

SERVICE DELIVERY STATEMENTS

**Department of Environment
and Heritage Protection**

2017-18 Queensland Budget Papers

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Budget Highlights

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Service Delivery Statements

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Queensland
Government

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 healthy and resilient environments for a sustainable and prosperous Queensland. The department's mission is to lead environment and heritage protection and sustainability in Queensland.

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

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

Objective 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; and in partnership with development regulators and regional natural resource management (NRM) bodies, establish initiatives to enhance Queensland's ecosystems and habitats.

Objective two: Protect the Great Barrier Reef

- Coordinate the State Government's contribution to the Reef 2050 Long-Term Sustainability Plan; coordinate the implementation of the Government's response to the recommendations of the GBR Water Science Taskforce; and partner with key stakeholders and support the delivery of programs to reduce pollutant runoff from priority reef catchments.

Objective 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, education and investment initiatives; and promote the appreciation of continued use of heritage places through adaptive reuse.

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

- Deliver risk-based regulation, by prioritising action against activities posing and/or emerging as the greatest threats to the environment; take effective regulatory action to address levels of non-compliance and facilitate best practice operations through penalties, incentives and sanctions; showcase Queensland's environmental credentials and engage the community in environmental management; lead the development and delivery of whole-of-government climate change mitigation and adaptation programs; administer the environmental offsets framework to minimise impacts on the environment; implement programs to reduce unlawful waste activities and promote increased reuse and recycling; maintain programs to address impacts on coasts and catchments from urban and rural development; and assist Queensland coastal councils to have Coastal Hazard Adaptation Strategies in place.

Objective five: Provide efficient, responsive and integrated services

- Partner with universities and other scientific bodies to enhance the information required to monitor environmental performance and inform policy; leverage funding and other resourcing from industry and the community to assist with protecting the environment and heritage; continue to invest in developing a safe, responsive, ethical, inclusive and engaged workforce that is able to meet current and emerging priorities; provide targeted environmental support or services to remote and discrete Aboriginal local government areas; enhance the web-based State of Environment Report through establishing a module reporting on sustainable communities; and maintain contemporary governance and accountability frameworks.

Departmental challenges and opportunities include:

- enhancing ecosystems and habitats through long-term strategies to increase the protected area estate and extending the program of report cards to monitor ecosystems health and status against environmental standards
- preserving the ecological integrity of the GBR by implementing initiatives to improve water quality and address the cumulative effects of climate change and the increasing intensity of climatic events
- adequately conserving, reusing and promoting Queensland's heritage for present and future generations
- effective regulatory intervention and policy adaptation to ensure mining operations maintain adequate capacity to manage environmental obligations during times of financial uncertainty.

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
- leads the development and delivery of whole-of-government climate change mitigation and adaptation programs
- delivers programs to improve water quality in 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

2017-18 service area highlights

- Provide increased funding of \$15.4 million in 2017-18 (\$30.6 million over five years from 2016-17) to continue to prosecute allegations of serious environmental harm and commence rehabilitation of land affected by underground coal gasification contamination
- Lead the implementation of Queensland's Container Refund Scheme and lightweight plastic shopping bag ban, with increased funding of \$2.5 million provided in 2017-18
- Increased funding of \$5 million in 2017-18 (\$15 million over three years) to lead the development of the Government's climate change strategies
- \$1.4 million over three years (\$460,000 in 2017-18) to identify sites and provide advice in relation to land impacted by fire-fighting foam contamination funded through reprioritisation of departmental services
- Increased funding of \$8.7 million in 2017-18 (\$14.1 million over four years from 2017-18) for enhanced environmental regulatory services and public engagement channels.

Department of Environment and Heritage Protection	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 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 licensed 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 public report resolution as a consequence of effective prioritisation of reports	3	\$2,500	\$2,670	\$2,250
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%	79%	70%
<i>Efficiency measure</i> Average cost per formal investigation into serious non-compliance	5	\$3,500	\$4,940	\$3,500
Service: Controlling and/or allowing actions that will impact on the State's environment				
Service standards <i>Effectiveness measure</i> Percentage of new site-specific Environmental Authorities that have their Environmental Values (EV) assessment validated when inspected	6	New measure	New measure	70%
<i>Efficiency measure</i> Average cost per permit/licence assessed	7	\$8,500	\$13,300	\$8,500

Department of Environment and Heritage Protection	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service: Litigation				
Service standards <i>Effectiveness measure</i> Percentage of matters finalised with a finding of guilt or a successful application	8	85%	92%	85%
<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%	75%	90%
Service: Improving Great Barrier Reef water quality				
Service standards <i>Effectiveness measures</i> Queensland's contribution to a reduction in the annual loads of nitrogen, sediment and pesticides to the Great Barrier Reef	10, 11	≥1%	≥1%	≥1%
Percentage of sugarcane producers, within reef catchments: <ul style="list-style-type: none"> participating in the SmartCane Best Management Practice (BMP) program achieving accreditation in the SmartCane Best Management Practice (BMP) program 	12	New measure	New measure	50% 15%
<i>Efficiency measures</i> ¹³				

