

SERVICE DELIVERY STATEMENTS

**Department of Natural
Resources and Mines**

2017-18 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>
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<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 Services</p>
<p>Service area 2: Minerals and Energy Resources Services</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 2017-18 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 tenure management, safety and health in the resources sector
- implementing Monash Review recommendations to improve the respirable component of the Coal Mine Workers' Health Scheme
- support implementation of the Queensland Government's Strategic Blueprint for Queensland's North West Minerals Province, that is aimed at facilitating a strong and prosperous future for the region
- engaging with stakeholders to reduce risk in mining, explosives, petroleum and gas industries
- supporting the minerals and energy resources industry through delivery of the Strategic Resources Exploration Program and the Queensland Gas Supply and Demand Action Plan
- 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 Resources 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.

Services

- Sustainable management of Queensland's land and water resources services
- Accurate, timely knowledge of property and spatial information resources services

2017-18 service area highlights

In 2017-18 the department will:

- continue water planning activities by:
 - finalising a water allocation and management framework for Cape York
 - finalising the establishment of secure, sustainable water entitlements in the Upper Burdekin River catchments through a targeted water plan amendment
 - consulting on draft Water Plans for the Queensland Murray-Darling Basin Plan catchments, the Moonie, Condamine-Balonne and Border Rivers
 - finalising the Great Artesian Basin water planning instruments
 - finalising Central Lockyer, Moreton Water Plan targeted amendment to deliver secure and specified water entitlement in the Central Lockyer Valley
- continue water monitoring activities to provide an inventory of Queensland's water resources
- implement Northern Basin Review recommendations to support achievement of Sustainable Diversion Limits in the Murray Darling Basin
- implement a Natural Resources Investment Program to invest in the sustainable management of land, water and vegetation resources
- develop a draft Lower Burdekin Groundwater Strategy to address rising groundwater and ensure industry sustainability through technical assessments and stakeholder engagement
- facilitate system and other changes to enable higher volumes of title transactions to be conducted online through electronic conveyancing
- continue to enhance functionality to enable landowners and their agents to transact electronically with the State Valuation Service
- broaden the use of state wide satellite imagery coverage for landscape management, emergency services and compliance outcomes

- implement the review of self-assessable vegetation clearing codes to ensure the codes are practical, effective and provide appropriate environmental protection
- contribute to the Government's consolidated delivery strategy to provide on-ground outcomes for the Great Barrier Reef.

Department of Natural Resources and Mines	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Natural Resources Management Services				
Service: Sustainable management of Queensland's land and water resources services				
Service standards <i>Effectiveness measures</i> Percentage of native title claims resolved by agreement between the parties	1	>50%	75%	>50%
Reliability of the State's water monitoring networks	2	90%	92%	90%
<i>Efficiency measure</i> Average cost per valuation	3	<\$24	\$12.58	<\$24
Service: Accurate, timely knowledge of property and spatial information resources services				
Service standards <i>Effectiveness measures</i> Accuracy of title dealings registered	4	99.5%	99.8%	99.5%
Average percentage adjustment to annual statutory land valuations that are objected to	5	≤15%	5%	≤15%
Percentage of Titles Registry dealings processed within five days	6	90%	90%	90%
Percentage of properly made objections lodged against annual statutory land valuations for properties ≤\$5 million, decided within customer service standards	7	85%	90%	85%
<i>Efficiency measure</i> Average cost per online spatial services accessed	8	New measure	New measure	Improvement year on year

Notes:

1. The measure indicates that the department, on behalf of the State, will resolve by agreement, the majority of native title claims during this period.
2. This measure of the availability, accuracy and timeliness of data 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.
3. 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.
4. This measure of accuracy of title dealings registered 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 measure provides insight into the effectiveness of this service 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.
6. This is a measure of timeliness and accuracy, combined to deliver an effectiveness measure in processing Titles Registry dealings. 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.
7. 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 governments and the Office of State Revenue in a timely manner to alleviate budget impacts.
8. This measure of cost efficiency is based on the average cost to provide online spatial services (salary costs only). The average cost depends on the number of web services accessed. The baseline target for 2017-18 is to keep the average cost per online spatial services accessed, to ≤\$50 (less than or equal to). Capturing and managing foundation spatial data is critical to support Queensland as it provides consistent and reliable land and spatial information for business planning and decision making.

Minerals and Energy Resources Services

Service area objective

Responsible use of our minerals and energy resources.

Service area description

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

- acquisition of geoscience information
- 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
- identification of critical resources requiring protection for future use.

