



State Budget 2012-13

Service Delivery Statements

Department of Natural Resources and Mines



2012–13 State Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
- 5. Service Delivery Statements**

Appropriation Bills

The suite of Budget Papers is similar to that published in 2011-12.

In April 2012, machinery-of-Government changes saw the creation of 20 departments with each department reporting directly to one Minister.

These new arrangements have required minor changes to how information is presented in some Budget Papers. The 2012-13 Budget Papers provide continuity of information between the previous departmental structure and the new arrangements.

The Budget Papers are available online at www.budget.qld.gov.au

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Service Delivery Statements

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Department of Natural Resources and Mines

Summary of portfolio budgets

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
3	Department of Natural Resources and Mines – controlled	124,726	87,034	497,724
	Department of Natural Resources and Mines – administered	10,418	2,067,231	51,873

Note:

1. Explanations of variances are provided in the financial statements

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PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Minister for Natural Resources and Mines has responsibility for natural resources and mines, including mine safety and health, mining, petroleum and other resource industry services, management and allocation of State land, natural water resource management and allocation, native title claims, land valuation, spatial information and geological survey.

Department of Natural Resources and Mines:

The department has four service areas: Mining and Petroleum Services, Mine Safety and Health Services, Water Services, and Land Services.

As identified in the 2012-16 strategic plan, the purpose of the department is to ensure Queenslanders benefit from the productive, sustainable use of the State's natural resources – our land, water and minerals.

Water and land are vital resources for communities and industry, and increasing the productivity of the State's land and water resources without compromising sustainability is vital to developing Queensland's strengths in tourism, agriculture, resources and construction. Achieving balance in the access to and use of these natural resources is an important focus for the department and will help get Queensland back on track to a sustainable future.

The State's mineral wealth is also significant. Working to ensure regulatory certainty for the resources sector in return for world's best practice social and environmental outcomes will also be critical for the department. As part of this, the department will continue to work to protect the safety and health of workers employed in the mining, quarrying, explosives and petroleum and gas industries.

Contributing through Statutory Regional Planning processes, beginning with central Queensland and the Darling Downs and the Cape York Bioregion Management Plan, will also enable the department to help deliver investment and regulatory certainty and sustainable solutions.

Further information about the work of the department may be found at www.dnrm.qld.gov.au

Portfolio Structure and Services

Minister for Natural Resources and Mines

The Honourable Andrew Cripps MP

Assistant Minister for Natural Resources and Mines

Lisa France MP

Department of Natural Resources and Mines

Acting Director-General: Dan Hunt

Service Area 1: Mining and Petroleum Services

Service Area 2: Mine Safety and Health Services

Service Area 3: Water Services

Service Area 4: Land Services

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

To deliver benefits for Queensland, the department aims to achieve the following objectives as outlined in the strategic plan 2012-16: a globally competitive resources industry; a safe and healthy resources industry; sustainable and productive use of land and water resources; balance in access to and use of land and water resources; and regulatory certainty for communities, industry and investors.

The department contributes to the Government's objectives for the community as follows:

- grow a four pillar economy through: investment from exploration and revenue from resources activity; a secure land and water titling system; productive and sustainable land and water resources; a safe and healthy resources industry workforce; and a more productive and innovative resources industry
- deliver better infrastructure and better planning through: accurate geological survey, spatial and natural resources information; and better information on the real benefits and impacts of natural resources and resources industry activity
- revitalise frontline services through: an effective mine safety and health response capability; and streamlined administrative processes
- lower the cost of living for families by: creating options for home ownership on Indigenous land; and reducing red tape for landholders.

Environmental factors

Factors which may impact directly or indirectly on the department's operating environment include:

- Structural changes in the global economy
- Fluctuations in global demand for resources and competing demand for land and water
- Fiscal restraint and levels of investor confidence and liquidity
- Population growth and changes in development and amenity, particularly in regional areas
- Demand for skills and the impact of non-resident workforces on resource communities
- Achieving a sustained target of zero harm in the mining industry
- Climate variability and extreme weather events
- National water reform and national regulatory harmonisation processes
- The pace and cost of scientific and technological development
- Stakeholder expectations for greater input in government decision-making
- Cumulative impacts of resource industry activity on land, water and geological resources.

In 2012-13 the department will:

- Implement an improved Land Access Framework to provide greater certainty to landholders and industry on land access and compensation arrangements associated with resource activities
- Deliver a framework for appropriate management of mining leases on North Stradbroke Island
- Amend legislation to support development of the South of Embley bauxite mining project
- Work with mining companies to finalise plans for a load out facility for Cloncurry
- Work with the resources sector to manage overlapping tenure interests
- Simplify exploration assessment processes and enable online lodgement of permit applications
- Review legislation and regulation for the small mining sector to reduce red tape

- Release the new Queensland geology map and the results of the Galilee and Thomson airborne magnetic and radiometric surveys to help attract exploration investment and reduce risks
- Maintain Queensland's pre-eminent position in mine safety and progress the goal of every mine worker returning home healthy and safe every day
- Deliver an effective regulatory framework for safety and health compliance in the mining, quarrying, explosives, petroleum and gas industries
- Deliver an additional program of abandoned mines works
- Provide Safety in Mines Testing and Research Station (SIMTARS) innovative safety and health services and associated research to a range of commercial clients
- Work across government and with non-Government organisations, industry and the community to deliver Government commitments, including addressing skills shortages in the mining industry
- Draft the Wet Tropics Water Resource Plan and initiate processes for the release of unallocated water for the Gulf, Burdekin, Baffle and Great Artesian Basin Water Resource Plan areas
- Finalise the: Cooper Creek, Logan (Wyaralong Amendment), Pioneer (Groundwater Amendment) and Fitzroy Resource Operations Plans; the Burnett Water Resource Plan 10-year review; and the five year review of the Great Artesian Basin Water Resource and Resource Operations Plans
- Review the Boyne Water Resource and Resource Operations Plans, and key aspects of the Barron Water Resource and Resource Operations Plans, and amend the Moreton Resource Operations Plan to enable trading in areas such as the Warrill Valley Water Supply Scheme
- Develop and implement an alternative strategy to protect Western Rivers, while still allowing sustainable development
- Fund 14 regional Natural Resource Management bodies to improve weed and pest control, water quality and wetlands conservation and promote biodiversity and sustainable agriculture
- Provide electronic lodgement and tracking of objections against statutory land valuations
- Change the *Land Act 1994*, *Acquisition of Land Act 1967*, *Aboriginal Land Act 1991*, the *Torres Strait Islander Land Act 1991*, the *Strategic Cropping Land Act 2011* and the Vegetation Management Framework to reduce red tape and streamline administrative processes
- Prepare the Stock Route Network Management Bill to enable local governments to effectively manage the use of stock route networks in their areas
- Simplify the operation of the State Rural Leasehold Land Strategy for sustainable and productive use of rural leasehold land for agribusiness
- Represent the State's interests in native title claims lodged with the Federal Court in Queensland and negotiate resolutions and broader land settlement agreements wherever possible
- Repeal the *Aborigines and Torres Strait Islanders (Land Holding) Act 1985* and introduce new legislation to resolve outstanding leases and remove barriers to sustainable home ownership on certain Indigenous land affected by the operation of the act
- Amend the *Land Title Act 1994* to introduce statutory easements for support, utility easements and infrastructure, shelter, projections and maintenance, where relevant, for small lot developments to reduce costs for survey and plan preparation
- Conduct a pilot study to assess the potential for coordinated surveys in a greenfield development and for extending the survey model to other greenfield sites across Queensland.

