

Service Delivery Statements

**Department of Natural
Resources and Mines**

2016-17 Queensland Budget Papers

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Budget Highlights

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Service Delivery Statements

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Department of Natural Resources and Mines

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 State Development and the Minister for Natural Resources and Mines:

<p style="text-align: center;">Minister for State Development and Minister for Natural Resources and Mines</p> <p style="text-align: center;">The Honourable Dr Anthony Lynham MP</p>

<p style="text-align: center;">Department of Natural Resources and Mines</p> <p style="text-align: center;">Director-General: James Purtill</p>
<p>Service area 1: Natural Resources Management</p>
<p>Service area 2: Minerals and Energy Resources</p>

Additional information about these agencies can be sourced from www.dnrm.qld.gov.au

Departmental overview

The department's vision is: The responsible use of our natural resources - water, land, minerals and energy - to sustainably generate prosperity for current and future generations of Queenslanders.

Our strategic objectives are:

- sustainable management of Queensland's land and water resources
- responsible use of our minerals and energy resources
- accurate, timely knowledge of our property and spatial information resources
- to provide great services and a great place to work.

The department contributes to the Queensland Government's objectives for the community by:

- creating jobs and a diverse economy by stimulating economic growth through the responsible use of our natural resources - water, land, minerals and energy
- protecting the environment by ensuring sustainable management of our natural resources, supporting responsible development and protecting the Great Barrier Reef
- building safe, caring and connected communities by supporting regional development and securing tenure (i.e. property rights) for Queenslanders
- delivering quality frontline services by providing responsive and integrated services.

Queensland has a rich endowment of natural resources. The department's performance as a manager of land, water, minerals and energy resources is critical to the State's prosperity.

The department's use of broad consultation, collaboration, evidence-based decision-making and monitoring helps to ensure resource access policies have the support of the community, our customers and our stakeholders.

In 2016-17 the department's key priorities are:

- managing land within our control and responsibly allocating State land assets
- supporting traditional owners' rights and interests in land and land management
- sustainable native vegetation management
- sustainably managing Queensland's water resources
- ensuring an effective contemporary regulatory framework for safety and health in the resources sector
- supporting the minerals and energy resources industry
- restoring protection of prime agricultural land from resource development
- maintaining public confidence in the land valuation system and ensuring security of property rights and interests
- maintaining our world-class spatial and information solutions for Queensland.

The department's work is subject to changes in the external environment which bring new challenges. Changing expectations about the protection and allocation of our natural resources are leading to conflicting aspirations in the community and challenges for decision-making in the department.

Service performance

Performance statement

Natural Resource Management Services

Service area objective

Sustainable management of Queensland's land and water resources, and the provision of accurate, timely knowledge of the department's property and spatial information resources.

Service area description

This service area administers land, the vegetation management framework and water including issuing licences, permits, leases and other dealings; resolves native title claims; allocates unallocated State land and water; manages unallocated State land; promotes water trading through market mechanisms; administers the Titles Registry; issues land valuations; and maintains Queensland's spatial data.

2016-17 service area highlights

In 2016-17 the department will:

- amend Queensland's native vegetation management framework to protect the Great Barrier Reef and reduce carbon emissions
- develop a new legislative management framework for managing travelling stock and grazing on Queensland's stock route and roads network
- continue water planning activities:
 - put in place a water allocation and management framework for Cape York
 - establish secure, sustainable water entitlements in the Upper Burdekin River catchments through a targeted water plan amendment
 - implement the Murray-Darling Basin Plan for Queensland's basin catchments in the Moonie, Condamine-Balonne and Border Rivers catchments
 - replace the Great Artesian Basin water planning instruments
 - initiate release of unallocated water in the Fitzroy Basin to provide for regional economic growth in the agricultural sector
 - grant water entitlements as a result of the Gulf, Great Artesian Basin and Whitsunday releases of unallocated water
- implement reforms and priority business improvements for water monitoring, licensing, management and planning to deliver better client services
- continue to enhance functionality to enable higher volumes of title transactions to be conducted online through electronic conveyancing
- release Queensland Globe 2.0
- release QImagery, making available to the public approximately 800,000 historical aerial photographs in a simple online application allowing users to discover, browse and download the State's imagery.

