

State Budget 2013-14

Service Delivery Statements

Department of Environment and Heritage Protection



2013–14 State Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
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Appropriation Bills

Concessions Statement

The suite of Budget Papers is similar to that published in 2012-13.

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Service Delivery Statements

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Department of Environment and Heritage Protection

Summary of portfolio budgets

| Page | Agency | 2012-13 Budget \$'000 | 2012-13 Est. Actual \$'000 | 2013-14 Estimate \$'000 |
|------|---|-----------------------------|----------------------------------|-------------------------------|
| 2 | Environment and Heritage Protection - controlled | 200,283 | 205,841 | 171,103 |
| | Environment and Heritage Protection - administered | .. | .. | .. |

Notes:

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

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Environment and Heritage Protection:

| |
|--|
| <p style="text-align: center;">Minister for Environment and Heritage Protection The Honourable Andrew Powell MP</p> |
|--|

| |
|---|
| <p style="text-align: center;">Department of Environment and Heritage Protection Director General: Andrew Chesterman</p> <hr/> <p>Service Area 1: Environment Management</p> <hr/> <p>Service Area 2: Conservation Programs</p> <hr/> <p>Service Area 3: Built Heritage</p> |
|---|

Additional information about the department is available at: www.ehp.qld.gov.au.

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The Department of Environment and Heritage Protection provides strong environmental management supporting sustainable economic development. The department's three primary objectives are:

- avoiding, minimising or mitigating impacts to the environment
- protecting the integrity of Queensland's ecosystems
- protecting Queensland's built heritage.

The department is responsible for managing the health of Queensland's environment by protecting the State's unique ecosystems, including its landscapes and waterways, as well as its native plants, animals and biodiversity; acting as a strong environmental regulator by supporting sustainable long-term economic development; and identifying and conserving the State's built heritage places.

The department's primary objectives are achieved through partnering with government, business, industry and the community; and innovative, evidence based environmental policies, programs and services; supported by a capable and accountable organisation.

The department delivers on its Government commitments through these objectives and contributes to the Government's objectives for the community to:

- grow a four pillar economy by cutting green tape, facilitating efficient and timely environmental decisions, supporting the sustainability and productivity of the resources and agriculture industries and promoting tourism opportunities related to Queensland's natural environment and built heritage
- lower the cost of living by providing more efficient and effective environmental regulation and service delivery through the use of technological and other innovations and decreasing government imposed costs on industry and the community
- invest in better infrastructure and using better planning by working with industry, the community and others to develop evidence based conservation plans and enabling the firm but fair application of environmental regulations
- revitalise frontline services by working with other agencies to improve service delivery, placing appropriate resources on the frontline, supporting local environment groups and providing access to more information and resources
- restore accountability in Government by implementing the Government's commitments and priorities, engaging with the community to enable people to have a real say on environmental issues and capitalising on Public Sector Renewal opportunities.

Environmental factors impacting on the department include population growth, particularly in urban and coastal areas; technological change and the emergence of new resource industries; extreme weather events; an ageing workforce and competition from prospective employers for skilled staff.

The department's key policy and service delivery priorities in 2013-14 are to:

- implement a significant shift in the department's regulatory approach, which when coupled with the Greentape legislative amendments, focuses regulation on faster approval processes and less prescriptive, more outcome-focused conditions; and delivering strong and consistent proactive compliance and enforcement

- develop a set of heritage technical notes to support the heritage guidelines to assist owners of heritage places with the physical conservation of their properties
- ensure high standards are met for the management of Coal Seam Gas (CSG) water; including the best use of CSG water, minimising the impacts of water extraction, maintaining levels of compliance monitoring, and ensuring make good arrangements are developed between industry and landholders to provide reasonable access to water at a cost of \$3.7 million
- continue to provide improved policy direction for the protection of aquatic ecosystems and to support the economic, social and recreation activities dependent on water quality
- provide a further \$4 million as Round Two of the Everyone's Environment Grant program, an initiative established to provide funding for Queensland community groups with projects aimed at delivering practical actions for local environmental improvements
- implement a whole-of-Government Environmental Offsets Policy. This will align four policies into one simplified policy that will support the four pillar economy by enabling a streamlined and strategic approach to offsets whilst ensuring an overall environmental gain for the State
- continue to work with waste generators, environment and community organisations and the waste industry to implement industry-driven waste reduction solutions and improve the State's response to litter and illegal dumping
- provide additional funding of \$4 million over two years towards the Gladstone Healthy Harbour Partnership, subject to an industry contribution of \$1.5 million per year (total of \$3 million) in funding for collaborative action between Government, the community and industry to maintain and continuously improve harbour health.

The department's key achievements in 2012-13 included:

- revising the Coal Seam Gas Water Management Policy to provide clear management criteria to ensure Coal Seam Gas (CSG) operators understand how to achieve the priorities for CSG water management. An improvement in industry practices has been evidenced during proactive compliance inspections, with industry developing their own protocols and monitoring systems to manage their performance levels, and any non-compliances identified, had either been corrected or were in the process of being corrected
- releasing the department's Regulatory Strategy that sets out how the department will carry out its role as Queensland's environment and heritage regulator. The department's new approach allows the majority of Queensland businesses doing the right thing to operate with less red tape, while making sure that poor performers are dealt with fairly, firmly and swiftly. The strategy was supported by the department's Annual Compliance Plan for 2012-13
- amending the environmental legislation to streamline application and approval processes, remove licence requirements for 20 environmentally relevant activities, and introduce a new category of small scale mining activity which does not require an environmental authority. From 31 March 2013, up to 12,000 Queensland businesses no longer needed to apply for a licence or submit an annual return. In total, the savings to businesses and government is approximated at \$20 million, through reducing administrative costs, as well as the removal or lowering of application and annual fees
- strictly regulating the Fitzroy River pilot mine water release to ensure there are no impacts on water quality and ecosystem health. Through the Fitzroy River website, the department has provided notifications about when the mine water releases are occurring as part of the pilot and access to real-time water quality monitoring results
- engaging 10 additional Indigenous land and sea rangers in Cape York. Rangers are now in place at Mapoon (1), Archer Point (4) and Wujal Wujal (5). In addition, three Indigenous rangers were engaged to care for the Lake Eyre Basin
- amending the Nature Conservation (Wildlife Management) Regulation 2006 and launching a new Code of Practice for shooting flying foxes for crop protection
- developing a suite of heritage guidelines for local government, owners of heritage places and the community