Services

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

2017-18 service area highlights

In 2017-18 the department will:

- establish the Land Access Ombudsman following commencement of the enabling legislation
- deliver the Queensland Gas Supply and Demand Action Plan
- establish the Strategic Resources Exploration Program to support the development of new mineral and energy resources in North West Queensland
- deliver the Annual Exploration Program to release tenders for exploration for petroleum and gas, minerals and coal resources to support the minerals and energy resources industry
- collaborate with industry and community stakeholders on priorities through the Minister's Resources Roundtable and Resources Community Roundtable
- publish a review of respirable coal dust monitoring results
- progress the recommendations from the Monash Review into the respiratory component of the Coal Mine Workers' Health Scheme
- implement improvements to the respiratory component of the Coal Mine Workers' Health Scheme including enhanced chest X-ray and lung function screening systems for coal mine workers
- progress legislative amendments to improve explosives security and safety
- deliver accredited competency training for respirable dust monitoring
- respond to the recommendations of the Parliamentary Select Committee into Coal Workers Pneumoconiosis
- engage with stakeholders to reduce risk in mining, explosives and petroleum and gas industries
- 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
- support independent assessment and management of cumulative groundwater impacts from resource development in Queensland
- deliver resources investment seminars to key international client sectors.

Department of Natural Resources and Mines	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Minerals and Energy Resources Services				
Service: Mine safety and health services				
Service standards <i>Effectiveness measures</i> Lost time injury frequency rate (injuries per million hours) in the mining and quarrying industries		<3.3	3	<3.3
Percentage of scheduled audits and inspections completed within prescribed times	1	90%	90%	90%
<i>Efficiency measure</i> Average cost per mine safety licence issued (\$/Licence)	2	2.5% improvement per annum	\$470.24	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	3	90%	90%	90%
<i>Efficiency measure</i> Average cost of all tenure processing transactions	4	New measure	New measure	Improvement year on year

Notes:

1. 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.
2. The measure of cost efficiency is based on the average cost to issue either Gas Work, Shotfirer, or Fireworks Operator Licences, rolling over a five year period (2013-17).
3. 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.
4. This measure of efficiency in tenure processing dealings is of all transactions lodged manually and through MyMines Online, and all fossicking related transactions. The baseline target for 2017-18 is to keep the average cost of transactions ≤\$2200 (less than or equal to).

Discontinued measures

Performance measures included in the *2016-17 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Natural Resources Management Services				
Percentage increase in the use of online spatial services	1	20%	20%	Discontinued measure

Note:

1. This measure has been discontinued as it is a measure of activity. This measure will be reported in the *2016-17 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 2017-18 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	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	12,189	3,169	8,230
Balance of service appropriation	319,642	321,281	313,395
Other revenue	124,900	121,087	124,280
Total income	456,731	445,537	445,905
Expenses			
Sustainable management of Queensland's land and water resources services	223,273	211,084	206,482
Accurate, timely knowledge of property and spatial information resources services	97,140	96,264	98,860
Mine safety and health services	72,548	76,210	81,867
Mineral, coal, petroleum and gas services	54,448	52,752	49,469
Corporate partnerships	9,323	9,228	9,228
Total expenses	456,731	445,537	445,905
Operating surplus/deficit	..	..	..
Net assets	229,970	228,810	231,945
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	1,300	1,300	1,300
Other administered revenue	738,885	746,466	765,460
Total revenue	740,185	747,766	766,760
Expenses			
Transfers to government	508,480	516,061	535,055
Administered expenses	51,705	51,705	51,705
Total expenses	560,185	567,766	586,760
Net assets	57,263,792	62,450,307	62,611,239

Note:

1. Includes State and Commonwealth funding.

Service area sources of revenue¹

Sources of revenue 2017-18 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
Sustainable management of Queensland's land and water resources services	206,481	169,178	5,493	27,835	3,975
Accurate, timely knowledge of property and spatial information resources services	98,860	51,009	47,691	..	160
Mine safety and health services	81,867	18,986	62,881	..	..
Mineral, coal, petroleum and gas services	49,469	45,389	4,080	..	..
Corporate partnerships	9,228	9,228	..	..	..
Total	445,905	293,790	120,145	27,835	4,135

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 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of Natural Resources and Mines	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures¹					
Administered	..	..	..	..	..
Departmental	6,091	13,244	18,000	18,744	15,121
Capital measures					
Administered	..	..	..	..	..
Departmental	400	4,418	3,625	485	600

Note:

- Figures include the whole-of-government expense measures 'Brisbane CBD government 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 \$17.7 million, including \$4.5 million to address the department's aged ICT asset portfolio, to provide simple and efficient access to information for industry and the community, and \$2.6 million towards systems development for the management of Geoscience data curation and support systems. In addition, \$1.8 million is for the management of disclaimed mine sites and \$800,000 towards improvements to the stock route network. This reflects the department's mission to promote the responsible use of our natural resources - water, land, minerals and energy - to sustainably generate prosperity for current and future generations of Queenslanders.