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 by operators within what is regarded as an acceptable timeframe, and monitors a reduction in the number of unlicensed operators. The 60 day timeframe is not a regulatory requirement and has been established to allow operators to go through the process to become licensed and provide enough time for the department to take enforcement action against operators who do not become licensed.
2. This service standard measures the effectiveness of regulatory compliance activities to reduce the overall risk to the environment. The program of compliance inspections is a vital part of the department's regulatory framework and is being strengthened through the measurement of change in environmental risk between compliance inspections.
3. This service standard measures the efficiency of the department's resolution of public reports from lodgement to finalisation (deciding on actions to be taken). Due to efficiencies expected to be achieved with changes in the operating model, the target has been reduced by \$250 for 2017-18. The wording of the service standard has changed from 'Average cost per environmental complaint resolution as a consequence of effective prioritisation of complaints' in the 2016-17 *Service Delivery Statements*. However, the scope and calculation methodology of the measure have not changed.
4. This service standard measures the effectiveness of the department's management of 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 and the Department of Aboriginal and Torres Strait Islander Partnerships (Cultural Heritage), to the point that a decision has been made to take action. The level of complexity and an unexpected increase in hours required to investigate a number of matters have resulted in the exceedance of the target.
6. This new service standard measures the effectiveness of regulatory activities in reducing the overall risk to the environment. New Environmental Authorities (EA), approved under the *Environmental Protection Act 1994*, will have their Environmental Values reviewed and validated on site. This will ensure that the original impact assessment and conditioning of the activity are effective in identifying and controlling all the impact risks (assuming the EA is complied with).

7. This service standard measures the efficiency of the Business Centre Assessment Teams in making permit/licence application decisions. The number of permits/licence assessments has declined and may continue to decline due to a drop in commodity prices and the likely prolonged nature of the low commodity price environment. The department will review the current management options and move resources in line with shifts in workload, enabling achievement of the target in future.
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 efficiency 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 unit undertakes litigation on behalf of the Department of Environment and Heritage Protection and the Department of National Parks, Sport and Racing. This is not a regulatory timeframe as it is set by the service area. Due to the complexity of cases and the number of requests for further information, there has been an exceedance of the target for 2016-17.
10. This is a whole-of-government measure. The Office of the Great Barrier Reef in the department is responsible for coordinating reef reporting across Queensland agencies, with the Australian Government and with stakeholders. Agencies with a primary role in this measure include the Departments of Agriculture and Fisheries, Natural Resources and Mines, and Science, Information Technology and Innovation. Primary stakeholders are agricultural industry bodies, natural resource management bodies and conservation groups.
11. Performance for this service standard will be reported annually through the Great Barrier Reef Report Card. However the Great Barrier Reef Report Card results are a culmination of Queensland and Australian Government investment and actions as well as private investment. Due to a 12 month time lag the performance result reported in the 2017-18 SDS will relate to the 2015-16 financial year.
12. This new service standard measures the effectiveness of the SmartCane BMP. The SmartCane BMP sets the industry standards for whole-of-farm management across the cane industry to have a positive impact on nutrient, sediment run-off and consequential impacts on Great Barrier Reef water quality.
13. An efficiency measure is being developed for this service and will be included in a future *Service Delivery Statement*.

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, the conservation status of native species are maintained or enhanced, the use of native species is adequately controlled and negative interactions between humans and wildlife is minimised.

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

2017-18 service area highlights

- The Government is providing \$35 million in 2017-18 (\$175 million over five years) across several agencies for a comprehensive Great Barrier Reef Water Quality Program to support the continuation of critical programs to assist in working towards the achievement of water quality targets, including Best Practice Management programs, provision of economic support and decision-making tools for agricultural producers, the Paddock to Reef program and the Natural Resource Management Program for Reef Water Quality. This is in addition to the \$100 million provided over five years from 2015-16 to address the recommendations of the Great Barrier Reef Water Science Taskforce.
- Provide additional funding of \$3.2 million in 2017-18 to support ongoing management of the Government's NatureAssist program to secure and maintain existing protected areas on private land in Queensland.
- Encourage and support community groups, through the delivery of the Community Sustainability Action Grants program, to be more active in their local environment, including enabling them to increase their volunteer base and build on past investment by inviting innovation for new or alternative ways in which to undertake environmental conservation activities. This is the second year of a \$4 million per year (\$12 million over three years from 2016-17) grants program.
- Provide increased funding of \$945,000 in 2017-18 (increasing to \$2.6 million per year from 2019-20) to expand the Indigenous Land and Sea Rangers Program from 75 to 100 positions. The program supports skilled jobs in Indigenous communities and protection of some of Queensland's most sensitive and iconic landscapes and ecosystems.
- Provide additional funding of \$916,000 in 2017-18 for a sustainable business partnership to develop a program that supports small and medium businesses achieve resource efficiencies and environmental innovation.
- Provide additional funding of \$655,000 per year for the Junior Ranger Program. The program will engage youth and young adults in Aurukun in school and education programs providing a pathway to careers in conservation and land management.
- Provide additional funding of \$4.9 million in 2017-18 (\$8.4 million over three years from 2016-17) for the CarbonPlus Fund and to develop the capacity of Indigenous communities to participate in commercial carbon offset markets. It is anticipated that the fund will offset two years of emissions generated by the Queensland Government vehicle fleet.

