

Service Delivery Statements

Department of Environment and Heritage Protection

2014–15 State Budget Papers

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Appropriation Bills

Concessions Statement

The suite of Budget Papers is similar to that published in 2013-14.

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Service Delivery Statements

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Department of Environment and Heritage Protection

Summary of portfolio budgets

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
2	Department of Environment and Heritage Protection – controlled	166,637	178,396	175,034
	Department of Environment and Heritage Protection - administered	6,016	9,586	7,143

Notes:

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

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

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

Minister for Environment and Heritage Protection The Honourable Andrew Powell MP

Department of Environment and Heritage Protection Director-General: Jon Black
Service Area 1: Environmental Management
Service Area 2: Conservation Programs
Service Area 3: Built Heritage

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

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The Department of Environment and Heritage Protection aims to be the most respected and responsive environment and heritage protection agency in Australia. The department is responsible for managing the health of the environment to protect Queensland's unique ecosystems, including its landscapes and waterways, as well as its native plants and animals and biodiversity, acting as a strong environmental regulator by supporting sustainable long-term economic development and identifying and conserving the State's built heritage places.

The department's two primary objectives are:

- balancing economic growth with environmental protection
- a responsive, respected and effective public service.

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

- grow a four pillar economy by reducing the complexity of legislation and cutting greentape, continuing to streamline assessment and approval processes to facilitate efficient and timely environmental decisions, supporting the sustainability and productivity of the resources sector and agriculture industries and promoting tourism opportunities related to Queensland's natural environment and built heritage
- lower the cost of living by providing more efficient and effective environmental regulation and service delivery through the use of technological and other innovations and decreasing government-imposed costs on industry and the community
- invest in better infrastructure and use better planning by working with industry, the community and other levels of government to develop evidence-based conservation plans, contributing to the planning reform agenda of government, providing real protection for our dugongs, turtles and koalas and enabling firm but fair application of regulation
- revitalise frontline services by improving and integrating service delivery with other agencies, placing appropriate resources on the frontline where they are best placed to serve the community and industry, supporting local environment groups through targeted grants and providing the community with access to more information about the health of the environment
- restore accountability in Government by delivering the Government's commitments and priorities, better engaging with the community to enable people to have a real say on environmental issues affecting their community, providing greater transparency in decision making and capitalising on Public Sector Renewal opportunities to improve services.

Strategic challenges for the department include balancing environmental, social and economic outcomes; achieving best practice environmental regulation; reducing the impacts of environmental disasters; evidence-based environmental and heritage management and building a positive culture of performance.

The department's key policy and service delivery priorities in 2014–15 are to:

- ensure continued reductions in regulatory burden for the coal seam gas (CSG) industry, whilst maintaining strong standards of environmental protection by designing a more strategic and cost-effective compliance monitoring program (for example, satellite imagery), further standardising and streamlining the assessment, conditioning and approvals processes for CSG development proposals, continuing engagement with the community and industry on CSG water management and responding to the Queensland Competition Authority review of CSG regulation including implementation of model conditions for petroleum and gas activities, at a cost of \$5.2 million
- provide a further \$5 million for Round Three of the Everyone's Environment grant program, an initiative established to provide funding for eligible Queensland community groups to undertake projects aimed at delivering grassroots practical actions for local environmental improvements and conserving Queensland's built heritage
- provide a further \$2.3 million over two years to complete the three year pilot crocodile management plan in North Queensland, including the Hinchinbrook and Cassowary Coast local government areas as well as Cairns and Townsville to limit risks of potential crocodile/human interaction
- under the Reef Water Quality Program, continue to partner with industry to further develop and implement best management practice systems for sugarcane, grazing and bananas. The department will deliver robust research to provide evidence and inform continuous improvement of these systems and provide on-ground advice to landholders in partnership with the Department of Agriculture, Fisheries and Forestry at a total cost of \$10 million in 2014–15 and \$50 million over five years
- streamline assessment of significant investment projects through implementation of the proposed Approvals Bilateral Agreement with the Commonwealth. Expected to commence in September 2014, the Agreement will see Matters of National Environmental Significance assessed by the State, providing a one-stop-shop for proponents and removing duplication. The increased assessment costs will be offset by an increase in application fees, consistent with the 'user-pays' principle. Applicants will benefit from reduced project holding-costs and efficiency savings
- through the Queensland Indigenous Land and Sea Ranger Program, provide \$ 9.1 million in 2014-15 to build the participation of Indigenous people in caring for country activities that protect the health of Queensland's unique species, ecosystems, land and waterways. The program will contribute to sustainable economic development by providing full-time employment for Indigenous rangers in regional and remote communities and, through the Junior Ranger Program, educate the next generation about looking after country
- simplify and streamline departmental compliance and assessment through the Compliance Renewal Program which will introduce a new compliance framework for certifiers and auditors, implement a new 'proactive compliance' methodology, and introduce simplified processes and systems. The Compliance Renewal Program will cost approximately \$8.7 million over three years commencing in 2013–14 and \$3.8 million in 2014–15. The program will deliver standardised, integrated and cost-effective services across the department including a new Information and Communication Technology (ICT) system to replace at risk systems and take advantage of new technologies (such as 'cloud hosting' and smartphone integration). This new ICT system will be a result of Project Unify, the cornerstone project within the Compliance Renewal Program. Project Unify will enable the department to be more adaptable, and improve services to both Queensland industry and the general public
- develop a risk based model for financial assurance to effectively manage the risk of a resources operation not meeting their rehabilitation requirements, be more cost effective for industry and generate an income stream to fund rehabilitation of historical abandoned mines
- release a new industry-led Waste Strategy for the State Government. The new Strategy will provide the vision and framework for managing waste for the next 10 years, and be supported by detailed action plans.

