Heritage Protection	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Species and Ecosystem Protection Services				
Service: Protecting environments, ecosystems, habitats and species				
Service standards				
<i>Effectiveness measures</i>	1	8.1%	7.9%	7.9%

Department of Environment and Heritage Protection	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Percentage of Queensland's land area that is protected				
Percentage of threatened species, targeted under recovery plans, which maintain or improve their classification	2	95%	96%	95%
<i>Efficiency measure</i> Cost per session for the Queensland wetland information system (WetlandInfo)	3	New measure	New measure	<\$4
Service: Controlling and/or allowing the use of native species				
Service standards <i>Effectiveness measure</i> Percentage of declared crocodiles of concern removed within three months of declaration	4	New measure	New measure	75%
<i>Efficiency measure</i> Average cost per wildlife permit or licence issued	5,6	\$184	\$95	<\$100

Notes:

1. This service standard measures the percentage of Queensland land which is dedicated as national park or regional park or declared as a nature refuge. The 2015-16 Target/Estimate was 8.1 per cent; however based on available data, 7.9% is a realistic Target/Estimate for 2016-17. An assessment of probable additions and revocations from the Protected Area Estate suggests a zero net increase from the current 2015-16 Estimated Actual figure of 7.9 per cent.
2. Recovery plans may be formal plans adopted under the *Environment Protection and Biodiversity Conservation Act 1999* (Australian Government legislation) or informal conservation action plans developed by Queensland to recover species. Implementation actions will include regular monitoring which will enable determination of species status as an annual measure.
3. This measures the number of user sessions for WetlandInfo compared with the total staff and other costs involved in managing the system. Costs include all departmental staff expenses (e.g. salaries) to provide input data plus on-costs charged by IT Partners in the Department of Agriculture and Fisheries to maintain the system. This service standard provides an indication of the efficiency with which WetlandInfo website information delivery is provided to customers. The <\$4 target has been set based on historical data and forecast usage of the wetland information system. The target will be reviewed in 2017-18 as efficiencies are improved.
4. Crocodile reports are recorded in the CrocWatch database. If the department determines that a crocodile poses an unacceptable risk, it is dealt with as a 'crocodile of concern'. This service standard measures the percentage of all declared crocodiles of concern which are removed by departmental wildlife officers within three months of declaration. This three-month timeframe has been determined taking into account the reasonable time required to resolve the matter based on previous cases.
5. This service standard measures the cost of each wildlife permit or licence approved, refused or withdrawn by the department. The costs involve salaries, on-costs and operational expenses as determined by the Wildlife Management Unit when the wildlife budget was allocated. Percentages for each person/position were allocated to the service. The inclusion of licences in the service standard provides a better description of the service delivered as the number of permits and licences are reported together in the *Nature Conservation Act 1992* Annual Report.
6. The variance between the 2015-16 Target/Estimate and 2015-16 Estimated Actual is due to the unavailability of data when initially determining the measure target. Monitoring the measure over the past year has indicated that the adjusted 2016-17 Target/Estimate is an achievable stretch target.

Heritage Protection Services

Service area objective

To protect Queensland's heritage by recognising its value and ensuring it is conserved, adaptively re-used and its value is promoted for present and future generations.

Service area description

This service area is responsible for protecting Queensland's built heritage by:

- supporting the operations of the Queensland Heritage Council, identifying and registering places with State heritage value and regulating and assisting in their management
- communicating with, and educating Queenslanders on, their historic heritage and working with local governments to incorporate heritage requirements in their planning arrangements
- promoting opportunities for corporate investment in Queensland's built heritage
- supporting adaptive reuse of heritage places.

2016-17 service area highlights

To ensure significant Queensland heritage places are identified and their values protected the department will:

- enhance policies and procedures designed to protect the State's built heritage
- continue to promote the value, and increase community understanding, of Queensland's heritage
- continue to review and update the State's heritage register.