- launching the Everyone’s Environment Grants program by funding 74 projects at a cost of \$3 million (\$12 million over three years)
- finalising a framework for best management protection of the Great Barrier Reef in partnership with the sugarcane and beef industries
- continuing the \$2 million Healthy Waterways program by:
 - providing \$1.5 million in partnership with local governments, SEQ Catchments and Healthy Waterways Ltd to achieve improved outcomes for waterways in priority catchments and strengthen the capacity of local governments to manage urban water issues in South East Queensland; and
 - establishing the Gladstone Healthy Harbour Partnership, at a cost of \$0.5 million, to align activities, harness co-investment opportunities, implement an adaptive management framework and deliver a shared vision for a healthy Gladstone Harbour
- receiving a total of 161 expressions of interest for land to be purchased and rehabilitated as new koala habitat. Fifteen proposals were received for research funding as part of the koala research grant program. Grants totalling \$0.28 million were provided to a range of community groups for koala rescue and rehabilitation
- completing major upgrades at Newstead House including dedicated car parking, improved access to the house, modifications to the lower level, and the installation of a lift to the main part of the house to provide better access for people with impaired mobility
- releasing the State of Waste and Recycling in Queensland Report 2012 in March 2013. Commencing development of an Industry Waste Strategy through three Ministerial forums involving representatives from industry, government, community and academia
- developing pilot crocodile management plans, working together with Cairns, Cassowary Coast, Townsville and Hinchinbrook councils
- undertaking a Customer Satisfaction Survey, as part of the department's customer-centric focus, to identify and examine the experiences of the private sector with the department, including benchmarking the beneficial changes being experienced and the overall level of satisfaction of services provided.

Departmental Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

| Environment and Heritage Protection | 2012-13 Budget \$'000 | 2012-13 Est. Actual \$'000 | 2013-14 Estimate \$'000 |
|---|-----------------------------|----------------------------------|-------------------------------|
| CONTROLLED | | | |
| Income | | | |
| Appropriation for services ^{1,2} | | | |
| Deferred from previous year/s | 10,794 | 10,794 | 7,714 |
| Balance of service appropriation | 177,795 | 175,035 | 120,448 |
| Other revenue | 11,694 | 20,872 | 42,941 |
| Total income | 200,283 | 206,701 | 171,103 |
| Expenses | | | |
| Environmental Management | 87,079 | 90,583 | 79,343 |
| Conservation Programs | 98,102 | 99,476 | 78,631 |
| Built Heritage | 3,253 | 3,499 | 3,146 |
| Corporate Partnerships ³ | 11,849 | 12,283 | 9,983 |
| Total expenses | 200,283 | 205,841 | 171,103 |
| Operating surplus/deficit | .. | 860 | .. |
| Net assets | 62,294 | 44,512 | 66,270 |
| ADMINISTERED | | | |
| Revenue | | | |
| Commonwealth revenue | .. | .. | .. |
| Appropriation of administered items | .. | .. | .. |
| Other administered revenue | 37,501 | 40,234 | 6,016 |
| Total revenue | 37,501 | 40,234 | 6,016 |
| Expenses | | | |
| Transfers to government | 37,501 | 40,234 | 6,016 |
| Administered expenses | .. | .. | .. |
| Total expenses | 37,501 | 40,234 | 6,016 |
| Net assets | 10,096 | 3,457 | 3,457 |
| APPROPRIATIONS | | | |
| Controlled Items | | | |
| Departmental services ¹ | 186,676 | 183,916 | 128,162 |
| Equity adjustment | (2,888) | (15,280) | 21,758 |
| Administered items | .. | .. | .. |
| VOTE TOTAL⁴ | 183,788 | 168,636 | 149,920 |

Notes:

1. Appropriation for services in the 2012-13 Estimated actual does not match appropriation for departmental services due to appropriation receivable of \$724,000 and deferred appropriation payable of \$2.637 million.

2. Includes State and Commonwealth funding.
3. Corporate Services which are hosted by the department as part of the corporate partnership arrangements provide services to:
 - Agriculture, Fisheries and Forestry
 - Energy and Water Supply
 - National Parks, Recreation, Sport and Racing
 - Natural Resources and Mines
 - Tourism, Major Events, Small Business and the Commonwealth Games.
4. As represented in the 2013-14 Appropriation Bills.

Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2012-13 Budget. Further details are contained in Budget Paper No. 4.

| Environment and Heritage Protection | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue measures | | | | | |
| Administered | .. | .. | .. | .. | .. |
| Departmental | .. | .. | .. | .. | .. |
| Expense measures | | | | | |
| Administered | .. | .. | .. | .. | .. |
| Departmental | .. | 7,730 | (1,000) | (2,500) | (2,500) |
| Capital measures | | | | | |
| Administered | .. | .. | .. | .. | .. |
| Departmental | .. | .. | .. | .. | .. |

Notes:

1. The total for 2013-14 reconciles with Budget Paper 4.

Staffing¹

| Service Areas | Notes | 2012-13 Budget | 2012-13 Est. Actual | 2013-14 Estimate |
|------------------------|----------|-------------------|------------------------|---------------------|
| Environment Management | 2 | 599 | 577 | 560 |
| Conservation Programs | 2 | 409 | 333 | 323 |
| Built Heritage | 2 | 14 | 14 | 14 |
| Subtotal | | 1,022 | 924 | 897 |
| Corporate Partnerships | 3,4 | 95 | 86 | 83 |
| TOTAL | 5 | 1,117 | 1,010 | 980 |

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:
 - Agriculture, Fisheries and Forestry
 - Energy and Water Supply
 - National Parks, Recreation, Sport and Racing
 - Natural Resources and Mines
 - Tourism, Major Events, Small Business and the Commonwealth Games.
4. Under the corporate partnership arrangements, the department also receives services from Agriculture, Fisheries and Forestry and Natural Resources and Mines.
5. Reduction reflects the department's contribution to the Governments fiscal repair.

SERVICE PERFORMANCE

In 2012-13 the department had one service area - Environment and Heritage Protection. This has been reviewed as it did not accurately represent the work delivered by the department. From 2013-14 the department will report against three service areas, as detailed below:

Environment management

Environmental management focuses on avoiding, minimising or mitigating impacts to the environment by developing and coordinating policy, planning, legislative frameworks and regulatory enforcement. This is achieved through:

- the delivery of the government's environmental legislation, policy priorities and business practices to achieve efficiency dividends and stripping away green tape
- proactively managing and monitoring environmental risks and sustainable development through modern and innovative regulatory, assessment, compliance, investigation and enforcement programs.