Department of Environment and Heritage Protection	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Species and Ecosystem Protection Services				
Service: Protecting environments, ecosystems, habitats and species				
Service standards				
<i>Effectiveness measures</i>				
Percentage of Queensland's land area that is protected	1	7.9%	7.8%	7.9%
Percentage of threatened species, targeted under recovery plans, which maintain or improve their classification	2	95%	95%	95%
<i>Efficiency measure</i>				
Cost per session for the Queensland wetland information system (WetlandInfo)	3, 4	<\$4	\$3.50	<\$4
Service: Controlling and/or allowing the use of native species				
Service standards				
<i>Effectiveness measures</i>				
Percentage of declared crocodiles of concern removed within three months of declaration	5, 6	75%	98%	75%
<i>Efficiency measure</i>				
Average cost per wildlife permit or licence issued	7	<\$100	\$90.00	<\$100

Notes:

1. This service standard measures the percentage of Queensland land which is dedicated as national park, conservation park, resources reserve, or declared as a nature refuge. The Target/Estimate for land protected during 2016-17 was 7.9%, and a range of minor revocations resulted in an estimated actual figure of 7.8%. An assessment of probable additions and revocations from the protected area estate suggests a return to 7.9% during 2017-18.
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 standard 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 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/estimate has been set based on historical data and forecast usage of the wetland information system and remains unchanged from 2016-17. The target/estimate will be reviewed in 2018-19 as efficiencies are improved.
4. The cost per session, evidenced by the 2016-17 estimated actual cost being under the target cost, has fallen due to an increase in the total number of sessions. The increase in the number of sessions seems to be linked to workshops, word-of-mouth and additional tools being added to the system. Some seasonal fluctuations may also be impacting the figures (e.g. wet weather, increase; Christmas, decrease).
5. This service standard measures the percentage of all declared crocodiles of concern which are removed by departmental wildlife officers within three months of declaration. If the department determines that a crocodile poses an unacceptable risk, it is dealt with as a 'crocodile of concern'. The three-month timeframe has been determined taking into account the reasonable time required to resolve the matter based on previous cases, it is not a statutory timeframe.
6. The 2017-18 target/estimate has been calculated from previous years' data. The 2016-17 estimated actual percentage of declared crocodiles of concern removed within three months of declaration has been achieved through improved targeting of animals and by the removal of declarations following a crocodile leaving the area and therefore not presenting as a crocodile of concern. The Government has committed \$5.8 million which includes the purchase of equipment and the allocation of 12 temporary staff for crocodile management.
7. This service standard measures the average cost of each wildlife permit or licence approved, refused or withdrawn by the department. Costs involve salaries, on-costs and operational expenses as determined by the Wildlife Management Unit when the wildlife budget is allocated.

Heritage Protection Services

Service area objective

To protect Queensland's heritage by recognising its value and ensuring it is conserved 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 Queensland Heritage Council to administer the *Queensland Heritage Act 1992*
- promoting the value and understanding of Queensland's heritage through programs, education and investment initiatives
- promoting the appreciation of and continued use of heritage places through adaptive reuse.

2017-18 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 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, 3	\$235	\$130	\$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 (the 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 information it considers relevant.
2. The Register contains more than 1,700 entries. 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 entries in the Register. A review can result in changes that range from minor (e.g. change of a location details) to major (e.g. the rewriting of a history in an entry).
3. The nature of review work for the Register during 2016-17 has changed significantly due to the Queensland Heritage Register review project. During development of the new project no register entry reviews were undertaken in the period from July to September 2016. The impact of the new review process on the 2017-18 target is not yet known and will be monitored during 2017-18 for improvements in efficiency. The delivery of the Heritage Explorer tourism project occurred during the reporting period and significantly increased the number of audit entries in the Register resulting in an anomalous and significant discrepancy between the target and actual for 2016-17.

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 fines and forfeitures. These fees are generally levied on business and members of the community and remitted to Queensland 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 2017-18 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	2016-17 Budget \$'000	2016-17 Est. actual \$'000	2017-18 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	11,049	17,879	21,138
Balance of service appropriation	157,992	145,022	188,706
Other revenue	59,832	73,322	71,136
Total income	228,873	236,223	280,980
Expenses			
Environmental Protection Services	140,058	145,870	173,124
Species and Ecosystem Protection Services	74,390	74,544	92,009
Heritage Protection Services	5,896	4,435	5,106
Corporate Partnerships ²	10,816	11,809	12,800
Total expenses	231,160	236,658	283,039
Operating surplus/deficit	(2,287)	(435)	(2,059)
Net assets	48,090	48,580	52,758
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	..	..	..
Other administered revenue	7,298	9,190	8,263
Total revenue	7,298	9,190	8,263
Expenses			
Transfers to government	7,298	9,190	8,263
Administered expenses	..	..	..
Total expenses	7,298	9,190	8,263
Net assets	299	1,275	1,275