Department of Environment and Heritage Protection	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Heritage Protection Services				
Service standards				
<i>Effectiveness measure</i>				
Percentage of departmental heritage recommendations, for inclusion in or removal from the Heritage Register, accepted by the Queensland Heritage Council	1	90%	90%	90%
<i>Efficiency measure</i>				
Average cost per heritage register entry reviewed and updated	2	\$235	\$235	\$235

Notes:

1. The department is responsible for researching, consulting relevant parties and making recommendations to the Queensland Heritage Council (QHC) for places nominated for inclusion in or removal from the Queensland Heritage Register (Register). As an independent statutory body the QHC is responsible for making the decision about which places are added to or removed from the Register. In making this decision the QHC must consider the department's recommendations, public submissions, oral representations, the physical condition or structural integrity of the place and any other relevant information it considers relevant.
2. The Register contains more than 1,700 places. Some of the information dates from 1992 when it was transitioned from other registers. These entries are being updated to improve the accuracy of information about places in the Register. This service standard measures the full-time equivalent staff cost to review and update each entry in the Register.

Administered items

Administered activities are those undertaken by departments on behalf of the Government.

The Department of Environment and Heritage Protection administers funds on behalf of the State which include the collection of a range of regulatory fees associated with contaminated land searches, development applications and sand dredging royalties; permits for the keeping of wildlife and licensing of the recreational and commercial harvesting of wildlife, and also includes fines and forfeitures. These fees are generally levied on business and members of the community and remitted to Government's Consolidated Fund.

Financial statements and variance explanations in relation to administered items appear in the departmental financial statements.

Departmental budget summary

The table below shows the total resources available in 2016-17 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Environment and Heritage Protection	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	18,482	17,548	11,049
Balance of service appropriation	134,336	130,576	157,992
Other revenue	52,201	54,546	59,832
Total income	205,019	202,670	228,873
Expenses			
Environmental Protection Services	124,091	125,554	140,058
Species and Ecosystem Protection Services	67,797	64,244	74,390
Heritage Protection Services	4,691	5,343	5,896
Corporate Partnerships ²	11,072	11,124	10,816
Total expenses	207,651	206,265	231,160
Operating surplus/deficit	(2,632)	(3,595)	(2,287)
Net assets	63,624	67,776	48,090
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	..	..	..
Other administered revenue	7,123	8,914	7,298
Total revenue	7,123	8,914	7,298
Expenses			
Transfers to government	7,123	8,914	7,298
Administered expenses	..	..	..
Total expenses	7,123	8,914	7,298
Net assets	210	299	299

Notes:

1. Appropriation revenue includes State and Commonwealth funding.
2. Corporate Services which are hosted by the department as part of the corporate partnership arrangements provide services to the Departments of: Agriculture and Fisheries; Energy and Water Supply; National Parks, Sport and Racing; Natural Resources and Mines; Tourism, Major Events, Small Business and the Commonwealth Games.

Service area sources of revenue¹

Sources of revenue 2016-17 Budget					
Department of Environment and Heritage Protection	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Environmental Protection Services	140,058	84,738	53,048	450	880
Species and Ecosystem Protection Services	74,390	68,213	1,356	3,179	285
Heritage Protection Services	5,896	5,708	191	..	9
Corporate Partnerships	10,816	10,350	409	..	57
Total	231,160	169,009	55,005	3,629	1,230

Note:

1. Explanations of variances are provided in the financial statements.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2015-16 State Budget. Further details are contained in *Budget Paper 4*.

Department of Environment and Heritage Protection	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	1,482	1,659	1,729	1,791
Expense measures					
Administered	..	..	..	..	..
Departmental ¹	7,371	30,034	21,862	20,562	12,245
Capital measures					
Administered	..	..	..	..	..
Departmental	500	5,400	..	..	..

Note:

- Figures reconcile with *Budget Paper 4*, including the whole-of-government expense measures 'Brisbane CBD government office agency rental impacts' and 'Reprioritisation allocations'.

Departmental capital program

Total capital purchases for the department in 2016-17 are \$8.6 million, including \$5.1 million for land acquisitions. These purchases reflect the department's mission to lead environment and heritage protection and sustainability in Queensland.