Conservation programs

Our conservation programs focus on protecting the integrity of Queensland's ecosystems by ensuring the diversity and integrity of Queensland's natural ecosystems are preserved and conservation status of native species are maintained or enhanced. This is achieved through:

- protecting Queensland's flora and fauna and high value ecosystems
- promoting sustainable management of Queensland's terrestrial and marine biodiversity values and wetlands and employing additional Indigenous rangers through the Land and Sea Rangers Program
- working with departmental interest groups including local government, conservation groups, businesses and communities to achieve a sustainable environment for the future by reducing our environmental footprint.

Built heritage

Built heritage focuses on protecting Queensland's built heritage. This is achieved through:

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

Red tape reduction

The department has 43 specific red tape reform initiatives in progress covering a number of pieces of legislation. In 2012-13 the department delivered 39 initiatives to contribute to the Government's commitment to red tape reduction. A substantial program of regulatory reform will continue in 2013-14.

During 2012-13, two exemplary initiatives, including the Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012 and the repeal of a number of Integrated Development Assessment System (IDAS) triggers from the Sustainable Planning Act 2009, have significantly reduced regulatory burden while maintaining strong environmental standards.

Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012

The *Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012* commenced on 31 March 2013. The changes streamline application and approval processes under the *Environmental Protection Act 1994*, remove licence requirements for 20 environmentally relevant activities and introduce a new category of small scale mining activity, which does not require an environmental authority. Environmental standards have been maintained while reducing costs for industry and government. The new arrangements provide greater flexibility with up to 12,000 Queensland businesses freed from the requirement to obtain an environmental approval.

A streamlined approvals process for all environmental authorities will result in faster assessment timeframes for applicants. For mining activities this means an environmental management plan is no longer required, Environmental Impact Statement information will no longer be duplicated and the public notification process will not be repeated during the application process for an environmental authority.

Total estimated savings to business and government of \$20 million were achieved through reduced administrative costs and the removal or lowering of application and annual fees. Ninety pages of the *Environmental Protection Act 1994* have been removed. Fees for small sewage treatment plants have been halved, easing the financial pressure on small business operators such as caravan parks and bed and breakfast accommodation. In the resources sector, mining, petroleum and small exploration companies will benefit, along with small scale opal and gemstone miners.

Integrated Development Assessment System (IDAS)

A review of the department's IDAS referral agency triggers resulted in the removal of seven 'advice' triggers from the *Sustainable Planning Act 2009*. This will considerably reduce the number of referrals to the department to alleviate administrative burdens and help speed up development assessment timeframes for applicants.

Other initiatives such as simpler requirements for offsets for protected plants, streamlined environmental impact statement terms of reference, and the introduction of better flying fox management options for landholders have also notably reduced regulatory burden.

The review of marine mammal legislation addresses four main topics including allowing commercial whale-watching to occur in state waters that are outside marine parks; amending marine mammal approach distances to reflect national guidelines; simplifying and clarifying the declaration process for areas of special interest and special provisions for whales, dolphins and dugongs; and providing a framework to enable dolphin feeding to continue at Tin Can Bay.

In 2013-14 the focus of reform activity will be on legislative reviews including waste management and protected plants.

The review of the *Environmental Protection (Waste Management) Regulation 2000* will identify provisions that could be repealed and those that need to be retained or amended. A streamlined waste management framework will reduce the regulatory burden for business and industry and provide greater flexibility for local governments to administer waste management activities within their jurisdictions.

The protected plants review will streamline and simplify the legislation that manages the harvesting and clearing of Queensland's native plants under the *Nature Conservation Act 1992*, while improving conservation outcomes. Three proposed options were considered during public consultation, and the results of consultation will inform any legislative changes that are to be made. Business will benefit from improved efficiency.

2013-14 Service Summary

| Service area ¹ | Sources of Revenue | | | | |
|-------------------------------------|----------------------|---------------------------------|---------------------------|-------------------------------|----------------------------|
| | Total cost \$'000 | State Contribution \$'000 | User Charges \$'000 | C'wealth Revenue \$'000 | Other Revenue \$'000 |
| Environmental Management | 79,343 | 45,059 | 694 | .. | 33,590 |
| Conservation Programs | 78,631 | 69,974 | 903 | .. | 7,754 |
| Built Heritage | 3,146 | 3,146 | .. | .. | .. |
| Corporate Partnerships ² | 9,983 | 9,983 | .. | .. | .. |
| TOTAL | 171,103 | 128,162 | 1,597 | .. | 41,344 |

Notes:

1. Explanations of variances are provided in the financial statements.
2. Corporate Services which are hosted by the department as part of the corporate partnership arrangements provide services to:
 - Agriculture, Fisheries and Forestry
 - Energy and Water Supply
 - National Parks, Recreation, Sport and Racing
 - Natural Resources and Mines
 - Tourism, Major Events, Small Business and the Commonwealth Games.

Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at www.budget.qld.gov.au.

| Environment and Heritage Protection | Notes | 2012-13 Target/Est. | 2012-13 Est. Actual | 2013-14 Target/Est. |
|---|--------------|----------------------------|----------------------------|----------------------------|
| Service Area: Environment Management | | | | |
| Service standards | | | | |
| Percentage of assessment applications that are dealt with without further, formal information, requests being required | 1 | New measure | New measure | 60% |
| Percentage of facilities that are deemed compliant under the <i>Environmental Protection Act 1994</i> during a follow-up inspection | 2 | New measure | New measure | 60% |
| State contribution (\$000) | 3 | 85,811 | 85,865 | 45,059 |
| Other revenue (\$000) | 3 | 1,268 | 3,608 | 34,284 |
| Total cost (\$000) | 4 | 87,079 | 90,583 | 79,343 |