Capital budget

Department of Natural Resources and Mines	Notes	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure	2	4,305	5,587	6,628
Total plant and equipment		2,961	3,461	3,961
Total other capital	3	3,001	3,405	7,096
Total capital purchases		10,267	12,453	17,685

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. The movement is predominately due to the finalisation of the Geological Survey of Queensland Future Resources Core Library and rehabilitation of the Texas Silver Mine Site.
3. The movement is predominately due to the Geological Survey of Queensland (GSQ) Strategic Resources Exploration Program.

Staffing¹

Department of Natural Resources and Mines	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Sustainable management of Queensland's land and water resources services	2	1,127	1,126	1,126
Accurate, timely knowledge of property and spatial information resources services	2	628	629	629
Mine safety and health services	2	360	361	361
Mineral, coal, petroleum and gas services	2	253	253	253
Corporate Partnerships	3, 4	72	72	72
TOTAL		2,440	2,441	2,441

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 (DEWS); National Parks, Sport and Racing (DNPSR); Environment and Heritage Protection (DEHP); Tourism, Major Events, Small Business and the Commonwealth Games (DTESB).
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 statements is provided below.

Departmental income statement

Total expenses are estimated to be \$445.9 million in 2017-18, an increase of \$368,000 from the 2016-17 Estimated Actual.

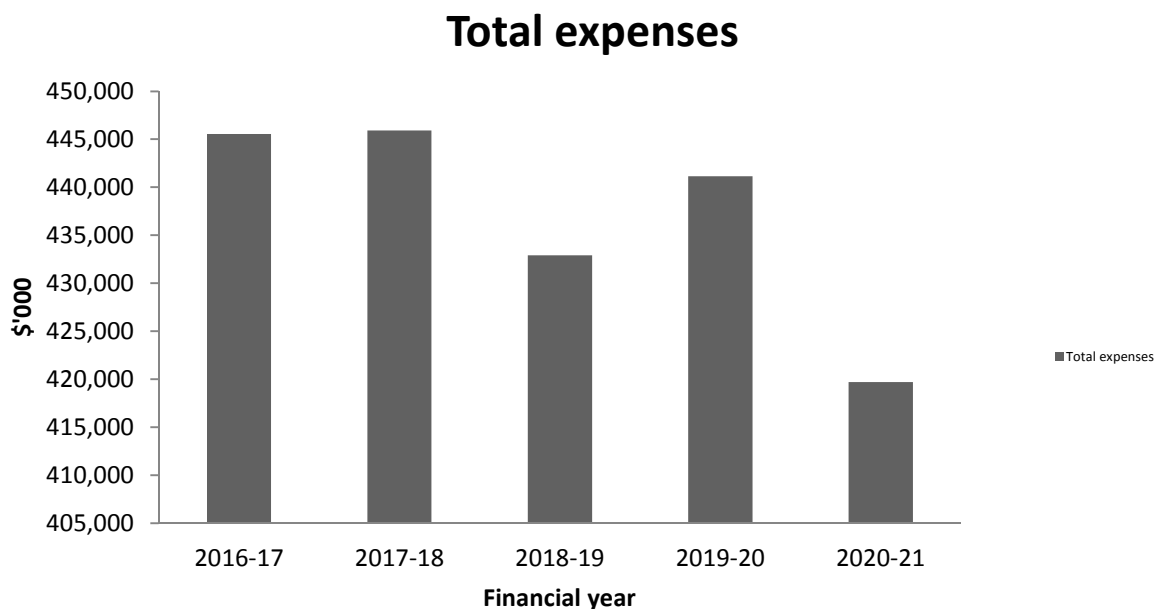
The increase is predominately due to the impact of enterprise bargaining agreements and the government indexation rate applied to fee for service activities. This is offset by a decline in funding for Australian Government initiatives, including the Water for the Future program.