In 2011-12 the department:

- Delivered an independent review of the Land Access Framework, recommending improvements to land access and compensation associated with resource activities in Queensland

- Delivered a Code of Practice for Constructing and Abandoning Coal Seam Gas Wells in Queensland in consultation with industry and other government agencies
- Delivered the exploration and urban interface policy to protect urban areas from incompatible resource activities
- In conjunction with Geoscience Australia, conducted regional gravity and airborne magnetic and radiometric surveys over the Galilee Basin and Thomson
- Made land available for exploration and funded 10 projects through the Collaborative Drilling Initiative to encourage innovative exploration techniques in frontier areas
- Examined the geothermal energy potential of targeted areas close to existing transmission lines
- Released MyMinesOnline and a revised edition of Queensland's Geological Mapping Digital Data to help industry track the status of exploration permits and generate geological maps
- Provided critical advice and resources to assist the New Zealand Government to investigate the Pike River Mine disaster and provide assurance that safety was a priority for industry
- Delivered strategies to reduce mining injuries from vehicle collisions and injuries to personnel working close to heavy machinery
- Conducted 40 workshops attended by 723 miners to assist opal and gemstone mines to meet their obligations under the national model *Work Health and Safety Bill*
- Set up a Mobile Laboratory to provide real time gas monitoring sensors with remote capability/networking equipment. In June 2012, the laboratory was activated at a major underground mine in central Queensland, following a spontaneous combustion event
- Helped reduce exposure to open cut coal mine surface blast fumes by collecting and analysing data from over 2,400 blasts and conducting five prevention seminars in Moranbah, Blackwater and Toowoomba
- Finalised the Mary Basin Resource Operations Plan, the Barron Resource Operations Plan amendment, the Condamine, Balonne, Baffle, and Whitsunday Resource Operations Plans and the generation two Cooper Creek and Fitzroy Water Resource Plans
- Invested \$11 million in 14 regional community-based natural resource management groups
- Transferred 5165 megalitres of tradeable water allocation to the Australian Government to build irrigation efficiency and the viability of ecological assets in the Queensland Murray-Darling Basin
- Rehabilitated 22 water bores and piped 19 bores under the Great Artesian Basin Sustainability Initiative. Approximately 488 kilometres of inefficient land degrading bore drains were replaced with pipelines, saving approximately 3,548 megalitres of flow per annum
- Implemented major statutory land valuation reform and issued approximately 1.6 million valuations across 58 rateable local governments, with the lowest recorded objection rate of less than 0.25 per cent
- Completed the review of the *Aboriginal Land Act 1991* and *Torres Strait Islander Land Act 1991*
- Implemented the Strategic Cropping Land Policy Framework with the commencement of the *Strategic Cropping Land Act 2011*, the *Strategic Cropping Land Regulation 2011* and State Planning Policy 1/12: Protection of Queensland's Strategic Cropping Land
- Resolved 11 complex native title claims, 10 by way of a consent determination of native title by the Federal Court. This included resolution of the Quandamooka People's and Kalkadoon claims and negotiation of Indigenous Land Use Agreements on broader settlement issues
- Delivered a new Address Management System to enable emergency and other critical services to locate addresses accurately across Queensland
- Created 8,854 interim floodplain maps for the Queensland Reconstruction Authority. Mapping covered the State's 129 river sub-basins and was the largest program of its kind in Australia
- Managed and maintained over 4,500 high risk parcels of unallocated state land. This included:
 - 148 fuel reduction burns to reduce bushfire risk to neighbouring land and infrastructure
 - Implementing control programs for declared weed and pest animal programs
 - Over 75 projects worth \$800,000 to repair and recover disaster impacted infrastructure.

Departmental Budget Summary

The table below shows the total resources available in 2012-13 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	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ¹			
Deferred from previous year/s	..	..	28,247
Balance of service appropriation	84,901	68,823	351,724
Other revenue	39,825	18,211	117,753
Total income	124,726	87,034	497,724
Expenses			
Mining and Petroleum Services	49,995	20,706	85,137
Mine Safety and Health Services	2,395	2,395	72,011
Water Services	34,110	27,213	141,942
Land Services	38,226	36,720	198,634
Total expenses	124,726	87,034	497,724
Operating surplus/deficit	..	..	..
Net assets	274,484	280,116	287,500
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	112	5,925	1,468
Other administered revenue	140,495	150,684	706,700
Total revenue	140,607	156,609	708,168
Expenses			
Transfers to government	54,079	64,268	476,295
Administered expenses	10,418	2,067,231	51,873
Total expenses	64,497	2,131,499	528,168
Net assets	69,234,314	64,279,331	64,438,814
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	84,901	64,909	383,885
Equity adjustment	..	(993)	7,472
Administered items	237	5,788	3,448
VOTE TOTAL²	85,138	69,704	394,805

Notes:

1. Appropriation for services does not match appropriation for departmental services due to appropriation receivable of \$3.9 million. Includes State and Commonwealth funding.
2. As represented in the 2012-13 Appropriation Bills. The Vote total for 2011-12 Adjusted Budget and 2011-12 Estimated actual does not agree to the 2011-12 Appropriation Act due to machinery of Government changes during 2011-12.