Department of Natural Resources and Mines	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Natural Resource Management¹				
Service standards				
<i>Effectiveness measures</i>				
Percentage of native title claims resolved by agreement between the parties	2	>50%	100%	>50%
Reliability of the State's water monitoring networks	3	New measure	New measure	>90%
Accuracy of title dealings registered	4	99.5%	99.8%	99.5%
Percentage of Titles Registry dealings processed within five days	5	90%	92%	90%
Percentage increase in the use of online spatial services	6	20%	59.5%	20%
Average percentage adjustment to annual statutory land valuations that are objected to	7	≤15%	5%	≤15%
Percentage of properly made objections lodged against annual statutory land valuations for properties ≤\$5 million, decided within customer service standards	8	85%	87%	85%
<i>Efficiency measure</i>				
Average cost per valuation	9	New measure	New measure	<\$24

Notes:

1. This service area is renamed from the 2015-16 *Service Delivery Statement* service area Land and Water Services.
2. The measure indicates that the department, on behalf of the State, will resolve by agreement the majority of native title claims. The wording of this measure has been amended for clarity however the calculation methodology remains unchanged.
3. This is a measure of the availability, accuracy and timeliness of data that underpins the department's water planning and management activities and is used by the Bureau of Meteorology to deliver flood monitoring and warning across Queensland.
4. This is a measure of accuracy of title dealings registered and provides insight into the effectiveness of this service area fulfilling its objective of providing accurate, timely knowledge of our property and spatial information resources.
5. This is a measure of service efficiency in processing Titles Registry dealings and is also considered a measure of effectiveness as it indicates the currency of such information in the titles registers and that accurate, timely knowledge of our property and spatial information resources is available.
6. The department maintains current and accurate information through its online spatial data feeds and web services and wishes to encourage online viewing or consumption to increase the use of current and accurate information for the community to make more informed decisions. The department considers that measuring increased online usage will provide insight into the effectiveness of this service area fulfilling its intended outcome of providing accurate, timely knowledge of our property and spatial information resources to enable Queenslanders to make more informed decisions.
7. This measure provides insight into the effectiveness of this service area fulfilling its intended outcome of providing Queenslanders with accurate, timely knowledge of our property and spatial information resources. This measure of the average percentage adjustment to land valuations that are adjusted due to meritorious objections is an indicator of the accuracy of the land valuations.
8. The customer service standard for this measure is 60 working days from objection closure period. Meeting the customer service standard ensures reliable and accurate valuation information is provided to key stakeholders such as local government and the Office of State Revenue in a timely manner to alleviate budget impacts.
9. This measure provides an indication of the cost efficiency of this area fulfilling its intended outcome of Queenslanders having access to reliable and accurate statutory land valuations. The average cost/valuation is an overall efficiency measure of the area's output. The budgeted base expenditure is reported on a unit cost basis and measures the cost to deliver the volume increases in the valuation roll.

Minerals and Energy Resources Services

Service area objective

Responsible use of our minerals and energy resources as a key contributor to creating jobs, driving economic growth and reducing health and safety risks.

Service area description

This service area provides geoscientific and resource information to enable a series of resource functions to be undertaken, including:

- exploration activities
- administration of permits for mining, petroleum (including gas), geothermal and carbon sequestration and storage activities
- management of baseline data and monitoring data to predict the groundwater impacts associated with coal seam gas extraction
- coordination and progress of complaints relating to the on-ground impacts of resource development
- oversight of the safety and health of workers in Queensland's mining, explosives and petroleum and gas industries and communities affected by mining, explosives, petroleum and gas
- licensing the use of explosives and gas.

Services

- Mine safety and health services
- Mineral, coal, petroleum and gas services

2016-17 service area highlights

In 2016-17 the department will:

- continue to support the discovery of new minerals and energy resources through the Geological Survey of Queensland
- continue the development of an innovative resource tenure framework common to the lifecycle of resource development for all commodity types that will provide industry with more flexible settings to underpin investment and the realisation of capital expenditure and the generation of jobs
- appoint a Resources Investment Commissioner, tasked with developing new domestic and international business partnerships and alliances across government, industry and key client groups to identify, develop and deliver investment opportunities
- in conjunction with the Resources Investment Commissioner, promote Queensland as a global resource destination of choice, encouraging exploration and investment in the resource sector and actively support industry development
- develop an economic blueprint for the North-West Queensland Minerals Province
- develop a Gas (Supply and Demand) Action Plan to ensure the long term security of Queensland's Liquefied Natural Gas supplies
- restore community rights to object to mining projects and reinstate key agricultural land within the restricted land framework under Queensland's resources legislation
- reduce the number of registered abandoned mines through on-ground assessment and close out of public safety risks
- appoint a dedicated Mine Safety and Health Commissioner
- engage with stakeholders to reduce risk in mining, explosives and petroleum and gas industries
- consult with stakeholders to provide innovative solutions to reduce mine safety and health risks
- complete the review of the respiratory component of the Coal Mine Workers' Health Scheme for managing the risk of coal mine workers contracting lung disease as a result of occupational exposure to respirable coal mine dust
- engage with the Council of Australian Governments to harmonise explosives laws and undertake Queensland legislative amendments to improve explosives security and safety.