The 2016-17 capital purchases will deliver new technology systems that will contribute to the protection of the environment by providing efficiencies and savings in the delivery of the department's priorities: protecting the Great Barrier Reef, conserving nature and heritage and ensuring sustainable management of natural resources (including the implementation of the biofuels mandate). The capital purchases will also contribute to the protection of the State's natural environment by acquiring land for inclusion in the protected estate.

Capital budget

Department of Environment and Heritage Protection	Notes	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure		7,859	7,246	5,345
Total plant and equipment		472	1,044	1,325
Total other capital		3,340	4,397	1,899
Total capital purchases		11,671	12,687	8,569

Note:

- For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.

Staffing¹

Department of Environment and Heritage Protection	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Environmental Protection Services	2,3	628	659	640
Species and Ecosystem protection Services	2,4	314	312	349
Heritage Protection Services	2	33	33	33
Sub-total		975	1,004	1,022
Corporate Partnerships	5	81	87	87
TOTAL		1,056	1,091	1,109

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Increase during 2015-16 relates to project funding for the Compliance Review Program and underground coal gasification investigations.
4. Increase in 2016-17 relates to additional positions associated with koala protection programs, as well as climate change and pristine rivers policy development.
5. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. Corporate Services which are hosted by the department as part of the corporate partnership arrangements provide services to the Departments of: Agriculture and Fisheries; Energy and Water Supply; National Parks, Sport and Racing; Natural Resources and Mines; Tourism, Major Events, Small Business and the Commonwealth Games.

Budgeted financial statements

Analysis of budgeted financial statements

An analysis of the department's financial position, as reflected in the department's financial statements, is provided below.

Departmental income statement

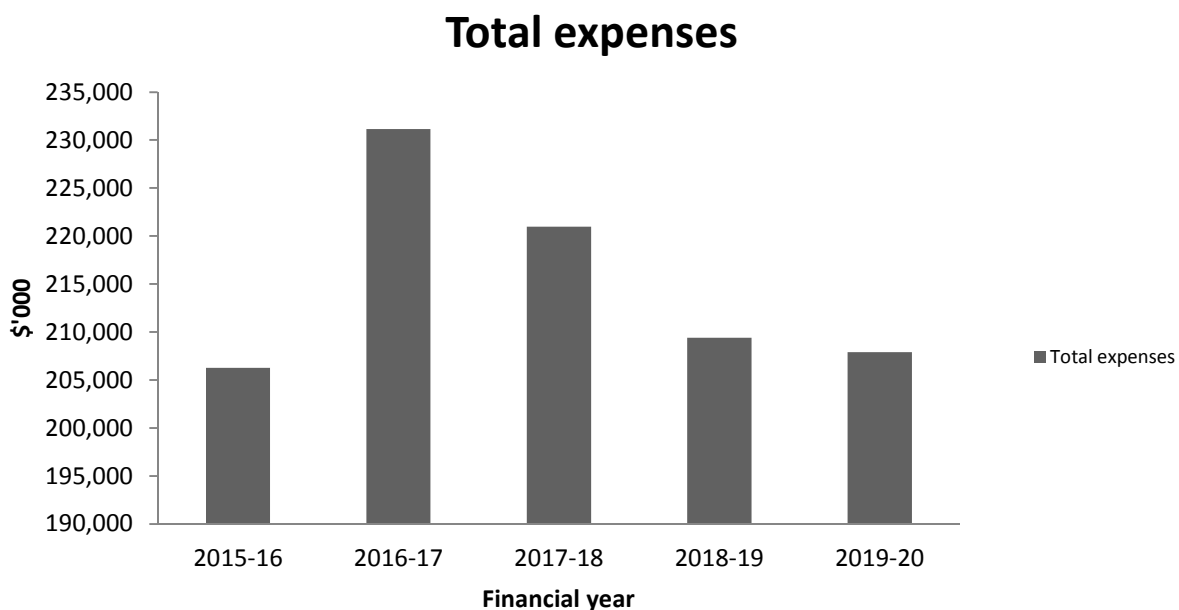
Total expenses in 2016-17 are estimated to be \$231.2 million, an increase of \$24.9 million from the 2015-16 Estimated Actual, and an increase of \$23.5 million on the 2015-16 Budget.