The department's key achievements in 2013–14 included:

- completing the Protected Plants Legislation Review and commencing a new management framework that takes a risk-based approach by focusing regulation on matters of high risk while streamlining and simplifying requirements that formerly restricted low risk and sustainable activities
- commencing an improved flying-fox roost management framework that gives councils an 'as-of-right' authority to manage roosts in designated urban areas, subject to a code of practice, without the need for a permit
- developing a revised flying-fox crop protection framework with a streamlined permitting process that contains a broadened range of non-lethal and lethal deterrents, reduces reporting requirements and includes a more outcome-focused code of practice
- developing streamlined model conditions for petroleum production and reducing assessment timeframes for petroleum project proposals by 54% compared to two years ago
- publication of model conditions for quarries, dredging and landfills, release of an updated guideline for operation, siting and rehabilitation of landfills and release of an updated manual and guideline for regulated (hazardous) dams
- expanding the Fitzroy pilot program for management of legacy water in mines in the Fitzroy basin
- receiving a Queensland commendation for planning excellence from the Planning Institute of Australia for the *Developing Heritage Places guideline*, publicly accessible on the department's website
- developing technical notes to provide Queenslanders with professional advice and guidance to conserve and protect heritage places
- the successful implementation of the public program for heritage including the "I dig heritage" archaeological installation at the Brisbane Exhibition and Brisbane Open House weekend and the Partnership between the Queensland Heritage Council, National Trust of Queensland and other local councils to present Open House weekends in Brisbane, Toowoomba and Maryborough
- allocating an additional \$0.6 million to 34 heritage projects which aim to conserve Queensland's built heritage, and improve access to and understanding of heritage-listed places or historic shipwrecks
- introducing new Beneficial Use Approvals (BUA) for associated water (including coal seam gas water) for irrigation and for other uses. The BUA for Irrigation Water is in place and the BUA for other uses (e.g. stock watering, coal washing) is currently being finalised and will be in effect prior to 30 June 2014
- continuation of wetland protection in the Great Barrier Reef relating to high risk earth works
- recognition of wetlands as a Matter of State Environmental Significance under the Single State Planning Policy
- allocating \$3.4 million to 83 projects under Round Two of the Everyone's Environment Grant Program
- introducing the Environmental Offsets Bill 2014, which counterbalances the impacts of particular activities on matters of environmental significance through using environmental offsets, into the Queensland Legislative Assembly
- releasing Queensland's Litter and Illegal Dumping Action Plan to drive collective action in addressing the issue of littering and illegal dumping
- launching the Gladstone Healthy Harbour Partnership. A pilot report card is on track to be released by the end of 2014, and the first full report card will be published in 2015.

