



State Budget 2012-13

Service Delivery Statements

Department of National Parks, Recreation, Sport and Racing



2012–13 State Budget Papers

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

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Service Delivery Statements

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Department of National Parks, Recreation, Sport and Racing

Summary of portfolio budgets

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
3	Department of National Parks, Recreation, Sport and Racing– controlled	106,033	346,127	377,795
	Department of National Parks, Recreation, Sport and Racing - administered	2,697	481	21,481

Note:

1. Explanations of variances are provided in the financial statements

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PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Minister for National Parks, Recreation, Sport and Racing is responsible for protected area estate management including national parks, custody and management of State forests, marine parks management, fish habitat areas, racing, recreation and sport.

The Department of National Parks, Recreation, Sport and Racing benefits Queenslanders by providing the following services:

- *National Parks:* Improving access to, and management of, Queensland's national parks and State forests
- *Recreation and Sport:* Working to increase Queenslanders' participation in sport and recreation activities
- *Racing:* Providing a proactive and supportive regulatory environment for the racing industry which directly employs approximately 30,000 Queenslanders.

National parks are the cornerstone of Queensland's protected area estate and are an important part of our natural environment and cultural heritage. Through proper management, the department aims to ensure that the parks are accessible to all Queenslanders.

National parks and forests play an important part in building stronger communities by providing recreational opportunities and helping to build the economy through sustainable ecotourism ventures.

By managing important marine protected areas, such as declared fish habitats, the department aims to ensure sustainable recreational and commercial fishing.

The department encourages all Queenslanders to lead active, healthy lifestyles by participating in sport and recreation. This is achieved through a suite of initiatives including funding programs, community programs and workshops and physical activity resources for parents and teachers aimed at getting young Queenslanders physically active.

The department helps Queenslanders enjoy sport and recreation opportunities by developing and supporting facilities, and develops elite athletes at the Queensland Academy of Sport.

The department is responsible for regulating Queensland's racing industry to ensure it is commercially responsive, the industry is operated in a responsible and accountable manner and racing animals are cared for to the highest standard.

Additional information is available on the department's website: www.nprsr.qld.gov.au/

Portfolio Structure and Services

<p>Minister for National Parks, Recreation, Sport and Racing The Honourable Steven Dickson MP</p>
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<p>Assistant Minister for Sport and Racing Mr Tim Mander MP</p>
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<p>Department of National Parks, Recreation, Sport and Racing Acting Director-General: Dr John Glaister</p>
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<p>Service Area 1: National Parks</p>
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<p>Service Area 2: Recreation and Sport</p>
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<p>Service Area 3: Racing</p>

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The purpose of the Department of National Parks, Recreation, Sport and Racing is to deliver improved access to national parks and forests, greater grassroots participation in sport and recreation and a rejuvenated racing industry across the State. It achieves this through delivery of key services in Queensland Parks and Wildlife Service, Sport and Recreation Services, and the Office of Racing.

The department's objectives in its Strategic Plan 2012-2016 are:

- National parks are well managed and available to be enjoyed by all Queenslanders
- Increased participation of Queenslanders in sport and active recreation
- Rejuvenate the Queensland racing industry
- A capable and streamlined, customer-focused organisation.

The department contributes to the Government's objectives for the community and Government commitments in the following ways:

- Grow a four pillar economy (based on agriculture, tourism, resources and construction) through reducing red tape and regulation for sustainable tourism in protected areas and providing increased opportunities for enjoyment of Queensland's national parks and forests
- Lower the cost of living for families by cutting waste through working with local clubs to reduce costs and encourage greater participation in sport and recreation
- Deliver better infrastructure and better planning by supporting new racing infrastructure upgrades and development and upgrading of local sporting facilities through targeted grants programs
- Revitalise frontline services for families by streamlining the processes for camping and vehicle access to national parks and enhancing sport and recreation service delivery through new programs to increase participation
- Restore accountability in Government through implementing arrangements for governance and planning across all codes of Queensland racing and ensuring systems are in place to efficiently, effectively and ethically manage public resources.

Environmental factors and challenges impacting on the department include balancing conservation with improving access to protected areas; greater competition for 'free time'; concern about recreational safety; declining physical fitness; and ageing racing infrastructure.