Notes:

1. Includes State and Commonwealth funding.
2. Corporate Services, hosted by the Department of Environment and Heritage Protection as part of the Business and Corporate Partnership arrangement, provides services to the following departments: 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 2017-18 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	172,034	108,637	62,809	450	138
Species and Ecosystem Protection Services	90,905	83,582	1,296	5,751	276
Heritage Protection Services	5,241	5,051	184	..	6
Corporate Partnerships	12,800	12,574	226	..	..
Total²	280,980	209,844	64,515	6,201	420

Notes:

1. Explanations of variances are provided in the financial statements.
2. Total cost does not equal total sources of revenue due to the budgeted operating deficit.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of Environment and Heritage Protection	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures¹					
Administered	..	..	..	..	..
Departmental	5,542	38,887	17,880	13,492	8,256
Capital measures					
Administered	..	..	..	..	..
Departmental	..	3,688	..	..	..

Note:

- Figures include the whole-of-government expense measures 'Brisbane Central Business District Office Agency Rental Impacts', 'Government Employee Housing' and 'Reprioritisations'. Numbers may not reconcile with *Budget Measures (Budget Paper 4)* because it does not represent the full amount of additional funding provided to agencies since the 2016-17 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1 of *Budget Measures (Budget Paper 4)*.

Departmental capital program

Total capital purchases for the department in 2017-18 are \$8.3 million, including \$3.2 million for land acquisitions. The capital purchases reflect the department's mission to lead environment and heritage protection and sustainability in Queensland.

The 2017-18 capital purchases will continue the State's acquisition of land of high environmental value for inclusion in Queensland's protected area estate. In addition, the department will continue to invest in the development of technology and systems to enable a targeted, scientific and risk-based approach to environmental management, ensuring sustainable development, conservation of nature and heritage and sustainable management of natural resources.

Capital budget

Department of Environment and Heritage Protection	Notes	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure	2	5,345	2,030	3,220
Total plant and equipment		1,325	896	2,266
Total other capital		1,899	2,202	2,846
Total capital purchases		8,569	5,128	8,332

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. The variance between 2016-17 budgeted and estimated actual totals is due to the deferral of land acquisitions for the protected area estate until 2017-18.

Staffing¹

Department of Environment and Heritage Protection	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Environmental Protection Services	2, 3, 4	640	695	756
Species and Ecosystem Protection Services	2, 3, 4	349	388	415
Heritage Protection Services	2, 3	33	34	34
Sub-total		1,022	1,117	1,205
Corporate Partnerships	3, 5	87	94	94
TOTAL		1,109	1,211	1,299

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Increase in 2016-17 Estimated Actual from 2016-17 Budget reflects changes to planned activity under existing Government approved programs, including temporary externally funded programs.
4. Increase in 2017-18 reflects additional programmed FTEs to deliver projects including Yellow Crazy Ant Management, Future of Queensland's Environmental Regulator and compliance and rehabilitation action associated with Linc Energy Limited and regional offsite soil and gas contamination management.
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.

Budgeted financial statements

Analysis of budgeted financial statements

An analysis of the department's financial statements is provided below.

Departmental income statement

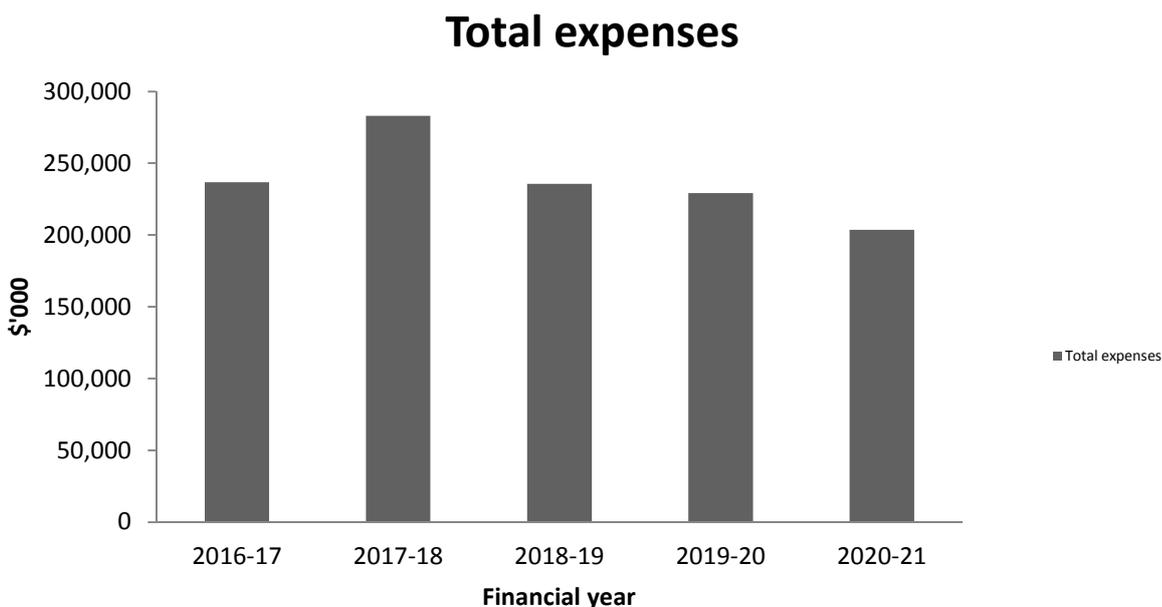
Total expenses in 2017-18 are estimated to be \$283 million, an increase of \$46.4 million from the 2016-17 estimated actual, and an increase of \$51.9 million on the 2016-17 Budget.