The increase is primarily due to new funding in 2016-17 for new budget measures including Community Sustainability Action Grants (\$4 million), Koala Conservation (\$3.5 million), Waste Management (\$1.9 million), Pristine Rivers protection (\$1.1 million) and the progression towards World Heritage status for Cape York and Great Sandy (\$0.8 million); as well as increased funding for Climate Change policy development (\$1.8 million) and various wildlife management activities, including Crocodile Management (\$1.7 million), Reducing Flying Fox Conflicts (\$650,000) and Wildlife Management (\$3.8 million).

The department's budgeted operating deficit positions relate to expenditure against a number of externally funded programs, where the related revenue has been received in a prior year. These funds are carried forward as part of the department's cash reserves and are therefore fully funded. These programs include the Reef Trust (Australian Government funding), Dugong and Turtle Protection, and the preservation of koala habitat where cash offsets for development have been provided by other State Government entities. The deficit position for the 2015-16 Estimated Actual includes \$1.9 million of returned Commonwealth land acquisition funding.

The decrease in projected expenses to 2019-20 of \$23.3 million is the result of a number of initiatives where approved funding is either declining or due to cease. These include the finalisation of Underground Coal Gasification Investigations, the Compliance Review Program, utilisation of funds for externally funded programs and forfeited financial assurance for mine rehabilitation, and the cessation of Community Sustainability Action Grants (funded to 2018-19) and Climate Change Adaptation initiatives (funded to 2017-18).

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

In 2016-17, the department's net assets are projected to be \$48.1 million, with total assets of \$59.6 million offset by liabilities of \$11.5 million.

The department's major assets are in Property, plant and equipment (\$32.4 million) primarily representing land and buildings, and Intangibles (\$7.9 million).

Land assets are expected to decrease during 2016-17 as properties purchased through the current and previous land acquisition programs are progressively transferred to the Department of National Parks, Sport and Racing. The capital acquisition program for 2016-17 includes \$5 million for additional land purchases.

Intangibles which reflect the department's information technology systems are expected to increase as the department injects funds into rebuilding and refreshing its information technology solutions and infrastructure, particularly for permitting and licensing.

The department's main liabilities relate to payables of an operating nature or for the payment of long service leave and annual leave levies payable to the central government funds at the end of the year. Liabilities also include unearned revenue representing forfeited financial assurance, which will be used to undertake environmental rehabilitation work in 2016-17 and outyears.

Controlled income statement

Department of Environment and Heritage Protection	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue	1,7,12	152,818	148,124	169,041
Taxes		..	..	..
User charges and fees	8,13	47,487	47,323	55,005
Royalties and land rents		..	..	..
Grants and other contributions	2,14	4,534	6,210	4,046
Interest		..	4	..
Other revenue	3	180	1,009	781
Gains on sale/revaluation of assets		..	..	..
Total income		205,019	202,670	228,873
EXPENSES				
Employee expenses	4,9,15	102,742	110,915	112,300
Supplies and services	5,10	59,846	61,442	62,256
Grants and subsidies	6,11,16	37,552	27,850	49,488
Depreciation and amortisation		3,448	3,494	3,448
Finance/borrowing costs		..	..	..
Other expenses		3,013	2,064	2,618
Losses on sale/revaluation of assets		1,050	500	1,050
Total expenses		207,651	206,265	231,160
OPERATING SURPLUS/(DEFICIT)		(2,632)	(3,595)	(2,287)