In 2012-13 the department will deliver key Government commitments and initiatives:

- The department will implement ongoing joint management arrangements for the new national parks on North Stradbroke Island. Funding of \$1.5 million in 2012-13 (\$7.3 million over three years) is being reallocated to implement the work program including park management and investment in park infrastructure
- Fire management is an important priority for national parks. Additional funding of \$1.5 million in 2012-13 (\$5.4 million over four years) is provided to improve fire management programs including targeted aerial ignition programs and specialised fire training for rangers
- Funding of \$0.5 million in 2012-13 (\$1.5 million over three years) is being reallocated to provide better coordination of volunteering in Queensland's national parks

- The Government is committed to improving access for tourism and ecotourism operators in national parks. The department will develop and launch an online portal to streamline the registration process for camping and vehicle access permits in national parks and will commence the reduction of permit classes by 50%
- The department will undertake a review of the *Nature Conservation Act 1992* to enable greater access to Queensland's national parks and marine parks to benefit the development of the ecotourism industry
- Funding of \$5.5 million in 2012-13 (\$18 million over three years) will be provided to support 'Get in the Game', a Government initiative to encourage greater active participation in sport and recreation. *GetPlaying*, *GetStarted*, and *GetGoing*, provide assistance by contributing to the costs of club registrations for children and young people, and funding for better programs, equipment and facilities for clubs
- Additional funding of \$1 million in 2012-13 (\$4 million over four years) is provided to rejuvenate country racing in Queensland. This will enable 20 additional country race meetings per year and the introduction of a new clubs cooperation scheme
- The Government will amend the *Racing Act 2002* to establish a new racing industry structure. Additional funding of \$2.5 million in 2012-13 and a further \$2.5 million in 2013-14 is being provided for the Queensland Thoroughbred Investment Scheme to further support the Queensland thoroughbred industry.

The department's achievements:

- As at 30 June 2012, over 95% of national parks had a management plan or management statement enabling improved management of pests, fire and weeds and enhanced tourism and visitor opportunities
- The Minjerribah Recreation Area on North Stradbroke Island was declared under the *Recreation Areas Management Act 2006*, creating new management arrangements for holiday parks, beach camping and driving areas on the island
- \$39.7 million of funding programs was delivered to support increased participation in sport and recreation, including: \$5.5 million for the Sport and Recreation Active Inclusion Program; \$6.2 million for the Local Sport and Recreation Jobs Plan; \$9.1 million for the State Sport and Recreation Organisation Development Program; and \$18.9 million for the Sport and Recreation Infrastructure Program
- The Queensland Academy of Sport (QAS) supported over 600 of Queensland's elite athletes either directly through squad programs, or indirectly through State sporting organisations. Overall, 27% of athletes selected for national teams were from the QAS
- The Racing Science Centre analysed 16,199 drug samples collected from racing animals across the thoroughbred, harness and greyhound codes.

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 National Parks, Recreation, Sport and Racing	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ^{1,2}			
Deferred from previous year/s	..	..	7,726
Balance of service appropriation	78,333	62,747	276,806
Other revenue	27,700	12,026	95,895
Total income	106,033	74,773	380,427
Expenses			
National Parks	42,848	309,432	195,187
Sport and Recreation	43,824	35,789	132,520
Racing	19,361	906	50,088
Total expenses	106,033	346,127	377,795
Operating surplus/deficit	..	(271,354)	2,632
Net assets	3,493,069	3,222,363	3,182,139
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	2,697	481	21,481
Other administered revenue	..	..	1,657
Total revenue	2,697	481	23,138
Expenses			
Transfers to government	..	..	1,657
Administered expenses	2,697	481	21,481
Total expenses	2,697	481	23,138
Net assets	8,110	6,715	6,715
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	78,833	71,324	275,955
Equity adjustment	..	469	(41,670)
Administered items	2,697	481	21,481
VOTE TOTAL³	81,530	72,274	255,766

Notes:

1. Appropriation for services does not match appropriation for Departmental services due to appropriation receivable of \$1.2 million and appropriation payable of \$9.8 million.
2. Includes State and Commonwealth funding.

3. The 2011-12 Adjusted Budget has been revised to reflect the impact of machinery of Government changes and as a result does not match the 2012-13 Appropriation Bills.

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 National Parks, Recreation, Sport and Racing	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	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	(5,400)	..	..	..
Departmental	(2,946)	(18,853)	(25,856)	(28,413)	(28,963)
Total expense measures					
Administered	..	(5,400)	..	..	..
Departmental	(2,946)	(18,853)	(25,856)	(28,413)	(28,963)
Capital measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	19,000	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	(100)	(300)	(300)	(300)
Total capital measures					
Administered	..	..	..	..	..
Departmental	..	(100)	(300)	18,700	(300)

Staffing¹

	Notes	2011-12 Adjusted Budget	2011-12 Est. Actual	2012-13 Estimate
TOTAL	2	1,464	1,457	1,329

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The department also receives corporate services from the Department of Environment and Heritage Protection; legal and accommodation services from the Department of Natural Resources and Mines; and ICT and information management and administration services, including office accommodation and maintenance and some aspects of fleet management, from the Department of Agriculture, Fisheries and Forestry.

SERVICE PERFORMANCE

The service area structure reflects the machinery of government changes announced by the Premier on 3 April 2012. As part of the machinery of government changes, the Department of National Parks, Recreation, Sport and Racing was created.

National Parks

This new service area contributes directly to the departmental objective 'National parks are well managed and available to be enjoyed by all Queenslanders'.