Department of Natural Resources and Mines	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Minerals and Energy Resources¹				
Service: Mine safety and health services				
Service standards <i>Effectiveness measure</i> Lost time injury frequency rate (injuries per million hours) in the mining and quarrying industries	2	<3.3	2.2	<3.3
Percentage of scheduled audits and inspections completed within prescribed times	3	90%	100%	90%
<i>Efficiency measure</i> Average cost per mine safety licence issued (\$/Licence)	4	New measure	New measure	2.5% improvement per annum
Service: Mineral, coal, petroleum and gas services				
Service standards <i>Effectiveness measure</i> Percentage of mining exploration applications decided within 12 months	5	90%	94%	90%
<i>Efficiency measures⁶</i>				

Notes:

1. This service area is renamed from the 2015-16 *Service Delivery Statement (SDS)* service area Mining Services.
2. This measure was reported on in the 2015-16 SDS under the Mining Services service area.
3. This measure provides insight into the effectiveness of Mine Safety and Health Services fulfilling its objective of enabling safe and healthy resources industries because the safety and health of these workplaces are assessed during audits and inspections. The department schedules audits and inspections according to priority, based on a risk assessment that is revised monthly. Timeliness in carrying out audits and inspections according to this schedule shows the degree of opportunity that exists for safety and health issues to be identified in workplaces, especially higher risk workplaces.
4. This is a measure of efficiency based on the average cost to provide each mine safety licence that is issued. Mine Safety and Health Services is responsible for issuing the following:
 - a. licences under the *Petroleum and Gas (Production and Safety) Act 2004* to competent persons to carry out work on gas appliances and gas installations
 - b. licences under the *Explosives Act 1999* to competent persons to conduct explosives activities.
5. This measure of timeliness demonstrates how efficiently industry proponents are receiving well-considered decisions on their mining exploration applications. Mining exploration applications include new applications with respect to minerals.
6. An efficiency measure is being developed for this service and will be included in a future SDS.

Discontinued measures

Performance measures included in the 2015-16 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of Natural Resources and Mines	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Natural Resource Management				
Percentage of the State's natural water resources with monitoring programs in place	1	70%	79%	Discontinued measure

Note:

1. This measure has been discontinued as the department considers that the proposed alternative measure (Reliability of the State's water monitoring networks) more appropriately reflects a key strategic objective for the department to provide accurate and timely information relating to our surface and groundwater resources. This information underpins water planning and management activities, and also supports the Bureau of Meteorology to deliver a flood monitoring and warning network. In the 2015-16 *Service Delivery Statement* this measure was reported under the Land and Water Services service area. This measure will be reported in the 2015-16 Annual Report.

Administered items

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

The Department of Natural Resources and Mines administers funds on behalf of the State as follows:

- **Titles Lodgement Revenue:** Revenue is collected under the *Land Title Act 1994*, *Land Act 1994* and the *Water Act 2000* for the lodgement of documents to secure ownership and other interests in freehold and State leasehold land, water allocations and other resources and to record related information. Customers include individuals, companies and organisations, both in Queensland and elsewhere, with interests in the State's resources. The client groups include landowners, investors, solicitors, financial institutions, surveyors and developers, government agencies, industry groups and other service providers.
- **Revenue from State Land:** The department manages the State's administered land portfolio which is made up of reserves, unallocated State land, freehold land, land under roads and leasehold land. Annual rentals and instalments are collected on land leased from the State and on various licenses and permits issued over State land under the *Land Act 1994*. Administered revenue is also generated from sales of unallocated State land and from issuing easement access across State land. The revenue from sales can vary significantly from year to year as they are largely application driven.
- **Mineral and Petroleum Rentals:** Annual rent is collected on various permits, authorities, licenses and leases issued under the *Mineral Resources Act 1989*, the *Petroleum Act 1923*, the *Geothermal Energy Act 2010* and the *Petroleum and Gas (Production and Safety) Act 2004*.
- **Resource Tenure Application Processing Fees:** Revenue is collected for resource tenure applications and associated dealings under the *Mineral Resources Act 1989*, the *Petroleum Act 1923*, the *Geothermal Energy Act 2010*, the *Petroleum and Gas (Production and Safety) Act 2004* and the *Greenhouse Gas Storage Act 2009*.