Service Area: Conservation Programs

Service standards

| | | | | |
|---|---|-------------|-------------|------|
| Annual percentage increase in high quality conservation land gazetted as nature refuges | 5 | New measure | New measure | 2.8% |
|---|---|-------------|-------------|------|

| | | | | |
|--|---|-------------|-------------|-----|
| Annual percentage increase in the total amount of land secured that will be rehabilitated as new koala habitat | 6 | New measure | New measure | 10% |
|--|---|-------------|-------------|-----|

| | | | | |
|---|---|-------------|-------------|-----|
| Percentage of 'Everyone's Environment' projects assessed as delivering on their objectives. | 7 | New measure | New measure | 90% |
|---|---|-------------|-------------|-----|

| | | | | |
|--|---|-------------|-------------|------|
| Percentage of macropod harvest quotas not exceeded during any harvest period | 8 | New measure | New measure | 100% |
|--|---|-------------|-------------|------|

| | | | | |
|-----------------------------------|---|---------------|---------------|---------------|
| State contribution (\$000) | 4 | 87,313 | 83,869 | 69,974 |
| Other revenue (\$000) | 9 | 10,789 | 17,577 | 8,657 |
| Total cost (\$000) | 4 | 98,102 | 99,476 | 78,631 |

| Environment and Heritage Protection | Notes | 2012-13 Target/Est. | 2012-13 Est. Actual | 2013-14 Target/Est. |
|--|--------------|----------------------------|----------------------------|----------------------------|
| Service Area: Built Heritage | | | | |
| Service standards | | | | |
| Percentage of departmental register recommendations, for inclusion on the Heritage Register, accepted by the Queensland Heritage Council | 10 | New measure | New measure | 90% |
| State contribution (\$000) | | 3,253 | 3,449 | 3,146 |
| Other revenue (\$000) | | .. | 50 | .. |
| Total cost (\$000) | 4 | 3,253 | 3,499 | 3,146 |

Notes:

1. Currently 40% of petroleum and gas applications and 60% of Integrated Development Assessment Systems (IDAS) applications can be decided by EHP without the need for further information being requested. Increased proponent guidance and new operating procedures should provide an increase in the proportion of applications not requiring further information. Stretch targets for 2014-15 and 2015-16 are being developed.
2. Approximately 45% of sites are in compliance at the time of initial inspection. Most reasons for non-compliance are attributed to unintentional error or lack of understanding of the law. The department's Compliance Plan will target particular industry types or activities. In addition, the department will also monitor high-risk activities to identify instances of non-compliance and develop communication tools to assist customers to better understand their environmental obligations. Stretch targets into the future are: 2014-15 (70%) and 2015-16 (80%).
3. Decrease in State contribution from the 2012-13 Estimated Actual to the 2013-14 Estimate includes the conversion of appropriation funding to controlled revenue in relation to environmental license fees, previously categorised as administered revenue.
4. Decrease in total funding to 2013-14 relates mainly to the full year impact of 2012-13 budget savings initiatives and the impact of supplementation for voluntary redundancy payments during 2012-13.
5. The annual percentage increase in land gazetted as nature refuges provides a clear indication of the effectiveness of the Nature Refuges Program over time.
6. Monitoring the percentage increase in total land secured by the department, under the Koala Habitat program, will provide an indication that the program is effective in acquiring suitable degraded habitat which has the capacity to be actively rehabilitated back to bushland.
7. The Everyone's Environment program provides \$12 million over three years for grants of between \$2,000 and \$100,000. Grants are aimed at improving the local environment through a wide range of environmental initiatives. The 90% target allows for project slippage due to unforecast events, e.g. weather conditions etc.
8. This measure provides an indication that harvesting of macropods within the Commercial Macropod Management Program is at a level that will ensure long-term conservation of macropod populations within Queensland. By quantifying the number of each macropod species (red and grey kangaroos and common wallaroos) harvested against the quota that has been set, it will be determined and whether or not any quotas are exceeded.
9. Increase in Other revenue in the 2012-13 Estimated Actual includes the return of ClimateSmart Home Service savings from the contract provider and additional grant receipts. Decrease to the 2013-14 Estimate is the result of a reduction in anticipated grant receipts.
10. Individuals, community groups, local governments or State Government departments may apply to add a State Heritage Place, Archaeological Place or Protected Area to the Queensland Heritage Register. The department makes a recommendation to the Queensland Heritage Council after assessing the identification, application or notification of a place of cultural heritage significance and undertaking consultation with relevant parties.

Administered Items

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

The Department of Environment and Heritage Protection administers funds on behalf of the State which include the collection of a range of regulatory fees associated with environmental monitoring, authorities and development applications; permits for the keeping of wildlife; and licensing of the recreation and commercial harvesting of wildlife. These fees are generally levied on business and local government in relation to environmental licensing and members of the community and small business in relation to environmental licensing of wildlife harvesting.

During 2012-13 the *Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012* (Greentape Reduction Act) amended the *Environmental Protection Act 1994* in order to reduce the regulatory burden to business and government. This was done by introducing a licensing model more proportionate to risk and with more flexible operational approvals and also by streamlining the approvals process for mining and petroleum and other information requirements.

Amendments to the *Environmental Protection Regulation 2008* were also made, resulting in the deletion of low risk Environmentally Relevant Activities and the requirement to pay an annual license for those activities with a loss of revenue to local government of \$5.27 million and the State government of \$0.91 million, but consequently resulting in an equivalent direct saving to business and industry.

The amendments also adjusted fees for small sewerage treatment plants with a reduction in annual fees of \$0.34 million.

A decision has also been made to re-categorise environmental license fees from administered revenue to controlled revenue from 1 July 2013 and therefore resulted in a significant change in the revenue estimates for the department. This change better reflects the intent of these fees which is to partially recover the department's cost of environmental regulatory activity.

Financial statements and variance explanations in relation to Administered Items appear in the Departmental Financial Statements.

CAPITAL

Capital program

The capital program for the department in 2013-14 is \$30.1 million. Included in this amount is \$27.9 million relating to allocations for land acquisitions.

Land acquisition funding relates to the second year of two significant election commitments.

Investing in Our Environment for the Future, provides for an amount of \$17.2 million over three years to increase the State's protected estate. \$10.7 million is currently allocated for 2013-14.

Investing to Protect Our Koalas, includes an allocation of \$19.4 million over three years for acquisition of koala habitat particularly in the south east where koala populations are under extreme pressure. \$11.7 million is currently allocated to 2013-14.

A further \$1.1 million has been set aside for the department's ongoing plant and equipment requirements, such as scientific and monitoring equipment.

Other capital requirements of \$1 million includes funding allocated for systems developments and enhancements, including enhancements to the Littering and Illegal Dumping Online Reporting System, EcoTrack environmental licensing system and the Queensland Waste Data System.