The increase is primarily due to new or increased funding for Budget measures, including Underground Coal Gasification - Linc Energy mine site (\$13.8 million), Indigenous Land and Sea Rangers (\$945,000), Future of Queensland's Environmental Regulator (\$6.7 million), Establishment of the Queensland CarbonPlus Fund (\$4.9 million), Aurukun Heightened Response - Junior Rangers Cultural Camp (\$655,000). It also relates to the deferral of program expenditure for a range of initiatives including Reef Water Quality, Everyone's Environment Grants, Reef Protection, Koala Protection and Nature Refuges. Expenditure has been deferred to align with project delivery milestones for external service providers.

The department's budgeted operating deficit position relates to expenditure against a number of externally funded programs, where the related revenue has been received and recognised as income in a prior year. These funds are carried forward as part of the department's cash reserves and the programs remain fully funded. These programs include the Reef Trust (Australian Government funding), Yellow Crazy Ant Management, and the preservation of koala habitat where cash offsets for development have been provided by other State Government entities.

The decrease in projected expenses to 2020-21 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, utilisation of funds for externally funded programs, forfeited financial assurance for mine rehabilitation and the cessation of a number of limited life programs including the Climate Change Adaptation Fund (funded to 2017-18), Community Sustainability Action Grants (funded to 2018-19), Crocodile Management (funded to 2018-19) and Flying Fox Management (funded to 2018-19).

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

In 2017-18, the department's net assets are projected to be \$52.8 million, with total assets of \$69.1 million offset by liabilities of \$16.3 million.

The department's major assets are in Property, Plant and Equipment (\$27.5 million) primarily comprised of land and buildings and Intangibles (\$8.7 million).

The 2017-18 capital acquisition program of \$8.3 million, includes \$3.2 million for land purchases deferred from 2016-17, \$2 million for development of systems to enhance environmental regulatory capability and \$1.6 million for remediation of underground coal gasification sites.

Intangibles, which reflect the department's information technology systems, are expected to decrease in future years as the department completes the renewal program for a number of information technology solutions and infrastructure particularly for permit and licensing administration functions.

The department's main liabilities relate to payables of an operating nature, the payment of long service leave and annual leave levies payable at the end of the year.

Controlled income statement

Department of Environment and Heritage Protection	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue	1,8,15	169,041	162,901	209,844
Taxes		..	..	..
User charges and fees	2,9,16	55,005	58,513	64,515
Royalties and land rents		..	..	..
Grants and other contributions	3,10,17	4,046	8,117	6,541
Interest		..	71	..
Other revenue	4,11,18	781	6,620	80
Gains on sale/revaluation of assets		..	1	..
Total income		228,873	236,223	280,980
EXPENSES				
Employee expenses	5,12,19	112,300	115,102	127,171
Supplies and services	6,13,20	62,256	85,140	96,749
Grants and subsidies	7,21	49,488	29,278	52,885
Depreciation and amortisation		3,448	3,462	3,448
Finance/borrowing costs		..	..	..
Other expenses	14	2,618	2,475	1,736
Losses on sale/revaluation of assets		1,050	1,201	1,050
Total expenses		231,160	236,658	283,039
OPERATING SURPLUS/(DEFICIT)		(2,287)	(435)	(2,059)

Controlled balance sheet

Department of Environment and Heritage Protection	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets	22,29	7,358	16,852	15,907
Receivables	23,30	9,994	10,976	11,068
Other financial assets		..	..	..
Inventories		..	..	..
Other	24,31	1,925	1,091	1,091
Non-financial assets held for sale		..	..	..
Total current assets		19,277	28,919	28,066
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25,32,37	32,443	27,462	31,254
Intangibles	26,33	7,919	8,682	9,754
Other		..	..	..
Total non-current assets		40,362	36,144	41,008
TOTAL ASSETS		59,639	65,063	69,074
CURRENT LIABILITIES				
Payables	27,34	5,353	8,994	9,039
Accrued employee benefits	28,35	3,517	4,809	4,809
Interest bearing liabilities and derivatives		..	..	..
Provisions	38	212	212	212
Other		2,192	2,203	2,203
Total current liabilities		11,274	16,218	16,263
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions	36	275	265	53
Other		..	..	..
Total non-current liabilities		275	265	53
TOTAL LIABILITIES		11,549	16,483	16,316
NET ASSETS/(LIABILITIES)		48,090	48,580	52,758
EQUITY				
TOTAL EQUITY		48,090	48,580	52,758