Departmental Budget Summary

The table below shows the total resources available in 2014-15 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Environment and Heritage Protection	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED			
Income			
Appropriation for services ¹			
Deferred from previous year/s	7,714	14,183	9,384
Balance of service appropriation	115,982	106,812	119,052
Other revenue	42,941	45,309	46,598
Total income	166,637	166,304	175,034
Expenses			
Environmental Management	76,742	77,872	81,222
Conservation Programs	77,206	85,198	78,014
Built Heritage	3,084	5,174	5,222
Corporate Partnerships ²	9,606	10,152	10,576
Total expenses³	166,637	178,396	175,034
Operating surplus/deficit³	..	(12,092)	..
Net assets	66,270	42,209	54,627
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	..	..	..
Other administered revenue	6,016	8,153	7,143
Total revenue	6,016	8,153	7,143
Expenses			
Transfers to government	6,016	8,153	7,143
Administered expenses	..	1,433	..
Total expenses	6,016	9,586	7,143
Net assets	3,457	258	258

Notes:

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

3. Increase to 2013-14 Estimated actual and projected operating deficit in the 2013-14 Estimated actual relates to a number of externally funded programs where revenue has been received in a prior year and carried forward as part of the department's cash reserves. Further details can be found in the notes to the financial statements.

Budget Measures Summary¹

The table shows a summary of Budget measures relating to the department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4.

Department of Environment and Heritage Protection	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	61	6,077	11,290	16,503	21,716
Expense measures					
Administered	..	..	..	..	..
Departmental	54	19,544	12,412	5,675	5,688
Capital measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The totals reconcile with Budget Paper 4.

Staffing¹

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Environmental Management	2	560	551	570
Conservation Programs	2	323	343	339
Built Heritage	2,3	14	34	34
Subtotal		897	928	943
Corporate Partnerships	4,5	83	83	83
TOTAL	6,7	980	1,011	1,026

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Increase in Built Heritage reflects a re-categorisation of positions between service areas.
4. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. Corporate FTEs employed by the department as part of the corporate partnership arrangements provide services to:
 - Agriculture, Fisheries and Forestry
 - Energy and Water Supply
 - National Parks, Recreation, Sport and Racing
 - Natural Resources and Mines
 - Tourism, Major Events, Small Business and the Commonwealth Games.
5. Under the corporate partnership arrangements, the department also receives services from Agriculture, Fisheries and Forestry and Natural Resources and Mines.
6. Increase to 2013-14 Estimated actual reflects additional FTEs for Crocodile Management, Compliance Renewal Program and the transfer of staff from the Department of Natural Resources and Mines.
7. Further increase to 2014-15 reflects additional positions for Coal Seam Gas regulation, the Compliance Renewal Program and for the assessment of environmental impact statements.

SERVICE PERFORMANCE

Services

Our service areas are:

Environmental Management

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

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

Conservation Programs

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

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

Built Heritage

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

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

Red tape reduction

In 2013–14, the department implemented a number of initiatives and reforms to contribute to the Government's commitment to red tape reduction, including:

- simplifying the environmental licensing laws and approval processes for lower risk environmentally relevant activities, such as small sewage treatment plants and regulated waste transport, which has reduced processing time and saved industry an estimated \$11.35 million per year in application preparations and delay costs
- streamlining regulation for petroleum production environmental authorities and reducing requirements for environmental assessment for certain petroleum activities which has reduced assessment timeframes for proposals by 54%, from 2.8 months in 2011–12 down to 1.3 months on average this year
- releasing the General Beneficial Use Approval for Irrigation of Associated Water (including CSG Water) (the General BUA) which has removed the need for individual sites, that are reusing associated water as a resource (rather than treating it as a waste product), to apply for a specific Beneficial Use Approval. Based on Queensland Competition Authority data, this could save industry up to \$12 million per site in reduced delay costs
- while environmental approvals are still required, the completion of an updated Environmental Impact Statement (EIS) Trigger Guideline and streamlined terms of reference for an EIS has resulted in fewer EISs being required for mines
- completing the protected plants management framework review which has identified the potential to reduce business compliance costs from an estimated \$52.8 million to \$2.6 million per year (based on an assumption of full compliance with the current framework)
- the development of model operating conditions for composting and sewage treatment plants which anticipates to reduce assessment times up to 20% on average and improve the consistency of licence conditions across the State
- removing the requirement for local government environmental plans under the *Environmental Protection (Water) Policy 2009*. This reform has enabled local government to be more self-determining and accountable
- the introduction of the Environmental Offsets Bill 2014 which has created a single environmental offsets framework. The single framework replaces five existing offset policies and provides more opportunities for landholders to receive income in return for voluntarily agreeing to manage their land, or part of their land, as an offset
- the commencement of a new Financial Assurance (FA) Guideline for the resource sector and other activities that cause significant disturbance to land has enabled all industry sectors to receive a discount of up to 30% on their FA. The discount system will potentially deliver substantial savings to industry.