From 2017-18 onwards, expenditure estimates are expected to reduce until 2019-20 due to funding commitments for a number of limited life initiatives ceasing, including rehabilitation of the Texas Silver Mine Site, the department's response to the independent review of the respiratory component of the Coal Mine Workers' Health Scheme and also funding for the Coal Seam Gas Compliance Unit. The reduced estimates in 2020-21 reflects the end of the Australian Government funded Water for the Future program.

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 (OGIA), 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 performed by units such as Safety in Mines Testing and Research Station (SIMTARS)
- funding from the Australian Government in relation to specific initiatives including the Water for the Future Program and the 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 and intangibles.

Property, plant and equipment balances will fluctuate over the forward estimates as of result of the accumulated depreciation on buildings, stock routes and water storage and monitoring infrastructure assets and new investments in these categories. Land, infrastructure and buildings are also subject to market fluctuations through annual revaluations.

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

Controlled income statement

Department of Natural Resources and Mines	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue	1,6,11	331,831	324,450	321,625
Taxes		..	..	..
User charges and fees	2,7,12	120,817	117,004	120,145
Royalties and land rents		160	160	160
Grants and other contributions		3,100	3,100	3,100
Interest		..	..	..
Other revenue		823	823	875
Gains on sale/revaluation of assets		..	..	..
Total income		456,731	445,537	445,905
EXPENSES				
Employee expenses	3,8,13	246,147	248,110	254,018
Supplies and services	4,9,14	152,442	137,389	139,518
Grants and subsidies	5,10,15	37,843	39,739	31,927
Depreciation and amortisation		16,782	16,782	16,925
Finance/borrowing costs		..	..	..
Other expenses		3,517	3,517	3,517
Losses on sale/revaluation of assets		..	..	..
Total expenses		456,731	445,537	445,905
OPERATING SURPLUS/(DEFICIT)		..	..	..

Controlled balance sheet

Department of Natural Resources and Mines	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets	16,24,30	56,491	64,879	67,291
Receivables	17,25	19,113	20,717	20,717
Other financial assets		..	..	..
Inventories		788	682	682
Other	18,26	3,079	1,719	1,719
Non-financial assets held for sale		..	..	..
Total current assets		79,471	87,997	90,409
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	19,31	149,792	152,782	149,952
Intangibles	20,32	38,233	37,146	40,699
Other		..	..	..
Total non-current assets		188,025	189,928	190,651
TOTAL ASSETS		267,496	277,925	281,060
CURRENT LIABILITIES				
Payables	21,27	18,452	21,480	21,480
Accrued employee benefits	22,28	6,873	9,966	9,966
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	23,29	11,730	17,335	17,335
Total current liabilities		37,055	48,781	48,781
NON-CURRENT LIABILITIES				
Payables		471	334	334
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		471	334	334
TOTAL LIABILITIES		37,526	49,115	49,115
NET ASSETS/(LIABILITIES)		229,970	228,810	231,945
EQUITY				
TOTAL EQUITY		229,970	228,810	231,945

Controlled cash flow statement

Department of Natural Resources and Mines	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	33,39,46	331,831	318,680	321,625
User charges and fees	34,40,47	120,817	117,004	120,145
Royalties and land rent receipts		160	160	160
Grants and other contributions		3,100	3,100	3,100
Interest received		..	..	..
Taxes		..	..	..
Other		823	823	875
Outflows:				
Employee costs	35,41,48	(246,147)	(248,110)	(254,018)
Supplies and services	36,42,49	(152,442)	(137,389)	(139,518)
Grants and subsidies	37,43,50	(38,343)	(40,239)	(31,927)
Borrowing costs		..	..	..
Other		(3,517)	(3,517)	(3,517)
Net cash provided by or used in operating activities		16,282	10,512	16,925
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		37	37	37
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	38,44,51	(10,267)	(12,453)	(17,685)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(10,230)	(12,416)	(17,648)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	45,52	923	109	6,841
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(3,706)	(3,706)	(3,706)
Net cash provided by or used in financing activities		(2,783)	(3,597)	3,135
Net increase/(decrease) in cash held		3,269	(5,501)	2,412
Cash at the beginning of financial year		53,222	70,380	64,879
Cash transfers from restructure		..	..	..
Cash at the end of financial year		56,491	64,879	67,291