Controlled balance sheet

Department of Environment and Heritage Protection	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	17,21,25	4,771	8,567	7,358
Receivables	18,26	8,605	10,615	9,994
Other financial assets		..	..	..
Inventories		..	..	..
Other		2,333	2,211	1,925
Non-financial assets held for sale		..	..	..
Total current assets		15,709	21,393	19,277
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	22,27	50,356	50,180	32,443
Intangibles	19,23	6,614	7,794	7,919
Other		..	..	..
Total non-current assets		56,970	57,974	40,362
TOTAL ASSETS		72,679	79,367	59,639
CURRENT LIABILITIES				
Payables		5,543	4,900	5,353
Accrued employee benefits		2,830	3,157	3,517
Interest bearing liabilities and derivatives		..	..	..
Provisions		207	212	212
Other	20,24	9	2,840	2,192
Total current liabilities		8,589	11,109	11,274
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		466	482	275
Other		..	..	..
Total non-current liabilities		466	482	275
TOTAL LIABILITIES		9,055	11,591	11,549
NET ASSETS/(LIABILITIES)		63,624	67,776	48,090
EQUITY				
TOTAL EQUITY		63,624	67,776	48,090

Controlled cash flow statement

Department of Environment and Heritage Protection	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	28,34,39	152,818	149,961	169,041
User charges and fees	35,40	46,732	49,548	53,901
Royalties and land rent receipts		..	..	..
Grants and other contributions	29,41	4,534	6,210	4,046
Interest received		..	4	..
Taxes		..	..	..
Other	30	180	1,265	683
Outflows:				
Employee costs	31,36	(102,742)	(111,054)	(111,815)
Supplies and services	32,37	(60,053)	(63,524)	(61,724)
Grants and subsidies	33,38,42	(37,552)	(27,850)	(49,488)
Borrowing costs		..	..	..
Other		(3,013)	(2,064)	(2,618)
Net cash provided by or used in operating activities		904	2,496	2,026
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		20	20	20
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(11,671)	(12,687)	(8,569)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(11,651)	(12,667)	(8,549)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		5,959	7,623	5,985
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(671)	(671)	(671)
Net cash provided by or used in financing activities		5,288	6,952	5,314
Net increase/(decrease) in cash held		(5,459)	(3,219)	(1,209)
Cash at the beginning of financial year		10,230	11,786	8,567
Cash transfers from restructure		..	..	..
Cash at the end of financial year		4,771	8,567	7,358

Administered income statement

Department of Environment and Heritage Protection	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue		..	..	..
Taxes		..	..	..
User charges and fees	43,47	5,303	6,064	5,414
Royalties and land rents	44,48	1,400	1,850	1,449
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue	45,49	420	1,000	435
Gains on sale/revaluation of assets		..	..	..
Total income		7,123	8,914	7,298
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government	46,50	7,123	8,914	7,298
Total expenses		7,123	8,914	7,298
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Environment and Heritage Protection	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	51	655	806	732
Receivables		243	160	290
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		898	966	1,022
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ASSETS		898	966	1,022
CURRENT LIABILITIES				
Payables		32	122	143
Transfers to Government payable	52	656	545	580
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		688	667	723
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		688	667	723
NET ASSETS/(LIABILITIES)		210	299	299
EQUITY				
TOTAL EQUITY		210	299	299

Administered cash flow statement

Department of Environment and Heritage Protection	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		..	..	..
User charges and fees	53,57	5,303	6,108	5,284
Royalties and land rent receipts	54,58	1,400	1,850	1,449
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other	55,59	420	1,000	435
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		..	123	21
Transfers to Government	56,60	(7,123)	(8,370)	(7,263)
Net cash provided by or used in operating activities		..	711	(74)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		..	..	..
Net increase/(decrease) in cash held		..	711	(74)
Cash at the beginning of financial year		655	95	806
Cash transfers from restructure		..	..	..
Cash at the end of financial year		655	806	732

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Decrease is the net impact of the deferral of funds to 2016-17 and later years, offset by additional funding during 2015-16 for costs associated with underground coal gasification (UCG) investigations and Cassowary Rehabilitation.
2. Increase relates to additional payments received from industry for environmental offsets during 2015-16.
3. Increase reflects forfeited financial assurances for mine rehabilitation, which will be used to undertake environmental rehabilitation work in 2016-17 and outyears.
4. Increase reflects additional supplementation for enterprise bargaining as well as additional positions related to UCG investigations.
5. Increase reflects the net impact of a reclassification of some grant payments to supplies and services, and additional funding during 2015-16 for UCG investigations, offset by deferrals associated with Great Barrier Reef Protection and the NatureAssist Program.
6. Decrease reflects the reclassification of \$9.9 million to Supplies and Services, as well as the deferral of funding from 2015-16 to 2016-17 and later years (to match scheduled milestone payments) for grant programs including Everyone's Environment Grants, Koala Research grants, the Australian Packaging Covenant and the Indigenous Land and Sea Rangers Program.