Additional reform is under way and scheduled to be implemented in 2014–15. In addition to those initiatives referred to in the 2014–15 key policy and service delivery priorities, further initiatives to reduce red tape in 2014–15 include:

- reviewing the *Queensland Heritage Act 1992* (Heritage Act) to improve and streamline listing processes for heritage places, reducing the need to obtain approvals for minor works and removing duplicative provisions. Savings are expected for owners, developers and the Government. The Queensland Heritage Strategy will also be reviewed to support the new revitalised Heritage Act
- reforming the assessment of contaminated land for development to modernise and streamline the legislation, aligning development approval triggers with risk, ensuring that assessment processes are efficient, and making the technical assessment of contaminated land development more contestable. The current system has a high public cost and competes with commercially available services

- reforms across the waste sector including the management of regulated waste, and the assessment of waste environmentally relevant activities. Actions include a review to support the industry-led waste strategy for Queensland, establishing a complementary strategic framework for continued waste reform, and enabling industry to innovatively deal with waste while meeting clear environmental performance standards. These amendments address regulatory and delay costs for business and the community while maintaining environmental standards.

2014-15 Service Summary

Service area ¹	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Environmental Management	81,222	40,090	40,870	..	262
Conservation programs	78,014	72,671	1,309	3,585	449
Built Heritage	5,222	5,166	53	..	3
Corporate Partnerships ²	10,576	10,509	67	..	..
TOTAL	175,034	128,436	42,299	3,585	714

Notes:

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

Performance Statement

Department of Environment and Heritage Protection	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area Environmental Management				
Service standards				
Percentage of assessment applications that are dealt with without further formal information requests being required	1	60%	86%	80%
Average reduction from statutory decision period for standard petroleum and gas assessments	2	New measure	New measure	10 business days
Average reduction from statutory decision period for minor petroleum and gas assessments	2	New measure	New measure	5 business days
The value of new projects approved to progress under the <i>Environmental Protection Act 1994</i>	3	New measure	New measure	\$1 billion
Proportion of monitored licensed operators returned to compliance with their environmental obligations	4	60%	41%	70%
State contribution (\$000)	5	42,458	40,003	40,090
Other revenue (\$000)	6	34,284	37,649	41,132
Total cost (\$000)		76,742	77,872	81,222
Service Area Conservation Programs				
Service standards				
Annual percentage increase in high quality conservation land gazetted as nature refuges	7	2.8%	10%	10%
Annual percentage increase in high quality conservation land secured for gazettal as protected areas	8	New measure	New measure	2%
Annual percentage increase in the total amount of land secured that will be rehabilitated as new koala habitat	9	10%	12.5%	12.5%
Percentage of 'Everyone's Environment' projects assessed as delivering on their objectives	10	90%	93%	90%

Department of Environment and Heritage Protection	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Percentage of macropod harvest quotas not exceeded during any harvest period	11	100%	100%	100%
Percentage of Damage Mitigation Permits issued prior to statutory deadline	12	New measure	New measure	100%
State contribution (\$000)	13	68,549	60,796	72,671
Other revenue (\$000)	14	8,657	12,785	5,343
Total cost (\$000)	15	77,206	85,198	78,014
Service Area Built Heritage				
Service standards				
Percentage of departmental register recommendations, for inclusion on the Heritage Register, accepted by the Queensland Heritage Council	16	90%	91.5%	90%
State contribution (\$000)	17	3,084	4,749	5,166
Other revenue (\$000)		..	171	56
Total cost (\$000)		3,084	5,174	5,222

Notes:

1. In their recent review of performance measures, Queensland Audit Office advised that this measure appeared to be focused on internal processes more than service delivery to customers. Consequently, a more outcome focused measure (see note 2) has been added and the department will consider discontinuing this measure next financial year.
2. New measure. These two new service standards measure the average number of days that environmental approval decisions are made less than the statutory timeframe for each of standard and minor assessment application types for the petroleum and gas industry. The statutory decision period for both standard and minor assessments is 30 business days. Reducing approval timeframes is likely to result in substantial savings to industry.
3. New measure. This is a new service standard that measures the effectiveness of the department's impact assessment team in enabling substantial business investment in Queensland to proceed in an environmentally sustainable way.
4. Measure reworded from 'Percentage of facilities that are deemed compliant under the *Environment Protection Act 1994* during a follow-up inspection'. The department's Compliance Plan identifies instances of non-compliance and provides a range of tools to assist customers to better understand their environmental obligations. Non-compliance is dealt with by taking strong, proportionate and consistent enforcement action. The rewording no longer limits a return to compliance solely through site inspections, but rather through a variety of methods. The restrictive nature of the previous measure incorrectly represented return to compliance levels in 2013-14, and is the main reason the 2013-14 target was not met.
5. Decrease to the 2013-14 Estimated actual reflects the re-categorisation of some positions from the Environmental Management service area to the Built Heritage service area.
6. Variance from the 2013-14 Estimated actual to the 2014-15 Estimate reflects that funding for Coal Seam Gas regulation from 2014-15 is through cost recovery as the result of increases to resource industry related environmental annual licenses. Previously costs related to Coal Seam Gas regulation had been supplemented by State appropriation funding.
7. The Government's land conservation programs include both nature refuges and protected areas acquisition programs. A nature refuge is an area of land voluntarily protected for conservation while allowing compatible and sustainable land uses to continue, while protected areas are those that are dedicated exclusively to flora and fauna protection, such as national parks. A new measure (see note 8)

- better reflects a greater scope of the Government's services. The department will consider discontinuing this measure next financial year.
8. New measure. This better reflects the full scope of the Government's land conservation programs by including both the nature refuges and protected areas acquisition programs (see note 7). Focus has been amended from gazettal to the securing of lands, either by nature refuge agreement or purchase for future protected areas, to recognise that Government acquires land to hold while any impediments to gazettal as a protected area are resolved. The annual percentage increase in land secured is a sound indication of the effectiveness of the programs. Note that the percentage increase of 2% is lower than previous performance criteria as the total area subject to increase is significantly higher with the inclusion of all forms of protected areas.
 9. Monitoring the percentage increase in total land secured by the department, under the koala habitat program, to provide an indication that the program is effective in acquiring degraded habitat which has the capacity to be actively rehabilitated back to bushland. The annual target has been increased from 10% to 12.5% because of improved outcomes under the new delivery model implemented in the current financial year, in particular the opportunities for securing land for rehabilitation and the associated costs. The target percentage is based on achieving at least 800 hectares by end of financial year 2014-15.
 10. The Everyone's Environment program provides \$12 million over three years for grants of between \$2,000 and \$100,000. Grants are aimed at improving the local environment through a wide range of environmental initiatives. The 90% target allows for project slippage due to unforeseen events (e.g. weather conditions).
 11. This measure provides an indication that harvesting of macropods within the Commercial Macropod Management Program is at a level that will ensure long-term conservation of macropod populations within Queensland. Historically, agreed quotas have not been exceeded therefore the department has identified a new measure (see note 12) for wildlife management that is more challenging, and will consider discontinuing this measure next financial year.
 12. New measure. Damage Mitigation Permits are usually approved by the statutory deadline of 40 days. To provide a more timely and effective service to Queenslanders, the department is initially setting the target of delivering all permits at least one business day prior to the statutory deadline.
 13. Decrease to 2013-14 Estimated actual and increase to the 2014-15 Estimate mainly reflects the deferral of some funding from 2013-14 to 2014-15 for various programs such as Nature Refuges, Everyone's Environment grants and the Indigenous Land and Sea Ranger program.
 14. Increase in Other revenue to the 2013-14 Estimated actual and decrease to the 2014-15 Estimate reflects higher than anticipated savings received in relation to the closure of the ClimateSmart Home Service program. No further savings are expected in 2014-15.
 15. Higher total cost in the 2013-14 Estimated actual includes the projected operating deficit relating to externally funded programs where revenue has been received in a prior year. These include programs for Dugong and Turtle Protection and koala habitat protection.
 16. Individuals, community groups, local governments or State Government departments may nominate a place for inclusion in the Queensland Heritage Register. The department is responsible to research, consult relevant parties and make recommendations to the Queensland Heritage Council for places nominated for inclusion in the Queensland Heritage Register. Ultimately the decision about which places are added or removed from the register is one made by the Queensland Heritage Council, as the independent statutory body responsible for considering the department's recommendations, public submissions, oral representations, the physical condition or structural integrity of the place and any other relevant information.
 17. The increase in Built Heritage is the result of the re-categorisation of some positions from the Environmental Management service area to the Built Heritage service area, and the allocation of heritage grant funding from the Everyone's Environment grant program.