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 Natural Resources and Mines	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	15,254	17,108	12,189
Balance of service appropriation	306,037	312,257	319,642
Other revenue	127,896	123,061	124,900
Total income	449,187	452,426	456,731
Expenses			
Natural Resources Management	313,182	314,987	320,413
Minerals and Energy Resources	126,175	128,206	126,995
Corporate Partnerships	9,830	9,233	9,323
Total expenses	449,187	452,426	456,731
Operating surplus/deficit	..	..	..
Net assets	260,927	232,753	229,970
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	1,220	1,100	1,300
Other administered revenue	718,037	726,449	738,885
Total revenue	719,257	727,549	740,185
Expenses			
Transfers to government	487,632	496,044	508,480
Administered expenses	51,625	51,505	51,705
Total expenses	539,257	547,549	560,185
Net assets	53,623,121	57,102,860	57,263,792

Note:

1. Appropriation revenue includes State and Commonwealth funding.

Service area sources of revenue¹

Sources of revenue 2016-17 Budget					
Department of Natural Resources and Mines	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Natural Resource Management	320,413	220,603	58,377	37,351	4,083
Minerals and Energy Resources	126,995	64,554	62,440	..	..
Corporate Partnerships	9,323	9,323	..	..	..
Total	456,731	294,480	120,817	37,351	4,083

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 Natural Resources and Mines	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures					
Administered	..	(4,242)	(25)	..	..
Departmental
Expense measures					
Administered
Departmental ¹	..	13,742	13,448	9,285	9,346
Capital measures					
Administered
Departmental

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

The total capital investment for the department in 2016-17 will be \$10.3 million. Investment in the department's asset portfolio faces a number of key challenges addressing trends in service delivery demand and expectations, including:

- requiring a robust and reliable water monitoring network that transforms water monitoring data into relevant, reliable and trustworthy hydrologic information that is shared – searchable, discoverable and accessible
- responding with increased capacity to store high volumes of dangerous materials, located in strategic positions to high capacity ports and customer and stakeholder catchment areas
- relying on a significant number and variety of ICT systems and capabilities that are part of an aged asset portfolio undergoing modernisation to provide simple and efficient access to information assets for industry and the community.

In meeting these challenges, the department will focus its capital investment in:

- developing comprehensive and prioritised capital replacement programs to the stream gauging and groundwater monitoring network
- renewing the survey positioning network with contemporary technology and trialling emerging technologies
- undertaking consultation with customers and stakeholders regarding the need to expand our facilities to safely store high volumes of dangerous materials
- improving asset performance at existing explosives reserves
- utilising software as a service and cloud based platforms for systems and applications resulting in fewer capital assets within ICT.

Capital budget

Department of Natural Resources and Mines	Notes	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure	2	6,492	6,492	4,305
Total plant and equipment		2,532	2,532	2,961
Total other capital	3	12,765	5,802	3,001
Total capital purchases		21,789	14,826	10,267

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.
2. The movement is predominately due to the delivery of the Zillmere Core Library extension, offset by a realignment of funding from systems development.
3. The movement is mainly due to capital to operating conversions for the Modernising Our Online Services Environment program (renamed to the One Enterprise Program in 2015-16) as the department moves to software as a service model.

Staffing¹

Department of Natural Resources and Mines	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Natural Resource Management	2	1,755	1,755	1,755
Mineral and Energy Resources	2	613	613	613
Corporate Partnerships	3,4	72	72	72
TOTAL		2,440	2,440	2,440

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs providing internal corporate services are allocated to the service to which they relate.
3. Corporate FTEs employed by the department as part of the corporate partnership arrangements provide services to the Departments of: Agriculture and Fisheries (DAF); Energy and Water Supply; National Parks, Sport and Racing; Environment and Heritage Protection (DEHP); Tourism, Major Events, Small Business and the Commonwealth Games.
4. Under the corporate partnership arrangements, the department also receives services from DAF and DEHP.