Administered income statement

Department of Natural Resources and Mines	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue		1,300	1,300	1,300
Taxes		..	..	..
User charges and fees	53,55,57	333,495	343,478	356,738
Royalties and land rents		161,063	158,661	164,215
Grants and other contributions		225,185	225,185	225,185
Interest		5,142	5,142	5,322
Other revenue		..	..	..
Gains on sale/revaluation of assets		14,000	14,000	14,000
Total income		740,185	747,766	766,760
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies		46,300	46,300	46,300
Depreciation and amortisation		185	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	54,56,58	508,480	516,061	535,055
Total expenses		560,185	567,766	586,760
OPERATING SURPLUS/(DEFICIT)		180,000	180,000	180,000

Administered balance sheet

Department of Natural Resources and Mines	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets		5,178	5,418	5,418
Receivables		47,411	47,610	47,610
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale	59,63	..	3,984	3,984
Total current assets		52,589	57,012	57,012
NON-CURRENT ASSETS				
Receivables		32,516	31,086	29,086
Other financial assets		..	..	..
Property, plant and equipment	60,64,67	57,243,167	62,426,949	62,589,881
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		57,275,683	62,458,035	62,618,967
TOTAL ASSETS		57,328,272	62,515,047	62,675,979
CURRENT LIABILITIES				
Payables		1,618	1,601	1,601
Transfers to Government payable	61,65	11,111	20,019	20,019
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	62,66	51,484	42,843	42,843
Total current liabilities		64,213	64,463	64,463
NON-CURRENT LIABILITIES				
Payables		267	277	277
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		267	277	277
TOTAL LIABILITIES		64,480	64,740	64,740
NET ASSETS/(LIABILITIES)		57,263,792	62,450,307	62,611,239
EQUITY				
TOTAL EQUITY		57,263,792	62,450,307	62,611,239

Administered cash flow statement

Department of Natural Resources and Mines	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		1,300	1,300	1,300
User charges and fees	68,70,72	333,275	343,258	356,518
Royalties and land rent receipts		161,063	158,661	164,215
Grants and other contributions		..	..	..
Interest received		5,142	5,142	5,322
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies		(1,300)	(1,300)	(1,300)
Borrowing costs		..	..	..
Other		12,068	12,068	12,068
Transfers to Government	69,71,73	(508,480)	(516,061)	(535,055)
Net cash provided by or used in operating activities		3,068	3,068	3,068
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		14,000	14,000	14,000
Investments redeemed		..	..	..
Loans and advances redeemed		4,000	4,000	4,000
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		(2,000)	(2,000)	(2,000)
Net cash provided by or used in investing activities		16,000	16,000	16,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(19,068)	(19,068)	(19,068)
Net cash provided by or used in financing activities		(19,068)	(19,068)	(19,068)
Net increase/(decrease) in cash held		..	..	..
Cash at the beginning of financial year		5,178	5,418	5,418
Cash transfers from restructure		..	..	..
Cash at the end of financial year		5,178	5,418	5,418

Explanation of variances in the financial statements

Income statement

Major variations between 2016-17 Budget and 2016-17 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 is a result of revised estimates associated with SIMTARS fee for service activities and the Office of the Groundwater Impact Assessment (OGIA) industry levy.
3. The increase is predominately due to additional expenditure to respond to the independent review of the respiratory component of the Coal Mine Workers' Health Scheme.
4. The decrease predominately relates to the timing of expenditure associated with Australian Government initiatives and the transfer of funding for science services to the Department of Science, Information Technology and Innovation (DSITI).
5. The increase relates to revised expenditure associated with Australian Government initiatives.

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

6. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
7. The decrease predominately relates to revised estimates for SIMTARS fee for service activities and the OGIA industry levy, offset by the government indexation rate applied to Titles search fees.
8. The increase relates to the impact of the Enterprise Bargaining Agreement (EBA) and additional expenditure to respond to the independent review of the respiratory component of the Coal Mine Workers' Health Scheme.
9. The decrease predominately relates to the timing of expenditure associated with Australian Government initiatives, the finalisation of the Geological Survey of Queensland (GSQ) Future Resources Program and the transfer of funding for science activities to the DSITI. This is partially offset by increased expenditure for the Texas Silver Mine Site and the Strategic Resources Exploration Program.
10. The decrease relates to revised expenditure associated with Australian Government initiatives.

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

11. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
12. The increase predominately relates to the government indexation rate applied to fee for service activities including Titles search fees.
13. The increase is due to the impact of EBA increases.
14. The increase predominately relates to additional expenditure for the Texas Silver Mine Site and the Strategic Resources Exploration Program, partially offset by decreases in the GSQ Future Resources Program and the Linc Energy Mine Site.
15. The decrease relates to revised expenditure associated with Australian Government initiatives.