Budget Measures Summary

The table shows a summary of Budget measures relating to the department since the 2011-12 Budget. Further details are contained in Budget Paper No. 4.

Department of Natural Resources and Mines	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue measures					
Up to and including 2011-12 MYR					
Administered	(3,318)	44,984	111,574	111,755	162,214
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	17,215	5,639	10,694	6,000
Departmental	..	..	..	..	..
Total revenue measures					
Administered	(3,318)	62,199	117,213	122,449	168,214
Departmental	..	..	..	..	..
Expense measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	2,592	5,684	5,184	5,184	5,184
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(11,340)	(28,629)	(49,751)	(50,251)	(50,451)
Total expense measures					
Administered	..	..	..	..	..
Departmental	(8,748)	(22,945)	(44,567)	(45,067)	(45,267)
Capital measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	2,550	2,407	505	..
Total capital measures					
Administered	..	..	..	..	..
Departmental	..	2,550	2,407	505	..

Staffing¹

	Notes	2011-12 Adjusted Budget	2011-12 Est. Actual	2012-13 Estimate
TOTAL	2,3	2,906	2,828	2,444

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The Department of Natural Resources and Mines is one of six agencies engaged in the Business and Corporate Partnership (the Partnership); other agencies are:
 - a. Department of Agriculture, Fisheries and Forestry
 - b. Department of Tourism, Major Events, Small Business and the Commonwealth Games
 - c. Department of Energy and Water Supply
 - d. Department of Environment and Heritage Protection
 - e. Department of National Parks, Recreation, Sport and Racing.
3. The Department of Natural Resources and Mines hosts core corporate services for the department and for the Department of Energy and Water Supply. Within the department, the Partnership provides specific corporate services to all six agencies for legal and accommodation services.

SERVICE PERFORMANCE

The Department of Natural Resources and Mines brings functions of the Mines and Energy service area of the former Department of Employment, Economic Development and Innovation together with functions of the Water and Land service areas of the former Department of Environment and Resource Management.

Our service areas are:

Mining and Petroleum Services

The objectives of this service area are to: encourage exploration and investment; and support industry to develop new projects and approaches.

The functional services are: Mining and Petroleum Industry Policy; Mining and Petroleum Operations; and Geological Survey of Queensland.

Outcomes include: investment from exploration activity; better planning and infrastructure; and more efficient permit approval and licensing processes.

Mine Safety and Health Services

The objectives of this service area are to: ensure strong, independent regulation; ensure an effective response capability; build industry awareness and skills; use research and new technologies to reduce safety and health risks in the mining, quarrying, explosives and petroleum and gas industries; and mitigate safety risks at abandoned mines.

The functional services are: Mines Inspectorate; Petroleum and Gas Inspectorate; Explosives Inspectorate; and the Safety in Mines, Testing and Research Station (SIMTARS).

Outcomes include: a safe and healthy workforce; safe, productive industries; and better planning and infrastructure.

Water Services

The objectives of this service area are to: provide certainty in water access entitlements; plan and manage the allocation and sustainable use of Queensland's water resources; account for and monitor the quantity, availability and condition of water resources; and increase the productive use of Queensland's water resources without compromising sustainability.

The functional services are: Water Resource Strategy; Water Resource Allocation and Planning; Water Resource Information and Catchment Management; and Natural Resources Operations.

Outcomes include: water for communities and industry; water security; better planning; and reduced red tape.

Land Services

The objectives of this service area are to: provide clarity to landholders and developers on native vegetation clearing; ensure Indigenous land interests are considered and supported; represent the Queensland Government in the resolution of native title claims; provide certainty in land titling, mapping and spatial information and accurate valuations; plan and manage the allocation and use of land resources; account for and monitor the quantity, availability and condition of land resources; and increase the productive use of Queensland's land resources without compromising sustainability.

The functional services are: Aboriginal and Torres Strait Islander Land Services; Land Management and Use; Titles Registration; Spatial Information; State Valuation Service; and Natural Resources Operations.

Outcomes include: land for social and economic development; more productive land; better planning and infrastructure; and reduced red tape.

2012-13 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$'0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Mining and Petroleum Services	85,137	54,603	553	..	29,981
Mine Safety and Health Services	72,011	58,366	13,645	..	..
Water Services	141,942	109,587	3,953	22,924	5,478
Land Services	198,634	139,126	48,649	..	10,859
Total	497,724	361,682	66,800	22,924	46,318

Note:

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

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service area: Mining and Petroleum Services				
Service standards				
Value of investment in exploration by the mineral and energy sectors	1	800 million	1.434 billion	1.200 billion
Other measures				
Percent of mining exploration applications grants in accordance with timelines set out in published performance standards	2	90%	90%	90%
Percent of new production tenure applications granted within timelines agreed between the department and industry proponents		90%	90%	90%
Consultative and engagement forums with industry and community stakeholders	3	27	27	27
State contribution (\$000)		16,667	19,364	54,603
Other revenue (\$000)		33,328	1,342	30,534
Total cost (\$000)		49,995	20,706	85,137
Service area: Mine Safety and Health Services				
Service standards				
Lost time injury frequency rate (injuries per million hours) in the mining and quarrying industries	4	<3.3	3.8	<3.3
Other measures				
Percentage of abandoned mines land program priority projects completed within scheduled timeframes		90%	90%	90%
Percentage of corrective/compliance requests identified through inspection and auditing programs closed out within target timeframe	5	90%	80%	90%
SIMTARS revenue target for commercial activities	6	7.1 million	7.3 million	7.5 million

Percentage of scheduled and legislative audits, inspections and investigations completed within prescribed times	7	90%	81%	90%
Number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	8	250	336	280
Significant one-on-one business consultations undertaken	9,10	5,000	6,203	6,000
The number of business participants in structured development activities	11	1,250	2,244	1,800
Consultative and engagement forums with industry and community stakeholders	12	20	17	20
State contribution (\$000)		2,395	2,395	58,366
Other revenue (\$000)		..	..	13,645
Total cost (\$000)		2,395	2,395	72,011
Service area: Water Services				
Service standards				
Percentage of the State's natural water resources with monitoring programs in place	13	67%	70%	70%
Other measures				
Percentage of priority 1 water resource management dealings processed within customer service standards:				
• Licence applications		75%	85%	75%
• Licence transfers and renewals	14,15	90%	93.7%	90%
Percentage of the State's natural surface water systems managed in accordance with National Water Initiative compliant water planning guidelines	16	76%	74.5%	76%
State contribution (\$000)		16,499	15,823	109,587
Other revenue (\$000)		17,611	11,390	32,355
Total cost (\$000)		34,110	27,213	141,942