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

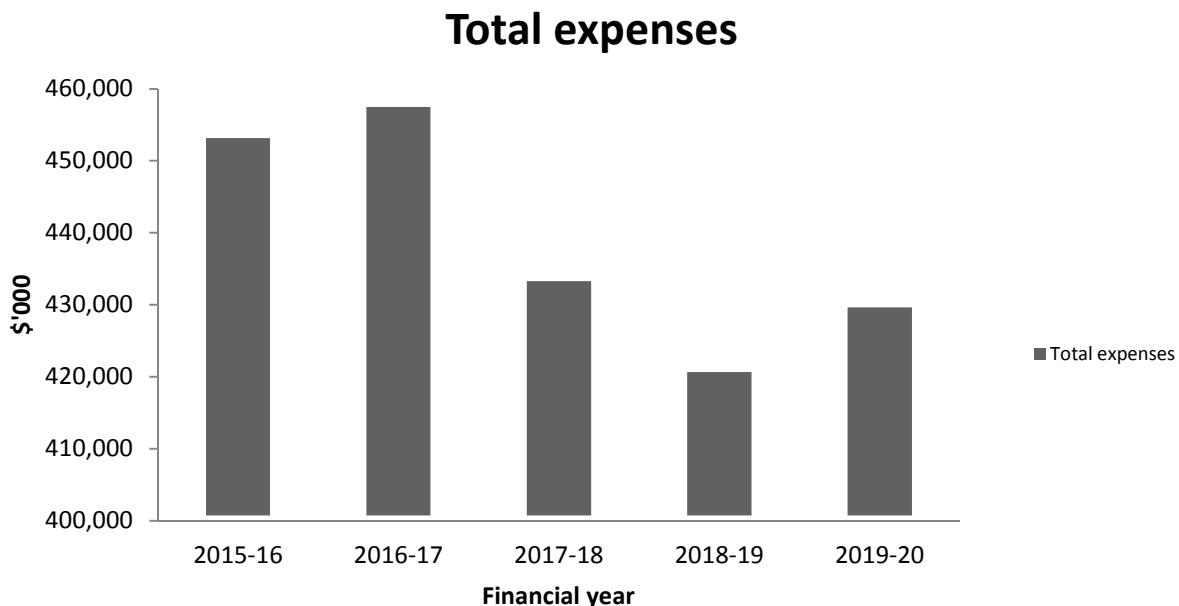
Total expenses are estimated to be \$456.7 million in 2016-17, an increase of \$4.3 million from the 2015-16 financial year. This increase is primarily due to additional funding for the Abandoned Mine Lands Program and the statewide High Resolution Satellite Imagery initiative.

From 2016-17 onwards expenditure estimates are expected to reduce until 2018-19 due to a decline in funding for Australian Government initiatives, including the Great Artesian Basin Sustainability Initiative (GABSI) Phase 4 and Murray Darling Basin programs. Also contributing are funding commitments for a number of limited life initiatives declining or ceasing, including Geological Survey of Queensland Future Resources and Queensland Natural Resource Management Investment programs.

The department raises almost a third of its revenue from sources other than State appropriation including:

- industry charges which fund the Office of Groundwater Impact Assessment, Mine Safety and Health and Petroleum and Gas functions
- user charges revenue, predominantly for maps, cadastral and title searches, storage fees for explosives and other fee for service activities provided by units such as Safety in Mines Testing Research Station
- funding from the Australian Government in relation to specific initiatives including Water for the Future Program, GABSI Phase 4 and Murray Darling Basin Programs.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's major assets consist of property, plant and equipment (\$149.8 million) and intangibles (\$38.2 million). Investment in property, plant and equipment will decrease over the next few years as of result of depreciation on buildings and water storage and monitoring infrastructure assets exceeding new investments in this category. Land, infrastructure and buildings is also subject to market fluctuations through annual revaluations.

The department's main liabilities relate to payables for accrued employment benefits, grants, trade creditors and unearned revenue. There are no known factors that will vary these over the next few years.

Controlled income statement

Department of Natural Resources and Mines	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue	1,7,15	321,291	329,365	331,831
Taxes		..	..	..
User charges and fees	8,16	118,539	118,204	120,817
Royalties and land rents		244	160	160
Grants and other contributions	2,9	7,600	3,100	3,100
Interest		..	..	..
Other revenue		1,513	1,597	823
Gains on sale/revaluation of assets		..	..	..
Total income		449,187	452,426	456,731
EXPENSES				
Employee expenses	3,10,17	236,879	244,002	246,147
Supplies and services	4,11,18	141,843	146,814	152,442
Grants and subsidies	5,12,19	46,803	42,412	37,843
Depreciation and amortisation	13,20	15,561	15,681	16,782
Finance/borrowing costs		..	..	..
Other expenses	6,14	8,064	3,517	3,517
Losses on sale/revaluation of assets		37	..	..
Total expenses		449,187	452,426	456,731
OPERATING SURPLUS/(DEFICIT)		..	..	..