Administered Items

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

The Department of Environment and Heritage Protection administers funds on behalf of the State which include the collection of a range of regulatory fees associated with environmental monitoring, environmental impact statement assessment, contaminated land searches, development applications and sand dredging royalties; permits for the keeping of wildlife; and licensing of the recreational and commercial harvesting of wildlife. These fees are generally levied on business and members of the community.

During 2013-14, changes to the regulation of protected plants resulted in a new fee regime commencing on 31 March 2014 and all fee revenue being treated as controlled revenue rather than administered revenue.

From 1 July 2014 fees for environmental impact statements will also move to controlled revenue from administered revenue and revenue will be retained by the department to fund additional resources for the assessment of environmental impact statements.

These changes reflect ongoing efforts to link fees directly to the costs of regulation that they are designed to recover.

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

CAPITAL

Capital program

The department's total capital program for 2014-15 is \$29.9 million. Included in this amount is \$26.9 million relating to acquisition of land, buildings and infrastructure.

The largest component is related to two land acquisition programs, \$11.8 million for Investing in Our Environment for the Future and \$15.0 million for Investing to Protect Our Koalas.

Investing in Our Environment commenced in 2012-13 and is a three year commitment to acquire land with high environmental and conservation values for inclusion in the State's protected estate. Decisions relating to acquisitions are made in conjunction with the Department of National Parks, Recreation, Sport and Racing. Investing to Protect Our Koalas is also a three year commitment commencing in 2012-13 for the acquisition of koala habitat.

A further \$2.2 million has been allocated for the department's Compliance Renewal Program. This program will rebuild the department's aging systems in relation to permitting and licensing by delivering a new information technology solution and associated infrastructure. This program is expected to deliver significant efficiencies and savings on current processes to the department, business and the community.

Residual capital expenditure relates to the department's ongoing requirements for plant and equipment replacement and to minor accommodation fit-out for its leased and owned premises.

Capital budget statement

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	2	27,987	9,563	26,860
Total plant and equipment	3	1,106	834	288
Total other capital	4	1,000	1,684	2,738
Total Capital Purchases	..	30,093	12,081	29,886

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. Reduction to 2013-14 Estimated actual and increase to the 2014-15 Estimate mainly due to the deferral of land acquisitions from 2013-14 to 2014-15 (\$16.6 million) due to delays in identification of suitable land and negotiations with landowners.
3. Reduction in funding allocated reflects the changing priorities of the department and this expenditure has been reallocated to other capital and specifically software development projects, most significantly the Compliance Renewal Program.
4. Increase in acquisitions reflects the changing priorities of the department and this expenditure has been reallocated from plant and equipment to other capital, specifically software development projects and most significantly the Compliance Renewal Program. Some additional funding has been transferred to the department for the World War 2 Historic Places and Qld War Memorials Register websites.

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.