Controlled cash flow statement

Department of Environment and Heritage Protection	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	39,47,54	169,041	155,760	209,844
User charges and fees	40,48,55	53,901	56,985	63,361
Royalties and land rent receipts		..	..	..
Grants and other contributions	41,49,56	4,046	8,117	6,541
Interest received		..	71	..
Taxes		..	..	..
Other	42,50,57	683	6,522	80
Outflows:				
Employee costs	43,51	(111,815)	(114,617)	(127,159)
Supplies and services	44,52,58	(61,724)	(84,613)	(96,916)
Grants and subsidies	45	(49,488)	(29,278)	(52,885)
Borrowing costs		..	..	..
Other		(2,618)	(2,475)	(1,736)
Net cash provided by or used in operating activities		2,026	(3,528)	1,130
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		(8,569)	(5,128)	(8,332)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(8,549)	(5,108)	(8,312)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	46,53	5,985	2,227	6,908
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(671)	(671)	(671)
Net cash provided by or used in financing activities		5,314	1,556	6,237
Net increase/(decrease) in cash held		(1,209)	(7,080)	(945)
Cash at the beginning of financial year		8,567	23,932	16,852
Cash transfers from restructure		..	..	..
Cash at the end of financial year		7,358	16,852	15,907

Administered income statement

Department of Environment and Heritage Protection	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue		..	..	..
Taxes		..	..	..
User charges and fees	59,63,65	5,414	5,037	6,313
Royalties and land rents	60,66	1,449	2,415	1,500
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue	61,67	435	1,738	450
Gains on sale/revaluation of assets		..	..	..
Total income		7,298	9,190	8,263
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	62,64,68	7,298	9,190	8,263
Total expenses		7,298	9,190	8,263
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Environment and Heritage Protection	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets		732	994	994
Receivables		290	337	337
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		1,022	1,331	1,331
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ASSETS		1,022	1,331	1,331
CURRENT LIABILITIES				
Payables	69	143	20	20
Transfers to Government payable	70	580	36	36
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		723	56	56
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		723	56	56
NET ASSETS/(LIABILITIES)		299	1,275	1,275
EQUITY				
TOTAL EQUITY		299	1,275	1,275

Administered cash flow statement

Department of Environment and Heritage Protection	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		..	..	..
User charges and fees	71,75	5,284	4,907	6,313
Royalties and land rent receipts	76,77	1,449	2,415	1,500
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other	72,78	435	1,738	450
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		21	21	..
Transfers to Government	73,74,79	(7,263)	(9,155)	(8,263)
Net cash provided by or used in operating activities		(74)	(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		(74)	(74)	..
Cash at the beginning of financial year		806	1,068	994
Cash transfers from restructure		..	..	..
Cash at the end of financial year		732	994	994

Explanation of variances in the financial statements

Income statement

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

1. Decrease is the net impact of the deferral of funds to 2017-18 and later years for programs including Reef Protection and Nature Refuges, offset by increased funding for new initiatives including Underground Coal Gasification (UCG) - Linc Energy mine site, Aurukun Heightened Response - Junior Ranger Cultural Camp and the Establishment of the CarbonPlus Fund.
2. Increase is due to an increase for environmental licensing fees and indexation.
3. Increase relates to additional Australian Government funding received in 2016-17 for Yellow Crazy Ant Management and recognition of revenue for Environmental Offset achieved in 2016-17.
4. Increase is due to forfeiture of financial assurance deposits.
5. Increase relates to higher supplementation for Enterprise Bargaining funding and deferral of funding from 2015-16 for Mined Land Rehabilitation projects requiring employee coordination and engagement with external consultants and contractors.
6. Increase is due to deferral of funding for programs from 2015-16, increased funding allocated for UCG - Linc Energy mine site and reclassification of expenditure from grants to supplies and services.
7. Reduction is due to deferral of grants programs to 2017-18 and out years and the reallocation of funds to supplies and services.

Major variations between 2016-17 Budget and 2017-18 Budget include:

8. Increase is due to new and increased funding for initiatives including the Establishment of the CarbonPlus Fund, UCG - Linc Energy mine site, Future of Queensland's Environmental Regulator, Queensland Climate Change Strategies, Protected Area Outcomes as well as the deferral of expenditure from 2016-17 to 2017-18 for programs including Saving the Great Barrier Reef, Nature Refuges and Reef Water Quality Grants. Deferral of expenditure is predominantly made to realign planned payments with delivery of performance milestones by external service providers.
9. Increase is due to planned increase for environmental licensing fees and indexation.
10. Increase is due to additional Australian Government funding expected in 2017-18 for Yellow Crazy Ant Management.
11. Decrease is due to a one-off receipt of revenue in 2016-17 related to the forfeiture of financial assurance deposits for mining projects.
12. Increase relates mainly to deferred projects including funding for Cape York/Great Sandy World Heritage, Pristine Rivers, Yellow Crazy Ant Management, Koala Response Strategy and increased funds for Future of Queensland's Environmental Regulator.
13. Increase is due to additional funding for UCG - Linc Energy mine site, Queensland Climate Change Strategies, Establishment of the CarbonPlus Fund and Yellow Crazy Ant Management as well as deferral of expenditure for programs including Reef Protection, Flying Fox Management and Koala Response to 2017-18. Deferral of expenditure predominantly relates to the realignment of planned payments with delivery of performance milestones by external service providers.
14. Decrease is due to reallocation of funds to supplies and services, reflecting an expectation of lower Queensland Government Insurance Fund premiums payable than previously estimated.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