Controlled balance sheet

Department of Natural Resources and Mines	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	21,27,33	41,758	53,222	56,491
Receivables	22,28	37,635	19,113	19,113
Other financial assets		..	..	..
Inventories	23,29	1,479	788	788
Other		3,086	3,079	3,079
Non-financial assets held for sale		218	..	..
Total current assets		84,176	76,202	79,471
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	24,30,34	171,587	155,802	149,792
Intangibles	25,31	51,147	38,775	38,233
Other		..	..	..
Total non-current assets		222,734	194,577	188,025
TOTAL ASSETS		306,910	270,779	267,496
CURRENT LIABILITIES				
Payables	26,32	28,361	18,952	18,452
Accrued employee benefits		7,086	6,873	6,873
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		10,536	11,730	11,730
Total current liabilities		45,983	37,555	37,055
NON-CURRENT LIABILITIES				
Payables		..	471	471
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	471	471
TOTAL LIABILITIES		45,983	38,026	37,526
NET ASSETS/(LIABILITIES)		260,927	232,753	229,970
EQUITY				
TOTAL EQUITY		260,927	232,753	229,970

Controlled cash flow statement

Department of Natural Resources and Mines	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	35,43,52	321,291	327,612	331,831
User charges and fees	44,53	118,539	118,204	120,817
Royalties and land rent receipts		244	160	160
Grants and other contributions	36,45	7,600	3,100	3,100
Interest received		..	..	..
Taxes		..	..	..
Other		1,513	1,597	823
Outflows:				
Employee costs	37,46,54	(236,879)	(244,002)	(246,147)
Supplies and services	38,47,55	(141,843)	(146,814)	(152,442)
Grants and subsidies	39,48,56	(47,803)	(43,412)	(38,343)
Borrowing costs		..	..	..
Other	40,49	(8,064)	(3,517)	(3,517)
Net cash provided by or used in operating activities		14,598	12,928	16,282
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	37	37
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	41,50,57	(21,789)	(14,826)	(10,267)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(21,789)	(14,789)	(10,230)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	42,51,58	13,637	6,674	923
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(3,586)	(3,706)	(3,706)
Net cash provided by or used in financing activities		10,051	2,968	(2,783)
Net increase/(decrease) in cash held		2,860	1,107	3,269
Cash at the beginning of financial year		38,898	52,115	53,222
Cash transfers from restructure		..	..	..
Cash at the end of financial year		41,758	53,222	56,491

Administered income statement

Department of Natural Resources and Mines	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue		1,220	1,100	1,300
Taxes		..	..	..
User charges and fees	59,61,63	314,998	322,581	333,495
Royalties and land rents		158,886	159,715	161,063
Grants and other contributions		225,185	225,185	225,185
Interest		4,968	4,968	5,142
Other revenue		..	..	..
Gains on sale/revaluation of assets		14,000	14,000	14,000
Total income		719,257	727,549	740,185
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies		45,980	46,100	46,300
Depreciation and amortisation		425	185	185
Finance/borrowing costs		..	..	..
Other expenses		5,000	5,000	5,000
Losses on sale/revaluation of assets		220	220	220
Transfers of Administered Revenue to Government	60,62,64	487,632	496,044	508,480
Total expenses		539,257	547,549	560,185
OPERATING SURPLUS/(DEFICIT)		180,000	180,000	180,000

Administered balance sheet

Department of Natural Resources and Mines	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets		5,256	5,178	5,178
Receivables	65,70	43,340	47,411	47,411
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		267	..	..
Total current assets		48,863	52,589	52,589
NON-CURRENT ASSETS				
Receivables	66,71,75	30,130	34,516	32,516
Other financial assets		..	..	..
Property, plant and equipment	67,72,76	53,605,866	57,080,235	57,243,167
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		53,635,996	57,114,751	57,275,683
TOTAL ASSETS		53,684,859	57,167,340	57,328,272
CURRENT LIABILITIES				
Payables		3,075	1,618	1,618
Transfers to Government payable	68,73	24,026	11,111	11,111
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	69,74	34,370	51,484	51,484
Total current liabilities		61,471	64,213	64,213
NON-CURRENT LIABILITIES				
Payables		267	267	267
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		267	267	267
TOTAL LIABILITIES		61,738	64,480	64,480
NET ASSETS/(LIABILITIES)		53,623,121	57,102,860	57,263,792
EQUITY				
TOTAL EQUITY		53,623,121	57,102,860	57,263,792