The Queensland Parks and Wildlife Service (QPWS) delivers recreation, tourism and conservation services for the parks and forest estate.

Management responsibilities include a public estate of approximately 12.5 million hectares of land including national park and State forest tenures, as well as reserves, trusteeships, and freehold land. The service area is directly responsible for managing State marine parks with a total area of approximately 72,000 square kilometres, and has primary responsibility for the day to day management of the Great Barrier Reef Marine Park (345,000 square kilometres).

The delivery of high quality visitor facilities such as day use and camping areas, lookouts, walking tracks, mountain bike trails and access roads that are clean, safe and meet visitor needs is a priority to ensure national parks are well managed and available to be enjoyed by all Queenslanders.

Recreation and Sport

This service area contributes directly to the departmental objective 'Increased participation of Queenslanders in sport and active recreation'. The department works collaboratively with government, the sport and recreation industry and the community focusing on four key areas: Participation and pathways; Places and spaces; Industry capacity; and High performance.

The objective of this service area is achieved by:

- collaboratively developing policies and programs designed to increase sport and recreation participation
- funding and services delivered through key initiatives focussed on children and young people, clubs and sport and recreation organisations
- providing adventure and structured sport and active recreation programs designed to promote active and healthy lifestyles through Active Recreation Centres.

The service area also focuses on achieving increased industry capacity through the provision of funding towards the employment of local sport and recreation coordinators; and supporting the development and service delivery of State sport and active recreation organisations.

The service area manages the Queensland Academy of Sport which assists talented athletes and coaches to pursue excellence within their chosen sport and supports athletes directly through coaching and developing sports programs, and indirectly through the State sporting organisations.

Improved recreation spaces and infrastructure provided by this service area improve accessibility and encourage all Queenslanders to increase their participation in sport and recreation.

Racing

This service area contributes directly to the departmental objective 'Rejuvenate the Queensland racing industry'.

The Office of Racing Regulation administers the *Racing Act 2002*, which provides a framework for the regulation of the Queensland racing industry to ensure integrity and public confidence in the industry. The *Racing Act 2002* places significant emphasis on the role of government in relation to matters impacting on the probity and integrity of racing, and the need to protect the public interest.

The Racing Science Centre is an accredited facility under the *Racing Act 2002*, providing a comprehensive range of racing integrity services, including drug testing, research and other scientific services. The service area also monitors, advises and makes recommendations to the Chief Executive about matters related to the welfare of licensed animals and drug control in the Queensland racing industry.

In order to rejuvenate the Queensland Racing industry, the Government has committed to re-establishing separate control bodies for each code of racing, namely thoroughbred, harness and greyhound racing, along with a Queensland All Codes Racing Industry Board. The Queensland All Codes Racing Industry Board will be responsible for cross-industry issues such as funding and infrastructure needs, while each control body will be responsible for the day to day operations of their respective codes. In addition, amendments to the *Racing Act 2002* will transfer appropriate integrity functions to government and remove restrictions on bookmakers to make them more competitive with bookmakers in other states.

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
National Parks	195,187	153,160	13,616	10,866	20,045
Recreation and Sport	132,520	124,043	6,879	..	1,598
Racing	50,088	7,329	4,003	..	38,888
Total	377,795	284,532	24,498	10,866	60,531

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: National Parks	1			
Service standards				
Delivery of infrastructure projects on Queensland Parks and Wildlife Service managed estates, as measured by the capital works activity index	2,3,4	90%	71.5%	80%
Other measures				
Implement the Queensland Parks and Wildlife Service (QPWS) Strategic Pest Management Program, measured as a percentage of projects delivered annually	2	90%	95%	90%
Implementation of Queensland Parks and Wildlife Service (QPWS) fire management system, measured by planned burns implemented as a percentage of the QPWS managed estate	2, 5	5%	6.4%	5%
State contribution (\$000)		160,254	171,677	153,160
Other revenue (\$000)		33,699	33,353	44,527
Total cost (\$000)	6,7	193,953	476,477	195,187
Service Area: Recreation and Sport	8			
Service standards				
Percentage of athletes selected for national teams from the Queensland Academy of Sport		25%	27%	25%
Average service cost of coaching provided to each Queensland Academy of Sport athlete	9	\$12,162	\$5,983	\$6000
Participant satisfaction with the department's sport and active recreation programs	10	90%	96%	92%
Other measures				
Total investment in sport and active recreation in Queensland for:				
• Infrastructure	11	\$65.8 million	\$57.8 million	\$45 million
• Participation and development programs	12	\$44.8 million	\$38.4 million	\$38 million