Service area: Land Services

Service standards

Resolution of outstanding Native

Title Claims	17	10%	19%	10%
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Other measures

Percentage of *Sustainable Planning Act 2009* development applications assessed within legislative timeframes

18	100%	100%	100%
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Information resources downloaded via Information Queensland Website

19	22,800	41,493	44,000
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Number of parcels of the unallocated State land portfolio allocated to their most appropriate use and tenure

20	300 parcels	1,084 parcels	300 parcels
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Accuracy of registration of title dealings to deliver public confidence in the integrity of the State's titling system

99.5%	99.8%	99.5%
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Percentage of records processed within customer service standards:

- Titles Registry (in 5 days) 90% 94% 90%
- Digital Cadastral Database (in 7 days) 90% 94% 90%

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State contribution (\$000)	34,522	29,656	139,126
Other revenue (\$000)	3,704	7,064	59,508
Total cost (\$000)	38,226	36,720	198,634

Notes:

1. The 2011-12 estimated actual is higher than anticipated due to increased growth in coal seam gas exploration. The 2012-13 target has subsequently been increased to account for anticipated growth in coal seam gas exploration.
2. The wording of this measure has been amended from '*Percent of 'intention of grant' of new exploration permits issued within 180 business days of the date of lodgement*'. The calculation methodology for this measure has not changed.
3. The 2011-12 target for this measure has changed as it was a composite measure from the Mines and Energy service area of the former Department of Employment, Economic Development and Innovation. The 2011-12 target has been amended to reflect the Mining and Petroleum service area's contribution to the measure.
4. There is a lag time of several months in receiving information from mines for this measure. The June 2012 data received indicates that the rate is above the 2011-12 target but this may need to be adjusted as more information is received.
5. The lower than expected 2011-12 estimated actual is a result of the delays experienced in closing out corrective compliance requests due to increased emphasis on investigation of incidents.
6. Industry growth led to higher than expected sales of Safety in Mines Testing and Research Station (SIMTARS) services. This is reflected in the higher than expected 2011-12 estimated actual.

7. Planning saw the revision and subsequent increase of the number of comprehensive audits undertaken rather than more narrowly focused inspections. This change impacted the completion of timeframes and is reflected in the 2011-12 estimated actual.
8. Continued growth within the mining industry increased the demand for mine safety training. The increase in the 2011-12 estimate reflects this change in demand.
9. The 2011-12 target for this measure has changed (from 6,000) as it was a composite measure from the Mines and Energy services area of the former Department of Employment, Economic Development and Innovation. The 2011-12 target has been amended to reflect the Mine Safety and Health service area's contribution to the measure.
10. Growth within the mining industry increased the demand for information and advice. The increase in the 2012-13 estimate reflects this change in demand.
11. Continued growth within the mining industry increased the demand for training and development activities. The increase in the 2011-12 estimated actual and the 2012-13 estimated target reflects this change in demand.
12. The 2011-12 target for this measure has changed as it was a composite measure from the Mines and Energy service area of the former Department of Employment, Economic Development and Innovation. The 2011-12 target has been amended to reflect the Mines Health and Safety service area's contribution to the measure. The 2011-12 actual target is lower due to the impact of machinery of Government changes, as advisory committees were unable to sit.
13. The wording of this measure has been amended. Due to machinery of Government change this Water Services measure has been reworded to accurately reflect the current Water Services functions in the newly established Department of Natural Resources and Mines. The measure was previously worded as – *'Percentage of Queensland's natural water systems with appropriate quality and ecosystem health monitoring frameworks in place'*. The calculation methodology is unchanged.
14. The wording of this measure has been amended. Due to machinery of Government changes this Water Services measure has been reworded to accurately reflect the current Water Services functions in the newly established Department of Natural Resources and Mines. The measure was previously worded as – *'Percentage of water resource management dealings processed within service standards: licence applications; licence transfers and renewals'*. The calculation methodology is unchanged.
15. The 2011-12 estimated actuals are higher than anticipated as the complexity of dealings is variable. This produces variances in processing times on a year to year basis.
16. This measure relates to surface water management areas. The 2011-12 estimated actual reflects that aspects of the Whitsunday Resource Operations Plan were deferred to provide the department with additional time to work with stakeholders to resolve the matters subject to deferral.
17. The 2011-12 target was exceeded due to additional resourcing secured for legal support and tenure research in 2011-12, and more active case management by the Federal Court.
18. This measure was previously presented under the Land service area of the former Department of Environment and Resource Management measure. The measure is now shared with the Department of Natural Resources and Mines, the Department of Environment and Heritage and the Department of National Parks, Recreation, Sport and Racing. The 2011-12 target presented represents the matters in the *Sustainable Planning Regulation 2009* that are administered by this department only.
19. This measure was introduced under the Land service area of the former Department of Environment and Resource Management as a new measure in 2011-12. The 2011-12 target was exceeded due to unanticipated demand.
20. In this measure the department reports the results of its active management of selected parcels of State land with the goal of allocating to them to their most appropriate use. The measure sets a minimum target but outcomes are impacted by factors outside the department's control. For example, in 2011-12, 197 parcels in one departmental region were cancelled and converted to natural resource management reserves, while 275 lots in another region were cancelled as a result of the resolution of Indigenous Land Use Agreements and subsequent tenure actions. The 2011-12 estimated actual therefore reflects such changes.
21. The 2011-12 targets for Titles Registration were exceeded with 94 per cent of dealings registered within five days and only 0.2 per cent of registrations requiring remedial action

Discontinued Measures

Performance measures included in the 2011-12 Service Delivery Statements that have been discontinued or replaced by better measures are reported in the following table.