Major variations between 2015-16 Budget and 2016-17 Budget include:

7. Increase reflects new funding for Community Sustainability Action Grants, Koala Conservation, Climate Change policy development, UCG investigations and wildlife management and conservation activities.
8. Increase reflects planned increases in environmental licensing fees which were approved in the 2014-15 Budget, and annual indexation of fees.
9. Increase relates to additional supplementation for enterprise bargaining, and funding for additional positions for UCG investigations, Koala Conservation, Climate Change and Pristine Rivers policy development.
10. Increase primarily reflects additional funding for UCG investigations.
11. Increase reflects the combination of new funding for Community Sustainability Action Grants and Wildlife Management as well as the impact of deferrals of funds from 2015-16 for programs including Everyone's Environment grants, Koala Research grants the Australian Packaging Covenant and the Indigenous Land and Sea Rangers Program.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. Increase reflects the combined impact of deferrals from 2015-16 to 2016-17, as well as new funding received for Community Sustainability Action Grants, Koala Conservation, Climate Change policy development, and funding for various wildlife management and conservation activities.
13. Increase reflects planned increases in environmental licensing fees which were approved in the 2014-15 Budget, and annual indexation of fees.
14. Decrease reflects the receipt of additional environmental offsets payments during 2015-16.
15. Increase relates to additional supplementation for enterprise bargaining, and funding for additional positions for Koala Conservation, Climate Change and Pristine Rivers policy development.
16. Increase reflects the combination of new funding for Community Sustainability Action Grants and Wildlife Management as well as the impact of deferrals of funds from 2015-16 for programs including Everyone's Environment grants, Koala Research grants the Australian Packaging Covenant and the Indigenous Land and Sea Rangers Program.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

17. Increase primarily reflects the receipt of forfeited financial assurance for mine rehabilitation and payments received for environmental offsets during 2015-16.

18. Increase relates to general timing and increase of receivables of an operating nature.
19. Increase relates to increased value of information technology systems due to development work undertaken during 2015-16.
20. Increase reflects unearned revenue representing forfeited financial assurances for mine rehabilitation, which will be used to undertake environmental rehabilitation work in 2016-17 and outyears.

Major variations between 2015-16 Budget and 2016-17 Budget include:

21. Increase in cash primarily reflects the receipt of forfeited financial assurance for mine rehabilitation and payments received for environmental offsets during 2015-16.
22. Decrease relates to outgoing land transfers to the Department of National Parks, Sport and Racing for management as part of the Protected Area Estate.
23. Increase relates to increased value of information technology systems due to development work undertaken during 2015-16.
24. Increase reflects unearned revenue representing forfeited financial assurances for mine rehabilitation, which will be used to undertake environmental rehabilitation work in 2016-17 and outyears.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

25. Decrease primarily reflects the utilisation of cash reserves for externally funded programs where funding was received in a prior financial year, and the use of forfeited financial assurance for mine site rehabilitation.
26. Decrease reflects an increased focus on debt administration within the department.
27. Decrease relates to outgoing land transfers to the Department of National Parks, Sport and Racing for management as part of the Protected Area Estate.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

28. Decrease is the net impact of the deferral of funds to 2016-17 and later years, offset by additional funding during 2015-16 for costs associated with UCG investigations and Cassowary Rehabilitation.
29. Increase relates to additional payments received from industry for environmental offsets during 2015-16.
30. Increase reflects forfeited financial assurances for mine rehabilitation, which will be used to undertake environmental rehabilitation work in 2016-17 and outyears.
31. Increase reflects additional supplementation for enterprise bargaining as well as additional positions related to UCG investigations.
32. Increase reflects the net impact of a reclassification of some grant payments to supplies and services, and additional funding during 2015-16 for UCG investigations. Offset by deferrals associated with Great Barrier Reef Protections and the NatureAssist Program.
33. Decreased outflows reflects the reclassification of \$9.9 million to Supplies and Services, as well as the deferral of funding from 2015-16 to 2016-17 and later years (to match scheduled milestone payments) for grant programs including Everyone's Environment Grants, Koala Research grants, the Australian Packaging Covenant and the Indigenous Land and Sea Rangers Program.