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Number of volunteers accessing education and training opportunities	13	4,800	7,523	5,500
State contribution (\$000)		128,715	128,715	124,043
Other revenue (\$000)		10,190	10,218	8,559
Total cost (\$000)	6	138,905	138,851	132,520
Service Area: Racing	1			
Measures				
Proportion of racing audit, probity and inspection activities completed in accordance with annual program targets	14,15	90%	100%	95%
Proportion of racing investigations completed within timeframes established in service delivery standards	14	95%	98%	95%
State contribution (\$000)		3,976	4,243	7,329
Other revenue (\$000)		42,536	23,824	42,891
Total cost (\$000)	6	46,511	28,052	50,088

Notes:

1. This is a new service area introduced from the 2012-13 year.
2. This performance measure was transferred from the Environment service area of the former Department of Environment and Resource Management following machinery of government changes.
3. The impact of the recent extreme weather events in Queensland resulted in delays in accessing construction sites and diversion of rangers to undertake significant repairs of damaged infrastructure. There was also a shortage of contractors to undertake capital works at some locations. Capital works expenditure was 89.64% of budget and project completion was 53.4% (55 projects out of 103), with several projects to be carried over for completion in 2012-13. Averaging both these percentages results in the capital works activity index of 71.5%.
4. The target has been reduced to reflect the later allocation of capital funding due to the timing of the State budget for 2012-13.
5. The amount of planned burning undertaken in any year is variable due to a range of factors including seasonal conditions and wildfire activity.
6. Explanations of variances are provided in the financial statements.
7. The 2011-12 Estimated Actual Total Cost recognises a decrement on revaluation of assets of \$271.4 million as well as non-recurring expenses such as voluntary separation payments and disaster recovery costs.
8. This service area has been renamed from Sport and Recreation Services and was transferred from the former Department of Communities following machinery of government changes, along with the related service standards and other measures.
9. The lower than anticipated average service cost of coaching provided to each Queensland Academy of Sport athlete is a result of higher than expected level of athletes on sponsorships leading up to qualifying for the Olympic Games. The 2011-12 target/estimate was based on a small sample. The 2012-13 target/estimate has been updated to reflect forecast program participants.
10. The increase from the 2011-12 target/estimate to the 2012-2013 target/estimate reflects the historical higher satisfaction response rate.

11. The variance between the 2011-12 target/estimate and the 2011-12 estimated actual is mainly due to delays in capital works projects. In addition, the Northern Outlook Centre construction was completed, and this asset transferred to the Department of Justice and Attorney-General following machinery of government changes. The variance between the 2011-12 target/estimate and the 2012-13 target/estimate is due to savings as part of the Government's commitment to reduce waste and improve efficiency and the completion of infrastructure projects such as the Sleeman Aquatic Centre, Regional Tennis Queensland Program, and the Northern Outlook Centre.
12. The variance between the 2011-12 target/estimate and the 2012-13 target/estimate is mainly due to the variance in funding commitments of the discontinued Sport and Recreation Active Inclusion Program, and the forecast expenditure for the *Get in the Game* initiative.
13. The increase from the 2011-12 target/estimate to the 2011-12 estimated actual is the result of an increase in attendance at education, training and accreditation programs, as well as the inclusion of the Get Active Queensland Accreditation Program to the data collection set.
14. This performance measure was transferred from the Science, Agriculture, Food and Regional Services service area of the former Department of Employment, Economic Development and Innovation following machinery of government changes.
15. The 2012-13 target/estimate has been reviewed taking into account the higher level of performance achieved in 2011-12.

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	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Area: National Parks	1			
Percentage of <i>Sustainable Planning Act 2009</i> development applications assessed within legislative timeframes	2,3	100%	99.2%	Discontinued measure

Notes:

1. This is a new service area introduced from the 2012-13 year.
2. This performance measure was transferred from the Land service area of the former Department of Environment and Resource Management following machinery of government changes.
3. This performance measure relates to the legislative trigger in the *Sustainable Planning Regulation 2009* for development applications involving land in or near a conservation estate only. The *Sustainable Planning Regulation 2009* was amended from 3 August 2012 to remove this requirement. Performance against the relevant individual legislative triggers captured by the 2011-12 performance measure will also be presented in the Performance Statements for the Department of Environment and Heritage Protection and the Department of Natural Resources and Mines.

Administered Items

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

The Department of National Parks, Recreation, Sport and Racing administers funds on behalf of the State which includes Stadiums Queensland to support the maintenance and operation of its nine international standard sporting and entertainment facilities.

The department collects a range of regulatory fees associated with permits for commercial activity in or near parks. These fees are generally levied on members of the community or small business.

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

CAPITAL

Capital program

The capital acquisition program for the Department of National Parks, Recreation, Sport and Racing for 2012-13 is \$26.9 million. The 2012-13 capital program directly supports the department's objectives through a significant capital works program including the Capital Works on Parks and Forests program and the Recreation Program and Sports Houses capital works program.

The Queensland Parks and Wildlife Service (QPWS) capital works program (Capital Works on Parks and Forests) provides infrastructure critical for the management, enjoyment and protection of our special places. Queensland's parks and forests host around 16 million visits annually and suitable facilities are essential to ensure visitor enjoyment and safety.