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Mining and Petroleum Services				
Value of new exports generated by businesses assisted by the department	1,2	\$950 million	\$522 million	Discontinued
Number of information transactions and packages provided to business	3,4,5	178,600	271,142	Discontinued
Water Services				
Percentage of high priority risks identified in aquatic ecosystem health trend reports that have an appropriate management intervention developed and action are satisfactorily progressed	6	100%	100%	Discontinued
Land Services				
Percentage of Aboriginal and Torres Strait Islander Land Trusts compliant and effectively managing their land	7	50%	53%	Discontinued

Notes:

1. This measure was previously presented under the Mines and Energy service area of the former Department of Employment, Economic Development and Innovation. The measure is no longer appropriate as the department no longer has access to critical information to report on this measure following the transfer of the royalty collection and compliance function to the Office of State Revenue. The continuing service standard '*Value of investment in exploration by the minerals and energy sectors*' is a more considered measure of the value of investment in exploration.
2. The 2011-12 estimated actual is lower than anticipated as a result of one new coal mine not commencing production in 2011-12.
3. The measure is no longer appropriate as the department no longer has access to critical information to report on this measure following the transfer of the Integrated Service Delivery function to the Department of Tourism Major Events Small Business and the Commonwealth Games.
4. This measure was previously presented under the Mines and Energy service area of the former Department of Employment, Economic Development and Innovation. The 2011-12 target presented represents the contribution of the Mining and Petroleum Services service area only.
5. The variance between the 2011-12 target estimate and the estimated actual is due to high interest in exploration information and the ability of applicants for permits being able to track the status of their application.
6. This measure was previously presented under the Water service area of the former Department of Environment and Natural Resource Management. The measure is discontinued from 2012-13 as it relates to reports produced by the former Department of Environment and Resource Management.
7. This measure is discontinued due to the conclusion of the trust capacity building program.

Administered Items

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

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 and Gas (Production and Safety) Act 2004*, the *Petroleum Act 1923*, the *Geothermal Energy Act 2010*, and the *Greenhouse Gas Storage Act 2009*.

Mine Safety and Health Services Levy and Fee

Mine safety and health services are provided to the mining, quarrying and explosives industries as well as to the petroleum and gas industries in Queensland through the:

- *Coal Mining Safety and Health Act 1999*
- *Mining and Quarrying Safety and Health Act 1999*
- *Explosives Act 1999*
- *Petroleum and Gas (Production and Safety) Act 2004*.

The department collects a levy and fee from the relevant industries to cover the cost of these services. These safety and health regulatory compliance services are undertaken to assist industry to achieve its target of 'zero harm'.

Titles Registration 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 and organisations, both in Queensland and elsewhere, with interests in the State's resources. The client groups include landowners, investors, government agencies, industry groups, financial institutions, solicitors and other service providers.

Revenue from State Land

The department manages the State's administered land portfolio which is made up of \$14.251 billion in reserves, \$1.638 billion in unallocated State land, \$43.0 million in freehold land, \$42.384 billion in land under roads and \$5.667 billion in 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 closed road 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.

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

CAPITAL

Capital program

Total capital purchases for the Department of Natural Resources and Mines is \$19.8 million in 2012-13.

The Streamlining of the Mining Tenure Approval Process project will invest \$4 million in 2012-13 from a total investment of \$10.7 million. This technology platform will transform Queensland's tenure management model into a modern online service delivery environment and further strengthen Queensland's attractiveness for resource investment.

The Automated Titling System project will invest \$3 million in 2012-13 from a total investment of \$5.9 million over three years for modifications and enhancements to the Automatic Titling System including development and implementation of a new software platform.

Other capital investments include:

- Computer software modifications for critical business systems including spatial information systems, water accounting and management systems
- Minor plant and equipment acquisitions and enhancements for Stock Route facilities assets and huts for stream monitoring gauging
- Minor leasehold improvements to buildings and accommodation.

Capital budget statement

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure		2,324	2,376	1,542
Total plant and equipment	
Total other capital		4,327	2,763	18,253
Total Capital Purchases		6,651	5,139	19,795

Note:

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

BUDGETED FINANCIAL STATEMENTS

Analysis of budgeted financial statements

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

Departmental income statement

The department was formed on 3 April 2012 as a result of machinery of Government changes. Therefore, 2012-13 will be the first full financial year of operation.

Total expenses are estimated to be \$497.7 million in 2012-13. Of this, the department raises considerable revenue from sources other than State appropriation. This includes:

- User charges revenue, predominantly for maps, cadastral and title searches, storage fees for explosives and other fee for service activities provided by units such as SIMTARS
- Funding from the Australian Government in relation to specific initiatives including the Water for the Future Program, Caring for Our Country and the Great Artesian Basin Sustainability Initiative
- Industry and Australian Government contributions for the Carbon Geostorage Initiative.

In addition, the total costs of the functions of the Mine Safety and Health Services not recovered by fee for services charges are fully recovered by industry levies. These levies are collected through administered revenue, but appropriated to the department by State funding.

The major expenses for the department consist of:

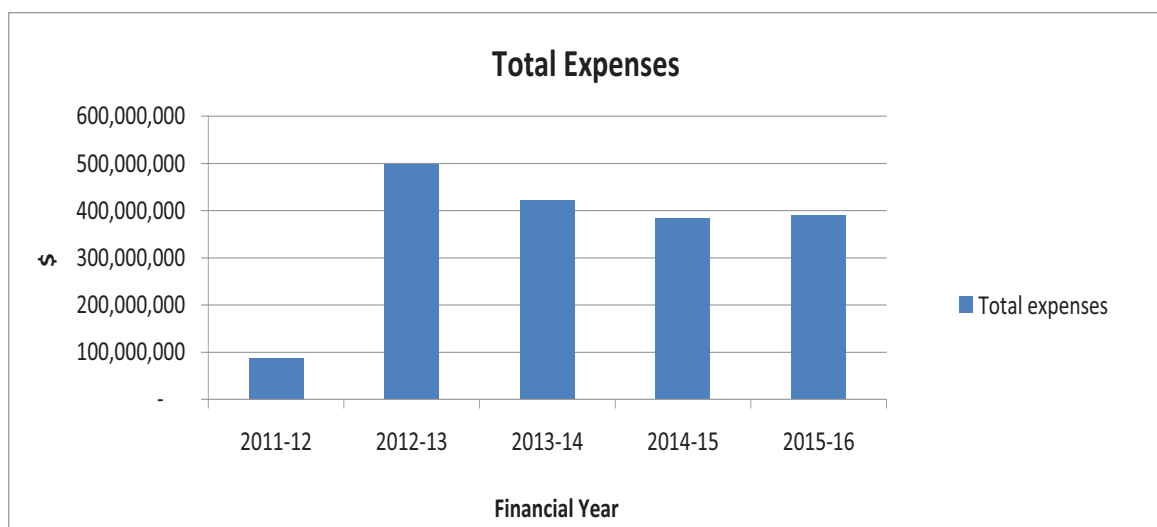
- Employee expenses of \$239.6 million (48.1 per cent of total)
- Supplies and services of \$202.8 million (40.1 per cent of total)
- Grants and subsidies of \$34.0 million (6.8 per cent of total).