15. Increase is mainly due to deferral of funds to 2017-18 for programs including Reef Protection and Nature Refuges. Deferral of funding is predominantly made to realign planned payments with delivery of performance milestones by external service providers. Increased funding is also scheduled for the Establishment of the CarbonPlus Fund, UCG - Linc Energy mine site, Future of Queensland's Environmental Regulator, Queensland Climate Change Strategies and Protected Area Outcomes.
16. Increase is due to planned increase for environmental licensing fees and indexation.
17. Decrease is due to income for environmental offsets, recognised in 2016-17 but not in 2017-18. This income stream is highly variable, cannot be reliably estimated and is recognised when achieved.

18. Decrease is due to a one-off receipt of revenue in 2016-17 related to the forfeiture of financial assurance deposits for mining projects.
19. Increase primarily relates to deferred projects including funding for Cape York/Great Sandy World Heritage, Pristine Rivers, Yellow Crazy Ant Management, Koala Response Strategy and increased funds for Future of Queensland's Environmental Regulator.
20. Increase is due to new funding including UCG - Linc Energy mine site, Queensland Climate Change Strategies, Protected Area Outcomes and deferral of programs including Reef Protection, Flying Fox Management and Koala Response. The increase is partially offset by an adjustment between Grants and Supplies and Services made in 2016-17.
21. Increase is due to programs deferred from 2016-17 and reversal of internal budget reallocation to supplies and services as well as new funding for the Establishment of the CarbonPlus Fund, Implementing Queensland's Container Refund Scheme & Plastic Bag Ban and Advancing Queensland's Waste Reform Agenda.

Balance sheet

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

22. Increase relates to cash holdings for projects deferred from 2016-17 and proceeds of forfeited financial assurances received in 2016-17.
23. Increase relates to environmental licensing operations and associated increase in fee revenue.
24. Decrease is due a reduction in prepaid expenditure associated with payments for information system development services.
25. The reduction is mainly due to the deferral of the purchase of land for protected area estate to 2017-18.
26. Increase is due to increased value of development work undertaken in 2016-17 for core information systems.
27. Increase is due to payables for general operations associated with increased funding for new initiatives including UCG - Linc Energy mine site, Aurukun Heightened Response - Junior Ranger Cultural Camp and Establishment of the CarbonPlus Fund.
28. Increase reflects increased Full-time Equivalents and 2016-17 opening balances.

Major variations between 2016-17 Budget and 2017-18 Budget include:

29. Increase relates to cash holdings for projects deferred from 2016-17 and proceeds of forfeited financial assurances received in 2016-17.
30. Increase relates to environmental licensing operations and associated increase in fee revenue.
31. Decrease is due a reduction in prepaid expenditure associated with payments for information system development services.
32. The reduction is due to the completion of land acquisition program, partially offset by deferrals from 2016-17.
33. Increase is due to development work undertaken for core information systems to support environmental regulator activities.
34. Increase is due to payables for general operations associated with increased funding for initiatives including Establishment of the CarbonPlus Fund, UCG - Linc Energy mine site, Future of Queensland's Environmental Regulator, Queensland Climate Change Strategies and Protected Area Outcomes.
35. Increase reflects increased Full-time Equivalents and 2016-17 opening balances.
36. Decrease in 2017-18 is due to the non-current provision for a contract that has now been wound up and transferred to the current liability provision.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

37. Increase is due to new funding for Protected Area Outcomes in 2017-18.
38. Increase in 2017-18 is due to the non-current provision for a contract that has now been wound up being transferred to the current liability provision.

Cash flow statement

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

39. Decrease is the net effect of the deferral of funds to 2017-18 and out years, offset by increased appropriation funding for new initiatives including UCG - Linc Energy mine site and Establishment of the CarbonPlus Fund.
40. Increase reflects an increase in environmental licensing fees and indexation.
41. Increase reflects additional receipts for environmental offsets, Australian Government grants for Yellow Crazy Ant Management and minor adjustments to grant receipts to match performance milestones.
42. Increase is primarily due to non-current income from forfeited financial assurance deposits. Income is used to fund environmental rehabilitation.
43. Increase is related to enterprise bargaining increase and additional employee costs related to increase funding for Saving the Great Barrier Reef, Crocodile Management (recalculation Survey Teams), UCG - Linc Energy mine site, Disclaimed Mines, Biofuels, Yellow Crazy Ant Management and Water Act Regulation.
44. Increase reflects the net impact of expenditure deferred from 2015-16, reclassification of expenditure from grants to services and increased funding for UCG - Linc Energy mine site, partially offset by the deferral of expenditure for Flying Fox Management, Koala Conservation and Nature Refuges.
45. Decrease is due to reclassification of grants to services expenses and deferral of grant expenditure for programs including Community Grants, Everyone's Environment and Indigenous Land and Sea Ranger programs to match performance milestones.
46. Decrease reflects deferral of capital for purchase of land to 2017-18 relating to Protected Area Outcomes.