Major variations between 2015-16 Budget and 2016-17 Budget include:

34. Increase reflects new funding for Community Sustainability Action Grants, Koala Conservation, Climate Change policy development, UCG investigations and wildlife management and conservation activities.
35. Increase reflects planned increases in environmental licensing fees which were approved in the 2014-15 Budget, and annual indexation of fees.
36. Increased outflows relates to additional supplementation for enterprise bargaining, and funding for additional positions for UCG investigations, Koala Conservation, Climate Change and Pristine Rivers policy development.
37. Increased outflows primarily reflects additional funding for UCG investigations.
38. Increased outflows reflects the combination of new funding for Community Sustainability Action Grants and Wildlife Management as well as the impact of deferrals of funds from 2015-16 for programs including Everyone's Environment grants, the Australian Packaging Covenant and the Indigenous Land and Sea Rangers Program.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

39. Increase reflects the combined impact of deferrals from 2015-16 to 2016-17, as well as new funding received for Community Sustainability Action Grants, Climate Change policy development, Koala Conservation and funding for various wildlife management and conservation activities.
40. Increase reflects planned increases in environmental licensing fees which were approved in the 2014-15 Budget, and annual indexation of fees.
41. Decrease reflects the receipt of additional environmental offsets payments during 2015-16.
42. Increased outflows reflects the combination of new funding for Community Sustainability Action Grants and Wildlife Management as well as the impact of deferrals of funds from 2015-16 for programs including Everyone's Environment grants, Koala Research grants the Australian Packaging Covenant and the Indigenous Land and Sea Rangers Program.

Administered income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

43. Increase primarily reflects higher than expected income from Statewide Assessment Referral Agency development applications, and commercial wildlife fees.
44. Increase reflects greater royalties received from quarry operations.
45. Increase represents higher than expected income from fines and penalty infringements.
46. Increase represents increased revenue to be remitted to the Consolidated Fund as a result of increased administered income during 2015-16.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

47. Decrease primarily reflects higher than expected income from Statewide Assessment Referral Agency development applications, and commercial wildlife fees received in 2015-16.
48. Decrease reflects the increased royalties received from quarry operations during the 2015-16 financial year.
49. Decrease reflects the uncertainty of income from fines and penalty infringements, and the higher than expected income received from those sources in 2015-16.
50. Decrease represents decreased revenue to be remitted to the Consolidated Fund as a result of decreased administered income during 2015-16.

Administered balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

51. Increase relates to anticipated timing differences of revenue receipts and associated remittance to the Consolidated Fund.
52. Decrease relates to anticipated timing differences of revenue receipts and associated remittance to the Consolidated Fund.

Administered cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

53. Increase primarily reflects higher than expected income from Statewide Assessment Referral Agency development applications, and commercial wildlife fees.
54. Increase reflects increased royalties received from quarry operations.
55. Increase represents higher than expected income from fines and penalty infringements.
56. Increased outflows represent increased revenue to be remitted to the Consolidated Fund as a result of increased administered income during 2015-16.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

57. Decrease primarily reflects higher than expected income from Statewide Assessment Referral Agency development applications, and commercial wildlife fees received in 2015-16.

58. Decrease reflects the increased royalties received from quarry operations during the 2015-16 financial year.
59. Decrease reflects the uncertainty of income from fines and penalty infringements, and the higher than expected income received from those sources in 2015-16.
60. Decrease outflows represents decreased revenue to be remitted to the Consolidated Fund as a result of decreased administered income during 2015-16.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.
Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.

Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at www.budget.qld.gov.au