Capital budget statement

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Actual \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|----------------------------------|-------------------------------|
| Capital Purchases¹ | | | | |
| Total land, buildings and infrastructure | 2 | 22,175 | 4,451 | 27,987 |
| Total plant and equipment | | 1,169 | 1,220 | 1,106 |
| Total other capital | 3 | 181 | 654 | 1,000 |
| Total Capital Purchases | | 23,525 | 6,325 | 30,093 |

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. The original budget allocation for 2012-13 included supplementation of \$5 million from the Commonwealth for acquisition of protected estate this has been deferred until 2013-14. In addition a further \$12.9 million in State funded acquisitions has been deferred from 2012-13 to 2013-14.
3. Other capital relates to system development or enhancements with increased funding during 2012-13 and 2013-14 relating to funds for the department's waste management systems.

BUDGETED FINANCIAL STATEMENTS

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

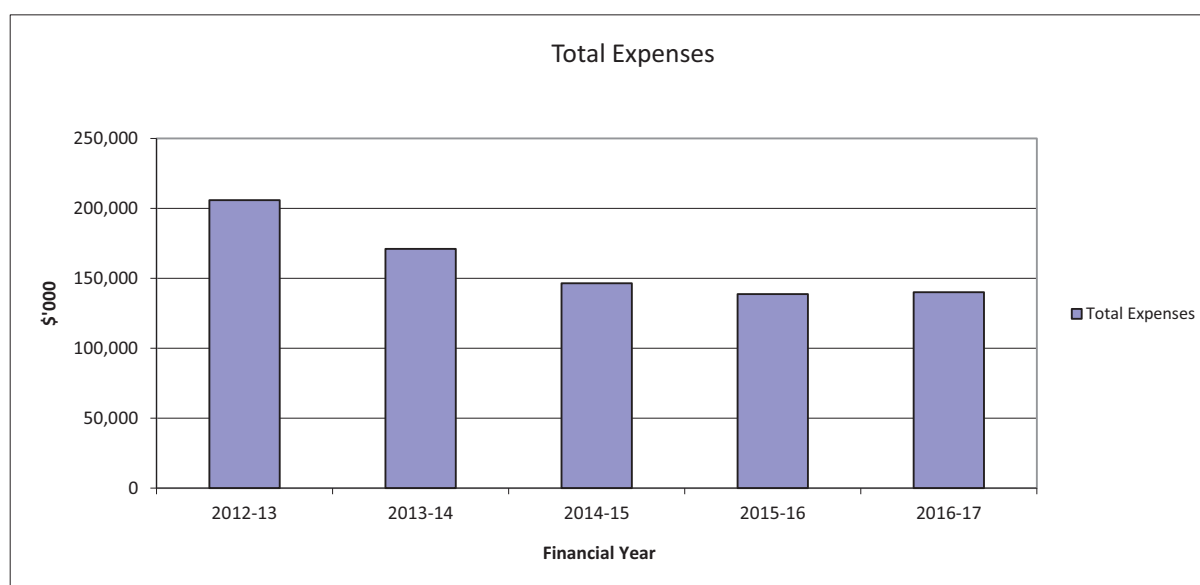
An analysis of the Department's budgeted financial statements, as reflected in the Department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$171.1 million in 2013-14, a decrease of \$34.7 million from the 2012-13 financial year. The decrease is mainly due to the full year impact of savings initiatives identified in the 2012-13 budget (\$10.3 million), new 2013-14 savings initiatives (\$4.5 million), the finalisation of Climate Change initiatives such as the ClimateSmart Home Service (\$6.5 million) and other limited life initiative allocations. The 2012-13 financial year also included the one-off impact of redundancy payments with supplementation of \$12.3 million received in 2012-13.

The decrease over the next few years (\$31.0 million from 2013-14 to 2016-17) is the result of specific initiatives reaching the end of their planned lives, and the impact of the deferral of funds from 2012-13 to 2013-14 (\$7.7 million).

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The Department's major assets as at 2012-13 are in land (\$18.4 million), plant and equipment (\$6.8 million) and computer systems and software (\$4.1 million). Land is expected to increase by \$38 million over 2013-14 and 2014-15 as a result of the department's land acquisition programs. The value of plant and equipment is expected to decline by approximately \$2.6 million by 2016-17 and computer systems and software by \$2.9 million. During this period a review of future year replacement and system development requirements will be undertaken to ascertain the need for any further capital injections. The sale of the department's investment in Ecofund has resulted in a reduction in asset values. Liabilities are anticipated to remain largely stable over this period.

INCOME STATEMENT

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|---|---------|-----------------------------|--------------------------------|-------------------------------|
| Income | | | | |
| Service revenue | 1,7,12 | 188,589 | 185,829 | 128,162 |
| User charges | | 1,820 | 1,701 | 1,597 |
| Grants and other contributions | 8,13 | 9,774 | 11,904 | 2,894 |
| Other revenue | 2,14 | 100 | 7,267 | 38,450 |
| Gains on sale/revaluation of property, plant and equipment and investments | | .. | .. | .. |
| Total income | | 200,283 | 206,701 | 171,103 |
| Expenses | | | | |
| Employee expenses | 3,9,15 | 134,478 | 120,095 | 99,024 |
| Supplies and services | 10,16 | 44,744 | 41,405 | 37,857 |
| Grants and subsidies | 4,11,17 | 17,480 | 35,074 | 29,596 |
| Depreciation and amortisation | | 3,222 | 3,222 | 3,236 |
| Finance/borrowing costs | | .. | .. | .. |
| Other expenses | | 308 | 1,467 | 1,339 |
| Losses on sale/revaluation of property, plant and equipment and investments | 5,18 | 51 | 4,578 | 51 |
| Total expenses | | 200,283 | 205,841 | 171,103 |
| OPERATING SURPLUS/(DEFICIT) | 6,19 | .. | 860 | .. |

STATEMENT OF CHANGES IN EQUITY

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| Net effect of the changes in accounting policies and prior year adjustments | | .. | .. | .. |
| Increase/(decrease) in asset revaluation reserve | | .. | .. | .. |
| Net amount of all revenue and expense adjustments direct to equity not disclosed above | | .. | .. | .. |
| Net income recognised directly in equity | | .. | .. | .. |
| Surplus/(deficit) for the period | 6,19 | .. | 860 | .. |
| Total recognised income and expense for the period | | .. | 860 | .. |
| Equity injection/(withdrawal) | | (2,852) | (20,448) | 21,758 |
| Equity adjustments (MoG transfers) | | .. | .. | .. |
| Total movement in equity for period | | (2,852) | (19,588) | 21,758 |