Major variations between 2016-17 Budget and 2017-18 Budget include:

47. Increase is due to deferral of funds from 2016-17, increased funding for the CarbonPlus Fund and new initiatives, including Queensland's Container Refund & Plastic Bag Ban, Protected Area Outcomes, Indigenous Land and Sea Rangers, Future of Queensland's Environmental Regulator, Climate Change Strategies and UCG - Linc Energy mine site.
48. Increase reflects planned increase in environmental licensing fees and indexation.
49. Increase reflects expected additional receipts for Australian Government grants for Yellow Crazy Ant Management.
50. Decrease is due to non-recurrent revenue received and recognised in 2016-17.
51. Increase reflects enterprise bargaining increase, and additional employee costs related to new funding for UCG - Linc Energy mine site, Future of Queensland's Environmental Regulator and Protected Area Outcomes.
52. Increase relates to deferrals from 2016-17 for Saving the Great Barrier Reef, Reduce Flying Fox Conflict, Koala Response Strategy, and new initiatives including UCG - Linc Energy mine site, Advancing Queensland's Waste Reform Agenda, Establishment of the CarbonPlus Fund, Queensland Container Refund & Plastic Bag Ban, Queensland Climate Change Strategies and Protected Area Outcomes.
53. Inflows in 2017-18 represent capital funding for land acquisition deferred from 2016-17.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

54. Increase is due to deferral of funds from 2016-17, increased funding for the Establishment of the CarbonPlus Fund and new initiatives, including Queensland's Container Refund & Plastic Bag Ban, Protected Area Outcomes, Indigenous Land and Sea Rangers, Future of Queensland's Environmental Regulator, Climate Change Strategies, and UCG - Linc Energy mine site.
55. Increase reflects planned increase in environmental licensing fees and indexation.
56. Decrease reflects one-off receipts for environmental offsets, Australian Government grants for Yellow Crazy Ant Management and minor adjustments to grant receipts to match performance milestones.
57. Decrease is due to non-recurrent revenue recognised in 2016-17.
58. Increase relates to increase in programmed expenditure for the Establishment of the CarbonPlus Fund, Yellow Crazy Ant Management and funding deferred from 2016-17.

Administered income statement

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

59. Decrease is due to lower than forecast income in 2016-17 for some regulatory service fees including contaminated land searches and coastal development applications fees.
60. Increase is due to higher than forecast income collected in 2016-17 for commercial extraction of sand resources.
61. Increase is due to higher than forecast receipts in 2016-17 from fines and infringements, predominantly related to littering.
62. Increase is due to higher than forecast income from royalties which are remitted to the Consolidated Fund.

Major variations between 2016-17 Budget and 2017-18 Budget include:

63. Increase is due to scheduled indexation of fees for forecast administered revenue.
64. Increase is due to scheduled indexation of fees for forecast administered revenue.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

65. Increase is due to scheduled indexation of forecast administered revenue receipts.
66. Decrease is due to higher than forecast income in 2016-17 for commercial extraction of sand resources.
67. Decrease is due to higher than forecast receipts from fines and infringements issued in 2016-17.
68. Decrease is due to higher than forecast revenue achieved in 2016-17, which are remitted to the Consolidated Fund.

Administered balance sheet

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

69. Decrease is due to a reduction in operating payables.
70. Decrease relates to reduction in administered revenue payable to the Consolidated Fund at 30 June. These liabilities are due to timing differences between the receipt of administered income and payment.

Administered cash flow statement

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

71. Decrease is due to lower than forecast income in 2016-17 for some regulatory service fees including contaminated land searches and coastal development applications fees.
72. Increase is due to higher than forecast receipts in 2016-17 from fines and infringements, predominantly related to littering.
73. Increase is due to higher than forecast income from fines and royalties which are remitted to the Consolidated Fund.

Major variations between 2016-17 Budget and 2017-18 Budget include:

74. Increase is due to the scheduled indexation of fees for administered revenue.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

75. Increase is due to the scheduled indexation on forecast administered revenue receipts.
76. Increase is due to higher than forecast income collected in 2016-17 for commercial extraction of sand resources.
77. Decrease is due to higher than forecast income achieved in 2016-17 for commercial extraction of sand resources.
78. Decrease is due to higher than forecast receipts from fines and infringements issued in 2016-17.
79. Decrease is due to higher than forecast revenue achieved in 2016-17, which is remitted to the Consolidated Fund.

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



Queensland Budget 2017-18

Service Delivery Statements

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