Balance sheet

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

16. The increase largely relates to movements in payables.
17. The increase is predominately due to the timing of receivables and higher accrued revenue balances.
18. The decrease predominately relates to the prepayment of the annual Queensland Government Insurance Fund (QGIF) premium.
19. The increase is predominately relates to the finalisation of the GSQ Core Library at Zillmere.
20. The decrease is primarily a result of a minor realignment between categories as part of the department's review of the Total Asset Management Plan (TAMP).
21. The increase is predominately due to the timing of Australian Government payments held by the department for approved grants programs.

22. The movement is a result of the timing of payroll processing at the end of the financial year.
23. The movement is predominately due to increased deposits from other government departments for the statutory purchase of land and buildings on their behalf.

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

24. The increase largely relates to movements in payables.
25. The increase is predominately due to the timing of receivables and higher accrued revenue balances.
26. The decrease predominately relates to the prepayment of the annual QGIF premium.
27. The increase is predominately due to the timing of Australian Government payments held by the department for approved grants programs.
28. The movement is a result of the timing of payroll processing at the end of the financial year.
29. The movement is predominately due to increased deposits from other government departments for the statutory purchase of land and buildings on their behalf.

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

30. The increase is predominately due to the accumulation of funding yet to be utilised to reinvest into the capital program for fee for service activities.
31. The decrease is predominately due to the effect of accumulated depreciation.
32. The increase is primarily a result of the timing of delivery of ICT related projects, including the Geoscience data curation and support systems.

Cash flow statement

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

33. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
34. The decrease is a result of revised estimates associated with SIMTARS fee for service activities and the OGIA industry levy.
35. The increase is predominately due to additional expenditure to respond to the independent review of the respiratory component of the Coal Mine Workers' Health Scheme.
36. The decrease predominately relates to the timing of expenditure associated with Australian Government initiatives and the transfer of funding for science services to the DSITI.
37. The increase relates to the realignment of the expenditure budget from Supplies and Services.
38. The increase is predominately a result of the finalisation of the GSQ core library at Zillmere.

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

39. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
40. The decrease predominately relates to revised estimates for SIMTARS fee for service activities and the OGIA industry levy, offset by the government indexation rate applied to Titles search fees.
41. The increase relates to the impact of the EBA and additional expenditure to respond to the independent review of the respiratory component of the Coal Mine Workers' Health Scheme.
42. The decrease predominately relates to the timing of expenditure associated with limited life programs including Australian Government initiatives, the GSQ Future Resources Program and the transfer of funding for science services to the DSITI. This is partially offset by increased expenditure for the Texas Silver Mine Site and the Strategic Resources Exploration Program.
43. The decrease relates to revised expenditure associated with Australian Government initiatives.
44. The increase is predominately a result of additional expenditure for the Texas Silver Mine Site and the Strategic Resources Exploration Program.
45. The increase primarily reflects the timing of capital expenditure for the Texas Silver Mine Site rehabilitation and the Strategic Resources Exploration Program.

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

46. The factors outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
47. The increase predominately relates to the government indexation rate applied to Titles search fees.
48. The increase is due to the impact of EBA increases.
49. The increase predominately relates to additional expenditure for the Texas Silver Mine Site and the Strategic Resources Exploration Program, partially offset by decreases in the GSQ Future Resources Program and the Linc Energy Mine Site.
50. The decrease relates to revised expenditure associated with Australian Government initiatives.
51. The increase is predominately a result of capital expenditure for the Texas Silver Mine Site and the Strategic Resources Exploration Program.
52. The increase primarily reflects the timing of expenditure for the Texas Silver Mine Site rehabilitation and the Strategic Resources Exploration Program.

Administered income statement

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

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

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

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

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

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

Administered balance sheet

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

59. The movement relates to more land being classified as held for sale.
60. The increase relates predominately to movements in valuations for land under roads.
61. The increase relates to administered receipts to be returned to the Consolidated Fund at year end.
62. The variance reflects movements in land dealings with and on behalf of other government departments.

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

63. The movement relates to more land being classified as held for sale.
64. The increase relates predominately to movements in valuations for land under roads.
65. The increase relates to administered receipts to be returned to the Consolidated Fund at year end.
66. The variance reflects movements in land dealings with and on behalf of other government departments.

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

67. The increase relates predominately to movements in valuations for land under roads.

Administered cash flow statement

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

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

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

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

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

72. The increase is due to revised estimates for Titles lodgement fees which are subject to movements in the property market.
73. 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



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Service Delivery Statements

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