BALANCE SHEET

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|----------|-----------------------------|--------------------------------|-------------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 20,25,30 | 2,085 | 10,236 | 4,702 |
| Receivables | 21,26 | 13,460 | 8,547 | 9,002 |
| Other financial assets | | .. | .. | .. |
| Inventories | | 8 | 8 | 8 |
| Other | | 855 | 205 | 205 |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 16,408 | 18,996 | 13,917 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | 22,27 | 3,281 | .. | .. |
| Property, plant and equipment | 23,28,31 | 49,533 | 26,705 | 53,641 |
| Intangibles | | 3,885 | 4,063 | 3,964 |
| Other | | .. | .. | .. |
| Total non-current assets | | 56,699 | 30,768 | 57,605 |
| TOTAL ASSETS | | 73,107 | 49,764 | 71,522 |
| CURRENT LIABILITIES | | | | |
| Payables | 24,29 | 6,522 | 1,186 | 1,186 |
| Accrued employee benefits | | 4,123 | 3,915 | 3,915 |
| Interest-bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | 168 | 151 | 151 |
| Total current liabilities | | 10,813 | 5,252 | 5,252 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | .. | .. | .. |
| Interest-bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | .. | .. | .. |
| TOTAL LIABILITIES | | 10,813 | 5,252 | 5,252 |
| NET ASSETS/(LIABILITIES) | | 62,294 | 44,512 | 66,270 |
| EQUITY | | | | |
| Capital/contributed equity | 23,28,31 | 64,588 | 46,310 | 68,068 |
| Accumulated surplus/(accumulated deficit) | | (2,294) | (1,798) | (1,798) |
| Reserves: | | | | |
| - Asset revaluation surplus | | .. | .. | .. |
| - Other (specify) | | .. | .. | .. |
| TOTAL EQUITY | | 62,294 | 44,512 | 66,270 |

CASH FLOW STATEMENT

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|----------|-----------------------------|--------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Service receipts | 32,38,44 | 186,676 | 183,916 | 128,162 |
| User charges | | 8,074 | 7,569 | 7,851 |
| Grants and other contributions | | 9,399 | 11,904 | 2,894 |
| Other | 39,45 | 24,410 | 31,577 | 62,760 |
| Outflows: | | | | |
| Employee costs | 33,40,46 | (134,478) | (120,095) | (99,024) |
| Supplies and services | 41,47 | (68,679) | (65,715) | (62,167) |
| Grants and subsidies | 34,42,48 | (17,480) | (35,074) | (29,596) |
| Borrowing costs | | .. | .. | .. |
| Other | | (7,068) | (8,227) | (8,099) |
| Net cash provided by/(used in) operating activities | | 854 | 5,855 | 2,781 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of property, plant and equipment | | 20 | 20 | 20 |
| Investments redeemed | | .. | 250 | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for property, plant and equipment and intangibles | 35,49 | (23,525) | (6,325) | (30,093) |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by/(used in) investing activities | | (23,505) | (6,055) | (30,073) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | 36,50 | 14,684 | 2,292 | 22,430 |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | 37,43,51 | (17,572) | (22,776) | (672) |
| Net cash provided by/(used in) financing activities | | (2,888) | (20,484) | 21,758 |
| Net increase/(decrease) in cash held | | (25,539) | (20,684) | (5,534) |
| Cash at the beginning of financial year | | 27,624 | 30,920 | 10,236 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 2,085 | 10,236 | 4,702 |

ADMINISTERED INCOME STATEMENT

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| Revenues | | | | |
| Commonwealth grants | | .. | .. | .. |
| Taxes, fees and fines | 52,53 | 37,150 | 39,584 | 5,316 |
| Royalties, property income and other territorial revenues | | 351 | 650 | 700 |
| Interest | | .. | .. | .. |
| Administered revenue | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total revenues | | 37,501 | 40,234 | 6,016 |
| Expenses | | | | |
| Supplies and services | | .. | .. | .. |
| Depreciation and amortisation | | .. | .. | .. |
| Grants and subsidies | | .. | .. | .. |
| Benefit payments | | .. | .. | .. |
| Borrowing costs | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total expenses | | .. | .. | .. |
| Net surplus or deficit before transfers to Government | | 37,501 | 43,234 | 6,016 |
| Transfers of administered revenue to Government | | 37,501 | 43,234 | 6,016 |
| OPERATING SURPLUS/(DEFICIT) | | .. | .. | .. |

ADMINISTERED BALANCE SHEET

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 54,57 | 489 | 2,241 | 2,241 |
| Receivables | 55,58 | 9,781 | 1,247 | 1,247 |
| Inventories | | | | |
| Other | | .. | .. | .. |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 10,270 | 3,488 | 3,488 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | | .. | .. | .. |
| Intangibles | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current assets | | .. | .. | .. |
| TOTAL ADMINISTERED ASSETS | | 10,270 | 3,488 | 3,488 |
| CURRENT LIABILITIES | | | | |
| Payables | | 166 | 31 | 31 |
| Transfers to Government payable | | 8 | .. | .. |
| Interest-bearing liabilities | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total current liabilities | | 174 | 31 | 31 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Interest-bearing liabilities | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | .. | .. | .. |
| TOTAL ADMINISTERED LIABILITIES | | 174 | 31 | 31 |
| ADMINISTERED NET ASSETS/(LIABILITIES) | | 10,096 | 3,457 | 3,457 |
| EQUITY | | | | |
| Capital/Contributed equity | | (42,454,620) | (42,459,654) | (42,459,654) |
| Accumulated surplus/(Accumulated deficit) | 56,59 | 627,856 | 42,463,111 | 42,463,111 |
| Reserves: | | .. | .. | .. |
| - Asset revaluation surplus | 56,59 | 41,836,860 | .. | .. |
| - Other (specify) | | .. | .. | .. |
| TOTAL ADMINISTERED EQUITY | | 10,096 | 3,457 | 3,457 |