Administered cash flow statement

Department of Natural Resources and Mines	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		1,220	1,100	1,300
User charges and fees	77,83,89	314,778	322,361	333,275
Royalties and land rent receipts		158,886	159,715	161,063
Grants and other contributions		..	..	..
Interest received		4,968	4,968	5,142
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies		(1,100)	(1,100)	(1,300)
Borrowing costs		..	..	..
Other	78,84	(5,000)	12,068	12,068
Transfers to Government	79,85,90	(487,632)	(496,044)	(508,480)
Net cash provided by or used in operating activities		(13,880)	3,068	3,068
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	80,86	31,068	14,000	14,000
Investments redeemed		..	..	..
Loans and advances redeemed	81,87	12,000	4,000	4,000
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made	82,88	(7,500)	(2,000)	(2,000)
Net cash provided by or used in investing activities		35,568	16,000	16,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(21,688)	(19,068)	(19,068)
Net cash provided by or used in financing activities		(21,688)	(19,068)	(19,068)
Net increase/(decrease) in cash held		..	..	..
Cash at the beginning of financial year		5,256	5,178	5,178
Cash transfers from restructure		..	..	..
Cash at the end of financial year		5,256	5,178	5,178

Explanation of variances in the financial statements

Income statement

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

1. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
2. The decrease relates to a change in funding arrangements for the Natural Disaster Relief and Recovery Arrangements (NDRRA) program.
3. The increase is due to the impact of Enterprise Bargaining Agreement (EBA) increases.
4. The increase predominately relates to the realignment of the department's legal expenditure budget from Other expenditure and a capital to operating swap for the One Enterprise Program (1EP) offset by the timing of payments for the Geological Survey of Queensland (GSQ) Future Resources program.
5. The decrease relates to a change in funding arrangements for the NDRRA program.
6. The decrease relates to the realignment of the department's legal expenditure budget to Supplies and Services.

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

7. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
8. The increase predominately relates to the government indexation rate applied to the Titles Search fees.
9. The decrease relates to a change in funding arrangements for the NDRRA program.
10. The increase is due to the impact of EBA increases.
11. The increase predominately relates to the realignment of the department's legal expenditure budget from Other expenditure, a capital to operating swap for 1EP, as well as additional expenditure for the statewide High Resolution Satellite Imagery program and Abandoned Mine Lands Program (AMLP).
12. The decrease relates to a change in funding arrangements for the NDRRA program and payments for the Natural Resource Management (NRM) Investment Program.
13. The increase predominately relates to additional depreciation for the AMLP.
14. The decrease relates to the realignment of the department's legal expenditure budget to Supplies and Services.

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

15. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
16. The increase predominately relates to the government indexation rate applied to the Titles Search fees.
17. The increase is due to the impact of EBA increases.
18. The increase is predominately for AMLP and Great Artesian Basin Sustainability Initiative (GABSI) Phase 4 .
19. The decrease predominately relates to the timing of payments for the NRM Investment Program.
20. The increase predominately relates to additional depreciation for the AMLP.

Balance sheet

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

21. The increase in cash is predominately due to the inflow of monies from receivables related to the NDRRA program.
22. The decrease is predominately as a result of the reduction in accrued revenue for NDRRA projects and reduced appropriation and equity receivables from the Consolidated Fund.
23. The decrease in inventories relates to a reduction in stock levels for the GABSI Phase 4.
24. The decrease is predominately as a result of net transfers of assets to the department's administered accounts for assets identified as not under the control of the department.
25. The decrease is predominately as a result of the 1EP conversion from capital to operating funding.

26. The decrease in payables is primarily due to payments of Australian Government funds held by the department for approved grant programs.

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

27. The increase in cash is predominately due to the inflow of monies from receivables related to the NDRRA program.
28. The decrease is predominately as a result of the reduction in accrued revenue for NDRRA projects and reduced appropriation and equity receivables from the Consolidated Fund.
29. The decrease in inventories relates to a reduction in stock levels for GABSI Phase 4.
30. The decrease is predominately as a result of net transfers of assets to the department's administered accounts for assets identified as not under the control of the department.
31. The decrease is predominately a result of the 1EP conversion from capital to operating funding.
32. The decrease in payables is primarily due to payments of Australian Government funds held by the department for approved grant programs.

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

33. The increase in cash is predominately due to the accumulation of depreciation funding yet to be utilised to reinvest into the capital program.
34. The decrease is predominately due to the effect of accumulated depreciation.