Savings of \$28.6 million will be realised in 2012-13 and beyond through a number of initiatives to assist with the State's fiscal repair task. These include, but are not limited to:

- Major legislative and operational reforms to streamline business process and reduce regulatory and administrative burden with respect to land services
- Implementing water metering reforms
- Realising efficiencies in desktop approaches to resource assessment improvements in handling complaints and compliance
- Implementing streamlined water accounting and billing processes
- Extending the life of Water Resource Plans and Resource Operations Plans
- Realising administrative savings upon implementing the Streamlining Mining Tenure Approval process project to introduce online electronic services
- Rationalisation of staff performing corporate and support functions.

Further savings of \$21.1 million in 2013-14, \$21.6 million in 2014-15, and \$21.8 million ongoing from 2015-16 are expected to be achieved upon full implementation of the reforms.

Chart: Total departmental expenses across the Forward Estimates period¹



Note: Direct comparison cannot be made between expenses in the 2011-12 year and expenses in the 2012-13 and subsequent years because of machinery of Government changes which took place in 2011-12.

Departmental balance sheet

The department's major assets are in property, plant and equipment (\$212.5 million) and intangibles (\$37.2 million) and these categories are expected to increase marginally over the next three years.

The department's main liabilities in 2012-13 relate to payables for accrued employee benefits, and trade creditors.

INCOME STATEMENT

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,6	84,901	68,823	379,971
User charges	7	5,505	9,629	66,800
Grants and other contributions	2,8	34,224	8,564	46,489
Other revenue	9	96	18	4,464
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		124,726	87,034	497,724
Expenses				
Employee expenses	10	40,911	41,864	239,582
Supplies and services	3,11	46,997	20,191	202,823
Grants and subsidies	4,12	30,231	15,435	33,969
Depreciation and amortisation	13	2,870	2,970	13,989
Finance/borrowing costs		..	..	..
Other expenses	5	3,717	6,568	7,324
Losses on sale/revaluation of property, plant and equipment and investments		..	6	37
Total expenses		124,726	87,034	497,724
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 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		..	..	..
Total recognised income and expense for the period		..	..	..
Equity injection/(withdrawal)		..	(905)	7,384
Equity adjustments (MoG transfers)	14	274,484	281,021	..
Total movement in equity for period		274,484	280,116	7,384

BALANCE SHEET

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	15,21	73,439	80,354	88,075
Receivables		24,218	29,248	21,993
Other financial assets		..	..	..
Inventories		2,555	2,555	2,555
Other	16	4,181	1,029	1,029
Non-financial assets held for sale		218	218	218
Total current assets		104,611	113,404	113,870
NON-CURRENT ASSETS				
Receivables		60	60	60
Other financial assets		..	..	..
Property, plant and equipment	17,22	193,510	217,689	212,501
Intangibles	18,23	31,503	28,316	37,169
Other		..	..	..
Total non-current assets		225,073	246,065	249,730
TOTAL ASSETS		329,684	359,469	363,600
CURRENT LIABILITIES				
Payables		14,018	13,095	9,842
Accrued employee benefits		5,660	7,230	7,230
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	19	35,522	59,028	59,028
Total current liabilities		55,200	79,353	76,100
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		55,200	79,353	76,100
NET ASSETS/(LIABILITIES)		274,484	280,116	287,500
EQUITY				
Capital/contributed equity	20,24	274,484	280,116	287,500
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		274,484	280,116	287,500

CASH FLOW STATEMENT

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	25,31	84,901	64,909	383,885
User charges	32	5,505	9,629	66,800
Grants and other contributions	26,33	34,224	8,564	46,489
Other		96	18	4,464
Outflows:				
Employee costs	34	(40,911)	(41,864)	(239,582)
Supplies and services	27,35	(46,997)	(20,191)	(202,823)
Grants and subsidies	28,36	(30,231)	(15,435)	(33,969)
Borrowing costs		..	..	..
Other	29	(3,717)	(6,568)	(7,324)
Net cash provided by/(used in) operating activities		2,870	(938)	17,940
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	(6)	4
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	37	(8,050)	(5,139)	(17,695)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(8,050)	(5,145)	(17,691)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	38	..	(121)	10,558
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	39	..	(872)	(3,086)
Net cash provided by/(used in) financing activities		..	(993)	7,472
Net increase/(decrease) in cash held		(5,180)	(7,076)	7,721
Cash at the beginning of financial year		..	..	80,354
Cash transfers from restructure	30	78,619	87,430	..
Cash at the end of financial year		73,439	80,354	88,075

ADMINISTERED INCOME STATEMENT

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	42	38,580	41,198	287,192
Royalties, property income and other territorial Revenue	43	21,436	29,371	162,325
Interest		2	2	2,166
Administered revenue	40,44	112	5,925	1,468
Other	45	80,477	80,113	255,017
Total revenues		140,607	156,609	708,168
Expenses				
Supplies and services		171	171	64
Depreciation and amortisation		(48)	(48)	305
Grants and subsidies		..	323	1,284
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other	41	10,295	2,066,785	50,220
Total expenses		10,418	2,067,231	51,873
Net surplus or deficit before transfers to Government		130,189	(1,910,622)	656,295
Transfers of administered revenue to Government		54,079	64,268	476,295
OPERATING SURPLUS/(DEFICIT)		76,110	(1,974,890)	180,000