ADMINISTERED CASH FLOW STATEMENT

| Environment and Heritage Protection | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Administered item receipts | | .. | .. | .. |
| Grants and other contributions | | .. | .. | .. |
| Taxes, fees and fines | 62,65 | 37,150 | 39,584 | 5,316 |
| Royalties, property income and other territorial revenues | | 351 | 650 | 700 |
| Other | 63,66 | 4,541 | 5,112 | .. |
| Outflows: | | | | |
| Transfers to Government | | (37,501) | (47,346) | (6,016) |
| Grants and subsidies | | .. | .. | .. |
| Supplies and services | | (348) | .. | .. |
| Borrowing costs | | .. | .. | .. |
| Other | 60,64 | (4,193) | 1 | .. |
| Net cash provided by/(used in) operating activities | 61 | .. | (1,999) | .. |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of property, plant and equipment | | .. | .. | .. |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for property, plant and equipment and intangibles | | .. | .. | .. |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by/(used in) investing activities | | .. | .. | .. |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | .. | .. | .. |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | .. | .. | .. |
| Net cash provided by/(used in) financing activities | | .. | .. | .. |
| Net increase/(decrease) in cash held | 61 | .. | (1,999) | .. |
| Administered cash at beginning of financial year | | 489 | 4,240 | 2,241 |
| Cash transfers from restructure | | .. | .. | .. |
| Administered cash at end of financial year | | 489 | 2,241 | 2,241 |

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease is the net impact of supplementation for redundancy payments (\$12.3 million) and from environmental licensing revenue (\$4.3 million) less reductions for transfers to other agencies (\$7.8 million), enterprise bargaining contingency (\$2.7M) and the deferral of funds to 2013-14, (\$7.7 million).
2. Increase due to the recovery of savings in the ClimateSmart Home Service (CSHS) contract, residual industry waste levy funds and other expenditures recovered.
3. Decrease is the net result of expenditure on redundancy payments offset by a reduction in expenses due to enterprise bargaining negotiations in 2012-13, additional vacancy management and voluntary redundancy savings and the impact of transfers to other agencies.
4. Increase in grant expense due to Commonwealth funding for Reef Rescue (\$1.8 million) and Dugong Management (\$2 million), grant funding for Koala Biodiversity Offsets and the Environmental Partnership Scheme (\$3.9 million) and reclassification of payments to grants for the Reef Protection Package (\$6 million) and the National Packaging Covenant (\$1.1 million).
5. Increase relates to the disposal of the department's investment in Ecofund Queensland Pty Ltd (Ecofund) and write-off of fit-out following the rationalisation of CBD accommodation.
6. Increase due to revenue from further savings in the CSHS offset by a loss on sale for the investment in Ecofund and write-off of leased CBD accommodation fit-out after rationalisation.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

7. Reduction relates to the conversion of appropriation funding for environmental licensing to controlled revenue (\$27.5 million), the full year impact of 2012-13 savings initiatives (\$10.3 million), the finalisation of some initiatives including the CSHS (\$6.5 million), transfer of funds to other agencies (\$8 million), new savings initiatives (\$4.5 million) and the deferral of funding to 2013-14.
8. The decrease relates primarily to payments for Koala Biodiversity Offset \$4.8 million which is difficult to predict in advance and other grant revenue under the Caring for Our Country program.
9. Decrease is the result of the full year impact of 2012-13 savings initiatives, additional vacancy management and voluntary redundancy savings, a reduction in estimated expenditure on enterprise bargaining for 2013-14 and the impact of transfers to other agencies.
10. Decrease reflects the full year impact of 2012-13 savings initiatives.
11. Increase reflects increased funding for Indigenous and Land and Sea rangers (\$4.1 million), additional funding for Everyone's Environment grants (\$1 million), the Gladstone Healthy Harbour Partnership (\$2.5 million) and Koala Protection \$2.2 million including deferrals.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

12. Reduction relates to the conversion of appropriation funding for environmental licensing to controlled revenue (\$27.5 million), the full year impact of 2012-13 savings initiatives (\$10.3 million), the finalisation of some initiatives including the CSHS (\$6.5 million), new savings initiatives (\$4.5 million) and the deferral of funding from 2012-13 to 2013-14. The 2012-13 Estimated Actual also included an additional \$12.3 million in supplementation for voluntary redundancies.
13. The decrease relates primarily to payments for Koala Biodiversity Offsets \$4.8 million.
14. Increase relates to the reclassification of environmental license fee revenue to controlled from 2013-14.
15. Decrease reflects the full year impact of employee expenses savings to the department including a decrease in estimated enterprise bargaining expenditure. Plus the one-off impact of redundancy payments in 2012-13 (\$12.3 million).
16. Decrease to 2013-14 reflects the full year impact of 2012-13 savings initiatives and finalisation of programs such as the CSHS (\$6.5 million).
17. Decrease due to expenditure in 2012-13 for Reef Rescue (\$1.8 million), Dugong Management (\$2 million), payments for Koala Biodiversity Offsets and the Environmental Partnership Scheme (\$3.9 million) and reclassification of payments to grants for the Reef Protection Package (\$6 million). This is offset by increased expenditure for Indigenous rangers, Everyone's Environment and Koala Protection.
18. Decrease in losses on sale, relate to one-off disposal of the department's investment in Ecofund and the write-off of fit-out following the rationalisation of CBD accommodation during 2012-13.

19. Decrease is the result of unanticipated revenue from savings in the CSHS offset by a loss on sale for the investment in Ecofund during 2012-13 and the write-off of CBD accommodation fit-out.

Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

20. The 2012-13 Budget reflects an underestimation of the actual final cash position in 2011-12.
21. Reduction in receivables reflects increased collection of cash during 2011-12.
22. Reflects the sale of the department's investment in Ecofund Queensland Pty Ltd during 2012-13.
23. Decrease due to the deferral of land acquisitions from 2012-13 to 2013-14 of \$17.9 million.
24. Reduction in payables reflects an overestimation of the closing balance from 2011-12.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

25. The 2012-13 Budget reflects an underestimation of the actual final cash position in 2011-12.
26. Reduction in receivables reflects increased collection of cash during 2011-12.
27. Reflects the sale of the department's investment in Ecofund Queensland Pty Ltd during 2012-13.
28. Increase reflects additional land assets planned for acquisition during 2013-14.
29. Reduction in payables reflects an overestimation of the closing balance from 2011-12.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

30. Reduction in cash primarily reflects anticipated expenditure of Commonwealth land acquisition funds (\$5 million) received in a prior year.
31. Increase reflects the anticipated capital acquisition program (\$30.1 million) including land acquisitions of \$28 million offset by depreciation on plant and equipment.

Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

32. Decreased as a result of the net impact of additional funding for redundancy payments \$12.3 million and supplementation for additional environmental licensing revenue (\$4.3 million) offset by reductions for transfers to other agencies (\$7.8 million), removal of enterprise bargaining contingency (\$2.7 million) and the deferral of funds to 2013-14, (\$7.7 million).
33. The decrease is due to expenditure on redundancy payments offset by a reduction in enterprise bargaining expenses in 2012-13 and greater than anticipated savings from earlier than anticipated voluntary redundancies, vacancy management and transfers to other agencies.
34. Increase due to expenditure for Reef Rescue (\$1.8 million), Dugong Management (\$2 million) payments for Koala Biodiversity Offsets and the Environmental Partnership Scheme (\$3.9 million), reclassification of payments to grants for the Reef Protection Package (\$6 million) and the National Packaging Covenant (\$1.1million).
35. Decrease due to the deferral of land acquisitions from 2012-13 to 2013-14 (\$17.9 million).
36. Reduction reflects the deferral of funding for land acquisitions from 2012-13 (\$12.9 million).
37. Additional equity withdrawal relates to the return of cash from further CSHS savings to Government.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

38. Reduction relates to the conversion of appropriation funding for environmental licensing to controlled revenue (\$27.5 million), the full year impact of 2012-13 savings initiatives (\$10.3 million) transfer of funds to other agencies (\$8 million), as well as the finalisation of some initiatives, including the CSHS (\$6.5 million) and the deferral of some funding from 2012-13 to 2013-14.
39. Increase relates to the reclassification of environmental license fee revenue to controlled from 2013-14.
40. Decrease is the result of the full year impact of 2012-13 savings initiatives, additional vacancy management and voluntary redundancy savings, a reduction in enterprise bargaining expenditure for 2013-14 and the impact of transfers to other agencies.
41. Decrease reflects the full year impact of 2012-13 savings initiatives and finalisation of other programs.
42. Increase reflects increased payments for Indigenous and Land and Sea rangers (\$4.1 million), additional expenditure for Everyone's Environment grants (\$1 million), the Gladstone Healthy Harbour Partnership (\$2.5 million) and Koala Protection \$2.2 million including deferrals.
43. Equity withdrawal in 2012-13 includes return of surplus cash following cessation of the waste levy.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

44. Reduction relates to the conversion of appropriation funding for environmental licensing to controlled revenue (\$27.5 million), the full year impact of 2012-13 savings initiatives (\$10.3 million), supplementation for redundancy payments (\$12.3 million), the finalisation of some initiatives, including the CSHS (\$6.5 million), and the deferral of funding from 2012-13 to 2013-14.
45. Increase relates to the reclassification of environmental license fee revenue to controlled from 2013-14.
46. Reduction reflects the full year impact of employee expenses savings including a decrease in the estimated expenditure for enterprise bargaining increases and the one-off redundancy payments in 2012-13 (\$12.3 million).
47. Reduction reflects the full year impact of 2012-13 savings initiatives and finalisation of programs such as the CSHS (\$6.5 million).
48. Reduction due to expenditure in 2012-13 for Reef Rescue (\$1.8 million), Dugong Management (\$2 million). Payments for Koala Biodiversity Offsets and the Environmental Partnership Scheme (\$3.9 million) and reclassification of payments to grants for the Reef Protection Package (\$6 million). This is offset by increased payments for Indigenous rangers, Everyone's Environment and Koala Protection.
49. Reflects \$30.1 million capital acquisition program in 2013-14, including \$28 million for land.
50. Reflects the deferral of land acquisition funding from 2012-13 (\$12.9 million), plus existing land acquisition funding (\$9.4 million).
51. Reflects return of surplus cash in 2012-13 from industry waste levy revenue and further CSHS savings.

Administered income statement

Major variations between 2012-13 Budget and 2013-14 Estimate include:

52. Decrease reflects the reclassification of environmental license fee revenue from administered to controlled revenue from 2013-14. This change better reflects the intent that the fees partially recover the department's costs of environmental regulatory activity.

Major variations between 2012-13 Estimated actual and 2013-14 Estimate include:

53. Decrease reflects the reclassification of environmental license fee revenue from administered to controlled revenue from 2013-14. This change better reflects the intent that the fees partially recover the department's costs of environmental regulatory activity.

Administered balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

54. Increase in cash balance reflects the higher than anticipated actual cash balance brought forward from 2011-12 plus the anticipated reduction in receivables during 2012-13.
55. Reduction in receivables reflects the anticipated reduction in cash outstanding and owed to the department for regulatory fees at the end of year.
56. Increase reflects the transfer of the asset revaluation reserve to the accumulated surplus. The reserve related to revaluations undertaken by the former Department of Environment and Resource Management (DERM) entity.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

57. Increase reflects the higher than anticipated actual cash balance brought forward from 2011-12 plus an anticipated reduction in the level Transfers to Government payables.
58. Reduction in receivables reflects the anticipated reduction in cash outstanding and owed to the department for regulatory fees at the end of year.
59. Increase reflects the transfer of the asset revaluation reserve to accumulated surplus. The reserve related to revaluations undertaken by the former DERM entity.

Administered cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

60. Reduction in GST collected and paid to the Australian Tax Office due to changed business activities.
61. Reduction in cash during the year as a result of an anticipated reduction in cash collected and being held at the end of the year, but payable to Government.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

62. Reflects the reclassification of environmental license fee revenue to controlled revenue from 2013-14, better reflecting that fees partially recover the department's costs of environmental regulatory activity.
63. Anticipated reduction in the level of receivables during 2013-14 as a result of reduced regulatory fee collections following the reclassification of environmental license fees from administered to controlled revenue.
64. Reduction in GST collected and paid to the Australian Tax Office due to changed business activities.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

65. Reflects the reclassification of environmental license fee revenue to controlled revenue from 2013-14, better reflecting that fees partially recover the department's costs of environmental regulatory activity.
66. Anticipated reduction in the level of receivables during 2013-14 as a result of reduced regulatory fee collections following the reclassification of environmental license fees from administered to controlled revenue.

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:

- 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 well being. 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. |

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.