QPWS staff maintain visitor infrastructure and assets worth approximately \$1 billion including more than 2,000 kilometres of walking tracks, 447 camping areas, 195 parks providing day-use facilities, over 30,000 kilometres of roads and fire-lines, around 300 administrative buildings including houses and around 160 workshop areas. QPWS has a three year rolling capital works plan in place to develop, approve and prioritise projects.

In 2012-13, \$13.9 million will be provided for capital works to replace and build visitor and management infrastructure on Queensland's protected area estate and forests.

Sport and Recreation Services has a 2012-13 capital works budget of \$5.8 million for priority capital upgrade projects at its Active Recreation Centres, Sports Reserves and Sport Houses to enhance service delivery, provide greater participation outcomes and ensure a safe user environment. Key projects in the program for 2012-13 include completion of construction of an outdoor climbing wall at Tallebudgera Active Recreation Centre, refurbishment of the swimming pool and construction of an indoor climbing wall at Currimundi Active Recreation Centre and construction of an outdoor climbing wall at Lake Tinaroo Active Recreation Centre.

Continuing support is also provided in the delivery of services through the ongoing replacement of plant and equipment and through the continued development and enhancement of information technology systems.

Capital budget statement

Department of National Parks, Recreation, Sport and Racing	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases^{1,2}				
Total land, buildings and infrastructure	3	11,697	7,999	23,177
Total plant and equipment		5,812	6,300	2,690
Total other capital		1,521	1,521	995
Total Capital Purchases		19,030	15,820	26,862

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. Machinery of Government resource transfers only took effect from 1 May 2012. The 2011-12 amounts therefore only reflect two months of activity compared to 2012-13 which provides annual estimates.
3. \$1.5 million in State Government expenditure has been deferred from 2011-12 to 2012-13. The 2012-13 allocation includes an estimated contribution from the Australian Government of \$2.5 million.

BUDGETED FINANCIAL STATEMENTS

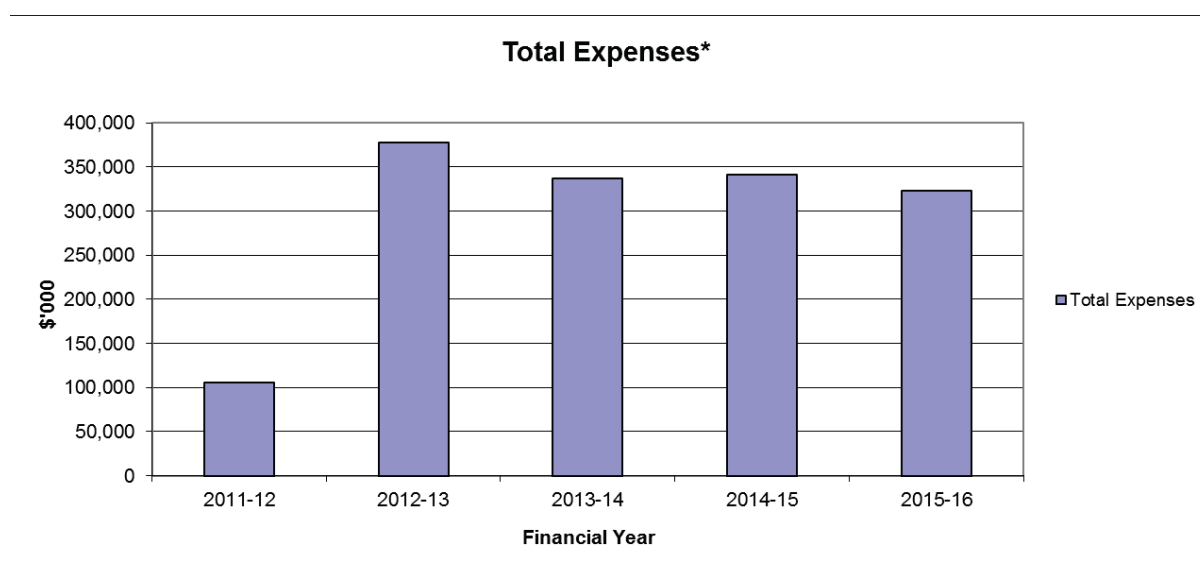
Analysis of budgeted financial statements

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 \$377.8 million in 2012-13, an increase of \$271.8 million from the 2011-12 Adjusted Budget. This increase is mainly due to the impact of the creation of the department following the machinery of government changes that occurred in April 2012. This resulted in the functions and the associated resourcing of the Queensland Parks and Wildlife Service, Sport and Recreation Services, including the Queensland Academy of Sport and the Office of Racing being transferred to the new department for the period May 2012 to June 2012. The significant increase reflects the initial two month period only in 2011-12 compared to the full 2012-13 financial year.

Chart: Total departmental expenses across the Forward Estimates period



*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.