ADMINISTERED BALANCE SHEET

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	46	94,068	62,719	62,719
Receivables		57,428	36,837	36,837
Inventories		..	..	..
Other	47	29,308	..	..
Non-financial assets held for sale		95	3,127	3,127
Total current assets		180,899	102,683	102,683
NON-CURRENT ASSETS				
Receivables		48,743	50,124	45,624
Other financial assets		..	..	..
Property, plant and equipment	48	66,985,134	64,230,122	64,394,105
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		67,033,877	64,280,246	64,439,729
TOTAL ADMINISTERED ASSETS		67,214,776	64,382,929	64,542,412
CURRENT LIABILITIES				
Payables	49	74,762	40,775	40,775
Transfers to Government payable	50	30,472	..	..
Interest-bearing liabilities		..	..	..
Other	51	43,292	62,591	62,591
Total current liabilities		148,526	103,366	103,366
NON-CURRENT LIABILITIES				
Payables		..	232	232
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	232	232
TOTAL ADMINISTERED LIABILITIES		148,526	103,598	103,598
ADMINISTERED NET ASSETS/(LIABILITIES)		67,066,250	64,279,331	64,438,814
EQUITY				
Capital/Contributed equity	52	66,990,140	66,254,221	66,233,704
Accumulated surplus/(Accumulated deficit)	53	76,110	(1,974,890)	(1,794,890)
Reserves:		..	..	..
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		67,066,250	64,279,331	64,438,814

ADMINISTERED CASH FLOW STATEMENT

Department of Natural Resources and Mines	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	54	237	5,742	1,468
Grants and other contributions		4,003	4,003	4,000
Taxes, fees and fines	58	34,658	41,198	287,192
Royalties, property income and other territorial revenues	59	33,838	29,371	162,325
Other		302	(195)	1,946
Outflows:				
Transfers to Government	55,60	(46,116)	(64,268)	(476,295)
Grants and subsidies		(257)	(218)	(1,284)
Supplies and services		840	(171)	(64)
Borrowing costs		..	..	..
Other		(14,207)	(15,588)	(5,000)
Net cash provided by/(used in) operating activities		13,298	(126)	(25,712)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	56,61	12,271	..	43,709
Investments redeemed		..	..	..
Loans and advances redeemed	62	(2,326)	..	12,000
Outflows:				
Payments for property, plant and equipment and intangibles	57,63	(6,103)	..	(2,100)
Payments for investments		..	..	..
Loans and advances made		..	..	(7500)
Net cash provided by/(used in) investing activities		3,842	..	46,109
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	166	2,100
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	(120)	(22,497)
Equity withdrawals	64	..	..	..
Net cash provided by/(used in) financing activities		..	46	(20,397)
Net increase/(decrease) in cash held		17,140	(80)	..
Administered cash at beginning of financial year		..	..	62,719
Cash transfers from restructure		76,928	62,799	..
Administered cash at end of financial year		94,068	62,719	62,719

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

The Department of Natural Resources and Mines was created in April 2012 as a result of machinery of Government changes. Consequently, the 2011-12 Adjusted Budget and the 2011-12 Estimated Actual in the Departmental Budget Summary and financial statements reflect two months of activities while the 2012-13 Estimate contains a full year's budget.

Income statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

1. The decrease is largely due to the return of funds provided for the wind up costs associated with Zerogen Pty Ltd and savings realised as a result of the cessation of the Carbon Capture and Storage Initiative (Wandoan project).
2. The decrease is largely due to the deferral of the contribution by the Australian Coal Association Low Emissions Technologies Limited (ACALET) and the Australian Government for the Carbon Geostorage Initiative.
3. The decrease in supplies and services is largely due to deferrals of various programs such as Water for the Future Program, Valuation Appeals, Native Title claims, Greenfields 2020 and the Streamlining Mining and Petroleum Approvals Project and the finalisation of functions transferring as a result of the Machinery of Government changes.
4. The decrease is largely due to reduced expenditure from the early winding up of Zerogen Pty Ltd and the cessation of the Carbon Capture and Storage Initiative (Wandoan project).
5. The increase in other expenses is predominantly due to the finalisation of functions transferring into the department as a result of the machinery of Government changes.

Major variations between 2011-12 Estimated actual and 2012-13 Estimate include:

6. The increase in service revenue in 2012-13 reflects the full year impact of natural resources and mines functions and deferrals from 2011-12 such as the Water for the Future Program, Valuation Appeals, Native Title claims, Carbon Geostorage Initiative and the Streamlining Mining and Petroleum Approvals project from 2011-12. The increase is also a result of a reallocation of the Environmental Initiatives Fund to the department, provided for the North Stradbroke Island election commitment. It is partially offset by savings which will be realised for initiatives such as land legislative and operational reform, water metering reform and rationalisation of corporate and support positions.
7. The increase reflects the full year impact of user charges such as title search and copy fees and fee for service revenue such as explosives storage and the increase of these charges in line with indexation.
8. The increase is largely due to the deferral of revenue from 2011-12 to 2012-13 relating to the contribution by ACALET and the Australian Government to the Carbon Geostorage Initiative.
9. The increase reflects the full year impact of other revenue and the increase of this revenue in line with indexation.
10. The increase in employee expenses represents the full year impact of the department's functions, partially offset by reduced expenditure through initiatives such as land legislative and operational reform, water metering reform and rationalisation of corporate and support positions.
11. The increase in the 2012-13 estimate reflects the full year impact of the department's functions and increased expenditure following deferrals from 2011-12 relating to programs such as Valuation Appeals, Native Title claims, Water for the Future and the Streamlining Mining and Petroleum Approvals project. The increase is partially offset by reduced expenditure through initiatives such as land legislative and operational reform, water metering reform and rationalisation of corporate and support positions.
12. The increase reflects the full year impact of the department's functions and deferred expenditure from 2011-12, primarily relating to Caring for Our Country.
13. The increase reflects the full year impact of the planned depreciation on departmental assets.

Statement of changes in equity

14. The increase between 2011-12 Adjusted Budget and 2011-12 Estimated actual reflects the finalisation of transfers of equity as part of the machinery of Government changes.

Balance sheet

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

15. The increase in cash predominantly relates to timing differences with regard to end of year deferrals.

16. The decrease in other relates to finalisation of functions transferring into the department as a result of the machinery of Government changes.
17. The increase largely relates to the finalisation and transfer of assets as part of the machinery of Government changes.
18. The decrease in intangibles predominately relates to a deferral of capital expenditure for software for the Streamlining Mining and Petroleum Approvals project.
19. The increase largely relates to the finalisation and transfer of assets as part of the machinery of Government changes and a payable being recognised for the Natural Disaster Relief and Recovery Arrangements and end of year appropriation payable to the Consolidated Fund related to deferred expenditure.
20. The increase in equity relates to the finalisation of functions transferring into the department as a result of the machinery of Government transfers and partially offset by a capital deferral for Streamlining Mining and Petroleum Approvals into 2012-13.