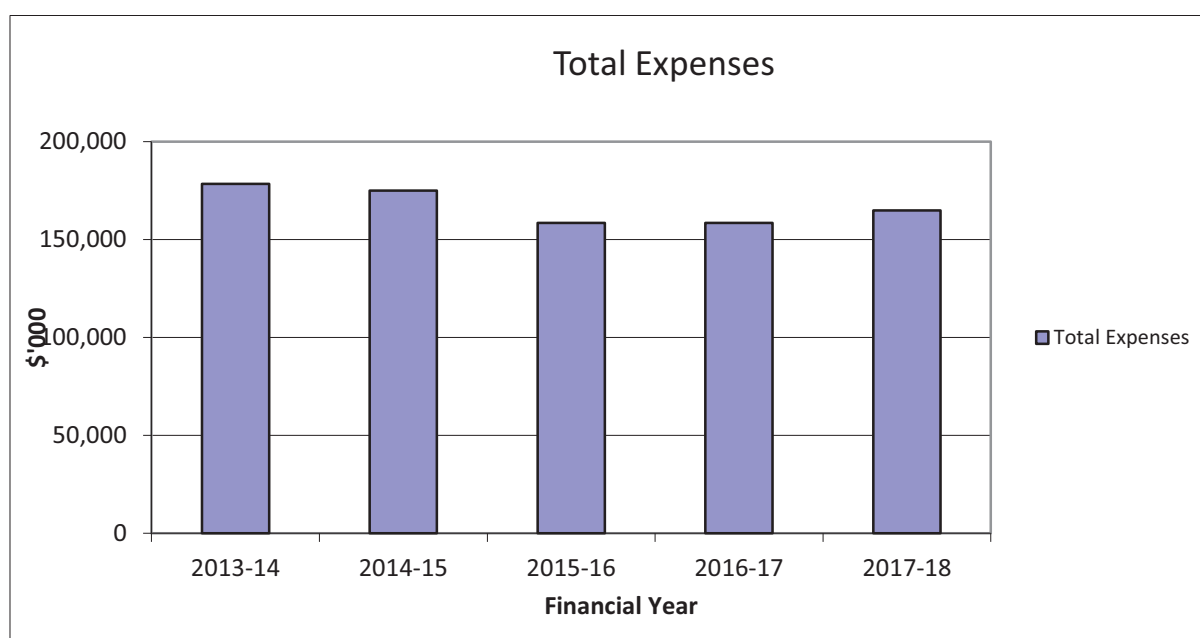
Departmental income statement

Total expenses are estimated to be \$175.0 million in 2014-15, a decrease of \$3.4 million from the 2013-14 financial year, but an increase of \$8.4 million on the 2013-14 Published budget.

The decrease is mainly due to a projected operating deficit in the 2013-14 Estimated actual where expenditure has been made from a number of externally funded programs, but where related revenue has been received in a prior year. These funds have been carried forward to 2013-14 as part of the department's cash reserves. This additional expenditure included Australian Government funded Dugong and Turtle Protection (\$2.3 million) and preservation of koala habitat where cash offsets for development have been provided by other State Government entities (\$3.8 million). It also includes a one-off payment to the Department of National Parks, Recreation, Sport and Racing (\$2.8 million) to maintain land being transferred to that department after acquisition.

The decrease in projected expenses over the next year to 2015-16 of \$16.4 million is the result of a number of limited life initiatives either due to cease or decline. These initiatives include the Everyone's Environment grant program, Nature Refuges, the Koala Response Strategy, the Australian Packaging Covenant and the Gladstone Healthy Harbour Partnership.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

In 2014-15, the department's net assets are projected to be \$54.6 million, with total assets of \$61.8 million offset by liabilities of \$7.2 million.

The department's major assets are in land (\$31.5 million), intangibles (\$6.6 million) and buildings (\$1.2 million). Land assets are expected to increase particularly during 2014-15 as a result of the current land acquisition programs funded through the department's capital program.

Intangibles which reflect the department's information technology systems are expected to increase over the next few years as the department injects funds into rebuilding and refreshing its information technology solutions and infrastructure particularly for permitting and licensing.

The department's main liabilities relate to payables of an operating nature (\$2.8 million) or for the payment of long service leave and annual leave levies payable to the central government funds at the end of the year. These liabilities are estimated to remain relatively constant over the forward estimates period. Both the department's larger commitments for long service leave and annual recreation leave are funded from central government schemes.