The decrease from 2012-13 is primarily the result of the anticipated reductions in infrastructure related capital and recurrent grants provided to sporting and recreation organisations and capital grants under the Racing Industry Development Scheme. Grants expense decreases \$29.9 million from 2012-13 to 2013-14 of which \$17.1 million relates to the Racing Industry Development Scheme. This is the combined result of savings measures and the one off impact of funding deferred to the 2012-13 financial year from 2011-12.

Departmental balance sheet

The department's major assets are heritage and cultural land held as National Parks (\$1.6 billion); infrastructure (\$844 million) such as roads and buildings on National Parks and other land (\$470 million) mainly associated with sport and recreation facilities. Revaluations in 2011-12 have resulted in a significant decrement in the value of land and infrastructure (\$271.4 million). Under accounting standards the department is required to periodically revalue its assets, including land and infrastructure. As the department is a new entity there are no historical revaluation reserves to offset this decrement against and has therefore resulted in a loss.

The department's main liabilities are payables of a general operating and employee expense nature and are not expected to increase substantially by 2015-16.

INCOME STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,6,8,9	78,333	62,747	284,532
User charges	6,8,10	2,550	3,440	24,498
Grants and other contributions	2,6,8	25,150	7,064	69,093
Other revenue	6,8	..	1,522	2,304
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		106,033	74,773	380,427
Expenses				
Employee expenses	6,8,9	22,397	22,755	106,618
Supplies and services	3,6,8,9	21,879	18,940	93,018
Grants and subsidies	2,4,6,8,9	48,485	21,073	115,184
Depreciation and amortisation	6,8	12,112	10,690	60,327
Finance/borrowing costs		6	..	..
Other expenses	6,8	1,156	1,222	2,648
Losses on sale/revaluation of property, plant and equipment and investments	5	(2)	271,447	..
Total expenses		106,033	346,127	377,795
OPERATING SURPLUS/(DEFICIT)	5,7,10	..	(271,354)	2,632

STATEMENT OF CHANGES IN EQUITY

Department of National Parks, Recreation, Sport and Racing	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		(216)	..	..
Net income recognised directly in equity		(216)	..	..
Surplus/(deficit) for the period	5,7,10	..	(271,354)	2,632
Total recognised income and expense for the period		(216)	..	..
Equity injection/(withdrawal)		..	957	(42,158)
Equity adjustments (MoG transfers)		3,493,285	3,492,760	(698)
Total movement in equity for period		3,493,069	3,222,363	(40,224)

BALANCE SHEET

Department of National Parks, Recreation, Sport and Racing	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	11,16,20	16,621	37,488	25,572
Receivables	12,17	17,428	9,612	7,913
Other financial assets		..	..	..
Inventories		140	140	140
Other		134	124	124
Non-financial assets held for sale		..	..	..
Total current assets		34,323	47,364	33,749
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	13,18,21	3,477,463	3,203,361	3,166,004
Intangibles		4,507	4,507	5,467
Other		..	..	..
Total non-current assets		3,481,970	3,207,868	3,171,471
TOTAL ASSETS		3,516,293	3,255,232	3,205,220
CURRENT LIABILITIES				
Payables	14,22	12,271	22,531	12,743
Accrued employee benefits		4,188	3,997	3,997
Interest-bearing liabilities and derivatives		673	466	466
Provisions		..	..	..
Other		823	606	606
Total current liabilities		17,955	27,600	17,812
NON-CURRENT LIABILITIES				
Payables		3,748	3,748	3,748
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		1,521	1,521	1,521
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		5,269	5,269	5,269
TOTAL LIABILITIES		23,224	32,869	23,081
NET ASSETS/(LIABILITIES)		3,493,069	3,222,363	3,182,139
EQUITY				
Capital/contributed equity		3,493,285	3,493,717	3,450,861
Accumulated surplus/(accumulated deficit)	15,19	(216)	(271,354)	(268,722)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		3,493,069	3,222,363	3,182,139

CASH FLOW STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	23,26,28, 29	78,333	71,324	275,955
User charges	26,28	2,555	3,440	24,498
Grants and other contributions	24,26,28	25,150	7,064	69,093
Other	26,28	..	1,522	2,304
Outflows:				
Employee costs	26,28,29	(22,397)	(22,755)	(106,618)
Supplies and services	26,28,29	(21,879)	(18,940)	(93,018)
Grants and subsidies	26,28,29	(48,485)	(21,073)	(115,184)
Borrowing costs		(6)	..	..
Other	26,28	(1,156)	(1,222)	(2,648)
Net cash provided by/(used in) operating activities		12,115	19,360	54,382
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		(3)	..	2,234
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	25,26,28	(19,030)	(15,820)	(26,862)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(19,033)	(15,820)	(24,628)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	27,30	..	469	6,009
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	31	..	..	(47,679)
Net cash provided by/(used in) financing activities		..	469	(41,670)
Net increase/(decrease) in cash held		(6,918)	4,009	(11,916)
Cash at the beginning of financial year		..	..	37,488
Cash transfers from restructure		23,539	33,479	..
Cash at the end of financial year		16,621	37,488	25,572