Cash flow statement

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

35. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
36. The decrease relates to a change in funding arrangements for the NDRRA program.
37. The increase is due to the impact of EBA increases.
38. The increase predominately relates to the realignment of the department's legal expenditure budget from Other expenditure and a capital to operating swap for the 1EP offset by the timing of payments for the GSQ Future Resources program.
39. The decrease relates to a change in funding arrangements for the NDRRA program.
40. The decrease relates to the realignment of the departments legal expenditure budget to Supplies and Services.
41. The decrease is predominately as a result of the 1EP conversion from capital to operating funding.
42. The decrease is predominately as a result of the 1EP conversion from capital to operating funding.

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

43. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
44. The increase predominately relates to the government indexation rate applied to the Titles Search fees.
45. The decrease relates to a change in funding arrangements for the NDRRA program.
46. The increase is due to the impact of EBA increases.
47. The increase predominately relates to the realignment of the department's legal expenditure budget from Other expenditure and a capital to operating swap for 1EP, as well as additional expenditure for the statewide High Resolution Satellite Imagery program and AMLP.
48. The decrease relates to a change in funding arrangements for the NDRRA program and payments for the NRM Investment Program.
49. The decrease relates to the realignment of the department's legal expenditure budget to Supplies and Services.
50. The decrease is predominately as a result of the 1EP conversion from capital to operating funding.
51. The decrease is predominately as a result of the 1EP conversion from capital to operating funding.

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

52. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
53. The increase predominately relates to the government indexation rate applied to the Titles Search fees.
54. The increase is due to the impact of EBA increases.
55. The increase is predominately for AMLP and GABSI Phase 4 .
56. The decrease predominately relates to the timing of payments for the NRM Investment Program.
57. The decrease is predominately as a result of the 1EP conversion from capital to operating funding.
58. The decrease is predominately as a result of the 1EP conversion from capital to operating funding.

Administered income statement

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

59. The increase is due to increased estimates for Titles lodgement fees which are subject to movements in the property market.
60. The increase reflects the anticipated receipts collected and returned to the Consolidated Fund.

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

61. The increase is predominately due to increased estimates for Titles lodgement fees which are subject to movements in the property market.
62. The increase reflects the anticipated receipts collected and returned to the Consolidated Fund.

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

63. The increase is predominately due to increased estimates for Titles lodgement fees which are subject to movements in the property market.
64. The increase reflects the anticipated receipts collected and returned to the Consolidated Fund.

Administered balance sheet

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

65. The increase relates to the movement in operating lease and mining rent receivables partially offset by an increased provision for doubtful debts.
66. The increase relates to instalments on freehold leases partially offset by a decrease as the leases mature.
67. The increase relates predominately to movements in valuations for land under roads.
68. The decrease relates to administered receipts to be returned to the Consolidated Fund at year end.
69. The increase predominately relates to movements in land sales on behalf of other departments.

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

70. The increase relates to the movement in operating lease and mining rent receivables partially offset by an increased provision for doubtful debts.
71. The increase relates to instalments on freehold leases partially offset by a decrease as the leases mature.
72. The increase relates predominately to movements in valuations for land under roads.
73. The decrease relates to administered receipts to be returned to the Consolidated Fund at year end.
74. The increase predominately relates to movements in land sales on behalf of other departments.

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

75. The decrease is due to instalments on freehold leases decreasing as leases mature.
76. The movement primarily relates to land transfers between departments and from local government authorities and developers.

Administered cash flow statement

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

77. The increase is predominately due to increased estimates for Titles lodgement fees which are subject to movements in the property market.
78. The increase predominately relates to movements in land sales on behalf of other departments.
79. The increase reflects the anticipated receipts collected and returned to the Consolidated Fund.
80. The decrease predominately reflects trends in the disposal of surplus government land.
81. The decrease in inflows for loans and advances redeemed reflects trends in the payments of finance leases.
82. The decrease in outflows for loans and advances made reflects trends in the establishment of new finance leases.

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

83. The increase is predominately due to increased estimates for Titles lodgement fees which are subject to movements in the property market.
84. The increase predominately relates to movements in land sales on behalf of other departments.
85. The increase reflects the anticipated receipts collected and returned to the Consolidated Fund.
86. The decrease predominately reflects trends in the disposal of surplus government land.
87. The decrease in inflows for loans and advances redeemed reflects trends in the payments of finance leases.
88. The decrease in outflows for loans and advances made reflects trends in the establishment of new finance leases.

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

89. The movement is due to increased estimates for Titles lodgement fees which are subject to movements in the property market.
90. The increase reflects the anticipated receipts collected and returned 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