Major variations between 2011-12 Estimated actual and 2012-13 Estimate include:

21. The increase predominately relates to timing differences with regard to end of year deferrals.
22. The decrease is due to depreciation on existing assets exceeding capital purchases planned for 2012-13.
23. The increase in intangibles is due to the anticipated capitalisation of software projects such as the Automated Titles System and the Streamlining Mining and Petroleum Approvals Project in 2012-13.
24. The increase in equity relates primarily to the anticipated capitalisation of software projects such as the Automated Titles System and the Streamlining Mining and Petroleum Approvals Project in 2012-13.

Cash flow statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

25. The decrease is largely due to the return of funds provided for the wind up costs associated with Zerogen Pty Ltd and savings realised as a result of the cessation of the Carbon Capture and Storage Initiative (Wandoan project).
26. The decrease is largely due to the deferral of the contribution by the Australian Coal Association Low Emissions Technologies Limited (ACALET) and the Australian Government for the Carbon Geostorage Initiative.
27. The decrease in supplies and services is largely due to deferrals of various programs such as Water for the Future Program, Valuation Appeals, Native Title claims, Greenfields 2020 and the Streamlining Mining and Petroleum Approvals Project and the finalisation of functions transferring as a result of the machinery of Government changes.
28. The decrease is largely due to the return of funds provided for the wind up costs associated with Zerogen Pty Ltd the cessation of the Carbon Capture and Storage Initiative (Wandoan project).
29. The increase in other expenses is predominantly due to the finalisation of functions transferring into the department as a result of the machinery of Government changes.
30. The increase in cash transfers predominantly relates to the net cash position as a result of machinery of Government Changes.

Major variations between 2011-12 Estimated actual and 2012-13 Estimate include:

31. The increase in service receipts in 2012-13 reflects the full year impact of natural resources and mines functions and deferrals from 2011-12 such as the Water for the Future Program, Valuation Appeals, Native Title claims, Carbon Geostorage Initiative and the Streamlining Mining and Petroleum Approvals project from 2011-12. The increase is also a result of a reallocation of the Environmental Initiatives Fund to the department, provided for the North Stradbroke Island election commitment. It is partially offset by savings which will be realised for initiatives such as land legislative and operational reform, water metering reform and rationalisation of corporate and support positions.
32. The increase reflects the full year impact of user charges such as title search and copy fees and fee for service revenue such as explosives storage and the increase of these charges in line with indexation.
33. The increase is largely due to the deferral of revenue from 2011-12 to 2012-13 relating to the contribution by ACALET and the Australian Government to the Carbon Geostorage Initiative.
34. The increase in employee costs represents the full year impact of the department's functions, partially offset by reduced expenditure through initiatives such as land legislative and operational reform, water metering reform and rationalisation of corporate and support positions.

35. The increase reflects the full year impact of the department's functions and deferrals from 2011-12 relating to programs such as Valuation Appeals, Native Title claims, Water for the Future and the Streamlining Mining and Petroleum Approvals project. The increase is partially offset by reduced expenditure through initiatives such as land legislative and operational reform, water metering reform and rationalisation of corporate and support positions.
36. The increase reflects the full year impact of the department's functions and deferred expenditure from 2011-12, primarily relating to Caring for Our Country.
37. The increase reflects the full year impact of the planned capital expenditure program.
38. The increase in equity injections largely relates to the finalisation of the machinery of Government changes and planned capital expenditure in 2012-13 for IT upgrades.
39. Equity withdrawal reflects that the cash equivalent to depreciation expense exceeds the planned acquisition program for 2012-13.

Administered income statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

40. The increase is due to additional funding for the Nathan and Connors River Dam (Disturbance Fees) and the Borders River Commission.
41. The increase is due to the recognition of a decrement in the value of land over the last 12 months. Asset revaluation reserves are not transferred when a machinery of Government change occurs, and therefore, the decrement is recognised as an expense on the Income Statement.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

42. The increase in taxes, fees and fines reflects the full year impact of fees primarily associated with titles lodgements on real estate market transactions.
43. The increase in territorial revenue reflects the full year impact of fees collected for annual land rental calculations.
44. The decrease is due to the cessation of funding in 2012-13 for the Nathan & Connors River Dam disturbance fees.
45. The increase reflects the full year impact of fees and is also due to an accelerated land disposal strategy which will release land into the community for an economic return.

Administered balance sheet

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

46. The decrease primarily represents the return of administered receipts to the Consolidated Fund.
47. The decrease in other current assets recognises actual balances at 30 June 2012.
48. The decrease is due to the asset decrement in the value of land over the last 12 months, primarily for land under roads.
49. The decrease in payables is due to the finalisation of transfers as a result of the machinery of Government changes.
50. The decrease is due to realignment with actual balances at 30 June 2012.
51. The increase in other is due to the finalisation of transfers due to the machinery of Government changes.
52. The decrease in contributed equity is due to return of proceeds from land sales to the Consolidated Fund.
53. The deficit is a result of a decrement in the value of land over the last 12 months. Asset revaluation reserves are not transferred when a machinery of Government change occurs, and therefore, the decrement is recognised as an expense on the Income Statement.

Cash flow statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

54. The increase is due to additional funding for the Nathan & Connors River Dam (Disturbance Fees) and the Border Rivers Commission.
55. The increase reflects the end of year return of administered receipts to the Consolidated Fund.
56. The decrease reflects activity for land acquisitions not progressing as planned.
57. The decrease in expenditure primarily relates to funds received for capital expenditure for orphaned assets and Government Land Management System (GLMS) development

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

- 58. The increase in taxes, fees and fines reflects the full year impact of fees primarily associated with titles lodgements on real estate market transactions.
- 59. The increase in territorial revenue reflects the full year impact of fees collected for annual land rental calculations.
- 60. The increase reflects the full year impact of administered receipts returned to the Consolidated Fund.
- 61. The increase is due to the accelerated land disposal strategy which will release land into the community for an economic return.
- 62. The increase is due to unallocated State land that is sold to property developers under a finance lease arrangement.
- 63. The increase in 2012-13 relates to activity for the Government Land Management System development.
- 64. The increase in equity withdrawals relates to the return of the proceeds from the sale of assets to the Consolidated Fund.

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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.
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Administered Items	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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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.
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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.
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Balance Sheet	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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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.
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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.
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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.
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Depreciation	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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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.
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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.