ADMINISTERED INCOME STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	33,34,35	..	..	1,657
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	32,33,35	2,697	481	21,481
Other		..	..	..
Total revenues		2,697	481	23,138
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation				
Grants and subsidies	32,33,35	2,697	481	21,481
Benefit payments				
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		2,697	481	21,481
Net surplus or deficit before transfers to Government	34	..	..	1,657
Transfers of administered revenue to Government		..	..	1,657
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of National Parks, Recreation, Sport and Racing	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		235	235	235
Receivables		30	30	30
Inventories				
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		265	265	265
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	36	7,845	6,450	6,450
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		7,845	6,450	6,450
TOTAL ADMINISTERED ASSETS		8,110	6,715	6,715
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		..	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		..	..	..
ADMINISTERED NET ASSETS/(LIABILITIES)		8,110	6,715	6,715
EQUITY				
Capital/Contributed equity		8,110	5,965	5,965
Accumulated surplus/(Accumulated deficit)		..	750	750
Reserves:		..	..	..
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		8,110	6,715	6,715

ADMINISTERED CASH FLOW STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	37,38,40	2,697	481	21,481
Grants and other contributions		..	..	..
Taxes, fees and fines	38,39,40	..	..	1,657
Royalties, property income and other territorial revenues		..	..	..
Other		..	..	..
Outflows:				
Transfers to Government	38,39,40	..	..	(1,657)
Grants and subsidies	37,38,40	(2,697)	(481)	(21,481)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	..	..
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		..	..	..
Administered cash at beginning of financial year		..	..	235
Cash transfers from restructure		235	235	..
Administered cash at end of financial year		235	235	235

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The reduction in service revenue reflects the impact of required savings measures in 2011-12 (\$2.9 million) and deferral of unexpended program funds from 2011-12, including most significantly Sport and recreation grants (\$7.5 million) and from the North Stradbroke Island initiative (\$2.8 million).
2. The reduction in grant revenue reflects Wagering Tax revenue provided by Queensland Treasury for the Racing Industry Capital Development Scheme. An amount of \$17.7 million included in the adjusted budget has been deferred until later years. Further adjustments in 2011-12 have resulted from variations to actual Wagering Tax collections.
3. The under expenditure reflects savings achieved in 2011-12 in QPWS operating costs and deferral of some unexpended funds from 2011-12, including the North Stradbroke Island Initiative (\$2.8 million) due to delays in negotiations and a revised work plan.
4. Reduction in grants expenditure results mainly from savings initiatives in 2011-12 and the deferral of Racing Industry Capital Development Scheme (\$17.7 million) and Sport and Recreation program grants (\$7.4 million) from 2011-12.
5. The 2011-12 operating deficit reflects the valuation decrement of \$271.4 million relating to land and infrastructure assets associated mainly with National Parks. Following the establishment of the new Department in 2011-12, no revaluation reserve is available to offset this reduction in asset valuations.

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

6. The 2011-12 income and expense figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.
7. The budgeted surplus in 2012-13 largely reflects estimated revenue of \$2.5 million to be received from the Commonwealth for capital purposes towards the building of a new vessel for National Parks.

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

8. The 2011-12 income and expense figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.
9. The 2012-13 allocation includes combined savings measures of \$25 million resulting in the reduction of allocations to employee expenses, supplies and services and grants expense. Additional funding has been received for National Parks Volunteers, North Stradbroke Island, Coal Seam Gas regulation and Cape York joint management.
10. The budgeted surplus in 2012-13 primarily reflects estimated revenue of \$2.5 million to be received from the Commonwealth for capital purposes towards the building of a new vessel for National Parks. No significant changes to asset values are expected in 2012-13.

Statement of changes in equity

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

5. The 2011-12 operating deficit reflects the valuation decrement of \$271.4 million relating to land and infrastructure assets associated mainly with National Parks. Following the establishment of the new Department in 2011-12, no revaluation reserve is available to offset this reduction in asset valuations.

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

7. The budgeted surplus in 2012-13 largely reflects estimated revenue of \$2.5 million to be received from the Commonwealth for capital purposes towards the building of a new vessel for National Parks.

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

10. The budgeted surplus in 2012-13 reflects estimated revenue of \$2.5 million to be received from the Commonwealth for capital purposes towards the building of a new vessel for National Parks. No significant changes in asset valuations are expected in 2012-13.

Balance sheet

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

11. The increase in cash balances largely reflects the level of deferred appropriation payable to Government of \$9.8 million as well as payables of an operating nature and accrued employee entitlements \$7.8 million. The unspent appropriation funding is predominately for Recreation and Sport grant programs deferred into 2012-13.
12. Receivables are adjusted in accordance with actual balances at year end and fluctuate from year to year.
13. The reduction largely reflects the revaluation decrement of \$271.4 million related to land and infrastructure assets associated with National Parks.
14. The variance reflects an increase in deferred appropriation payable to Government of \$9.8 million mainly for unexpended Recreation and Sport grant programs deferred until 2012-13.
15. The accumulated deficit in 2011-12 results from the necessary accounting treatment of the revaluation decrement associated with land and infrastructure assets on National Parks following the creation of the new Department.

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

16. The increase in cash balances is primarily due to the decrease in receivables of \$7.8 million at the end of 2011-12.
17. Receivables are adjusted in accordance with actual balances at year end and fluctuate from year to year.
18. The reduction largely reflects the revaluation decrement of \$271.4 million related to land and infrastructure assets associated with National Parks and the impact of accumulated depreciation during 2012-13. No significant changes to asset values are expected in 2012-13.
19. The accumulated surplus for 2012-13 reflects the impact of the revaluation decrement in 2011-12 offset slightly by the anticipated surplus from the Commonwealth contribution for a National Parks vessel.

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

20. The decrease in cash balances reflects a decrease in deferred appropriation payable to Government of \$9.8 million recognised at the end of 2011-12. The unspent appropriation funding is predominately for Recreation and Sport grant programs deferred into 2012-13.
21. The reduction in the balance of Property, Plant and Equipment reflects that depreciation expense during the period exceeds the value of the planned capital acquisition program for 2012-13. No significant changes to asset values are expected in 2012-13.
22. The decrease reflects the level of deferred appropriation payable to Government of \$9.8 million in 2011-12 relating to unspent funding predominately for Recreation and Sport grant programs deferred into 2012-13.

Cash flow statement

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

23. The reduction in service receipts reflects the impact of required savings measures in 2011-12 (\$2.9 million) and deferral of unexpended program funds from 2011-12 for the North Stradbroke Island initiative (\$2.8 million) due to delays in negotiations and a revised work program.
24. Reduction in grants inflows reflects Wagering Tax revenue provided by Queensland Treasury for the Racing Industry Capital Development Scheme. An amount of \$17.7 million included in the adjusted budget has been deferred until later years. Further adjustments in 2011-12 have resulted from variations to actual Wagering Tax collections.
25. Reduction in outflows for Property, Plant and Equipment reflect changes to the 2011-12 capital acquisition program including the deferral of funding for North Stradbroke Island to later years to match a revised work program and the deferral of a further \$1.5 million identified for vessel replacement.

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

26. The 2011-12 inflows and outflows figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.
27. Capital funding is provided through a combination of cash injections (equity injections) and cash equivalent to depreciation funding. The equity injection in 2012-13 reflects the component of the 2012-13 capital program funded by these cash injections by Government.

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

28. The 2011-12 inflows and outflows figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.
29. 2012-13 allocations includes combined savings measures of \$25 million resulting in the reduction of allocations to employee expenses, supplies and services and grants expense. Additional funding has been received for National Parks Volunteers, North Stradbroke Island, Coal Seam Gas regulation and Cape York joint management.
30. Capital funding is provided through a combination of cash injections (equity injections) and cash equivalent to depreciation funding. The equity injection in 2012-13 reflects the component of the 2012-13 capital program funded by these cash injections by Government.
31. Equity Withdrawal reflects that the cash equivalent to depreciation expense exceeds the planned capital acquisition program for 2012-13. Surplus cash funding for depreciation is returned to Government as an equity withdrawal during the year.

Administered income statement

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

32. Administered revenue relates to grant funding provided for Stadiums Queensland. Funding provided in 2011-12 reduced due to a lower than estimated cost for land tax. This saving was returned to Government in 2011-12.

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

33. The 2011-12 income and expense figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.
34. Funds relates to Taxes, Fees and Fines estimated to be collected for commercial activities on Parks and other regulatory fees relating to activities on Parks and Forests. This revenue is returned to Government.

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

35. The 2011-12 income and expense figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.

Administered balance sheet

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

36. Reflects actual value of property, plant and equipment transfer to NPRSR.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

36. Reflects actual value of property, plant and equipment transfer to NPRSR.

Administered cash flow statement

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

37. Administered revenue relates to grant funding provided for Stadiums Queensland. Funding provided in 2011-12 reduced due to a lower than estimated cost for land tax. This saving was returned to Government in 2011-12.

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

38. The 2011-12 inflows and outflows figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.
39. Funds relates to Taxes, Fees and Fines estimated to be collected for commercial activities on Parks and other regulatory fees relating to activities on Parks and Forests. This revenue is returned to Government.

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

40. The 2011-12 inflows and outflows figures only reflect the resource transfers for a two month period resulting from the Machinery of Government changes effective from 1 May 2012. The 2012-13 estimate is for the full year.

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.

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.

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