CONTROLLED INCOME STATEMENT

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	1,2,14	123,696	120,995	128,436
Taxes		..	..	..
User charges and fees	8,15	34,612	34,555	42,299
Royalties and land rents		..	..	..
Grants and other contributions		2,894	3,712	4,007
Interest		..	..	..
Other revenue	3,9,16	5,435	7,042	292
Gains on sale/revaluation of assets		..	..	..
Total income		166,637	166,304	175,034
Expenses				
Employee expenses	1,4,10,17	94,558	97,708	97,102
Supplies and services:				
- Outsourced service delivery	5,11,18	..	5,817	8,336
- Other supplies and services	19	37,857	39,580	34,538
Grants and subsidies	12	29,596	28,311	28,305
Depreciation and amortisation		3,236	3,266	3,563
Finance/borrowing costs		..	..	..
Other expenses	6	1,339	3,249	3,140
Losses on sale/revaluation assets	13	51	465	50
Total expenses		166,637	178,396	175,034
OPERATING SURPLUS/(DEFICIT)	7,20	..	(12,092)	..

CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'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	7,20	..	(12,092)	..
Total recognised income and expense for the period		..	(12,092)	..
Equity injection/(withdrawal)		21,758	7,134	26,310
Equity adjustments (inc. MoG transfers)		..	(4,966)	(11,892)
Total movement in equity for period		21,758	(9,924)	14,418

CONTROLLED BALANCE SHEET

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	21,26	4,702	9,931	9,483
Receivables		9,002	9,637	10,092
Other financial assets		..	..	..
Inventories		8	..	..
Other		205	744	744
Non-financial assets held for sale		..	..	..
Total current assets		13,917	20,312	20,319
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	22,27,31	53,641	22,178	34,950
Intangibles	32	3,964	4,911	6,550
Other		..	..	..
Total non-current assets		57,605	27,089	41,500
TOTAL ASSETS	22,27,31	71,522	47,401	61,819
CURRENT LIABILITIES				
Payables	23,28	1,186	4,380	4,380
Accrued employee benefits		3,915	2,801	2,801
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		151	11	11
Total current liabilities		5,252	7,192	7,192
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		5,252	7,192	7,192
NET ASSETS/(LIABILITIES)		66,270	40,209	54,627
EQUITY				
Capital/contributed equity	24,29,33	68,068	58,250	72,668
Accumulated surplus/(accumulated deficit)	25,30	(1,798)	(18,041)	(18,041)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		66,270	40,209	54,627

CONTROLLED CASH FLOW STATEMENT

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	34,35,46	123,696	120,974	128,436
User charges and fees	36,47	40,866	112,470	41,794
Royalties and land rent receipts				
Grants and other contributions		2,894	3,712	4,007
Interest recieved				
Taxes		..	..	..
Other	37,42,48	29,745	14,572	292
Outflows				
Employee costs	34,38,43,49	(94,558)	(97,708)	(97,102)
Supplies and services	39,44,50	(62,167)	(92,224)	(42,874)
Grants and subsidies		(29,596)	(28,311)	(28,305)
Borrowing costs		..	..	..
Other		(8,099)	(3,249)	(3,140)
Net cash provided by/(used in) operating activities		2,781	30,236	3,108
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		20	20	20
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	40,51	(30,093)	(12,081)	(29,886)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(30,073)	(12,061)	(29,866)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections	41,45,51	22,430	7,806	26,982
Outflows				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(672)	(672)	(672)
Net cash provided by/(used in) financing activities		21,758	7,134	26,310
Net increase/(decrease) in cash held		(5,534)	25,309	(448)
Cash at the beginning of financial year		10,236	(15,378)	9,931
Cash transfers from restructure		..	..	..
Cash at the end of financial year		4,702	9,931	9,483

ADMINISTERED INCOME STATEMENT

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue		..	..	..
Taxes		..	..	..
User charges and fees	52,55	4,966	5,963	5,263
Royalties and land rents	53,56	700	1,500	1,200
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		350	690	680
Gains on sale/revaluation of assets		..	..	..
Total income		6,016	8,153	7,143
Expenses				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses	54,57	..	1,433	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		6,016	8,153	7,143
Total expenses		6,016	9,586	7,143
OPERATING SURPLUS/(DEFICIT)	54,57	..	(1,433)	..

ADMINISTERED BALANCE SHEET

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	58,61	2,241	289	289
Receivables		1,247	713	713
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		3,488	1,002	1,002
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ASSETS		3,488	1,002	1,002
CURRENT LIABILITIES				
Payables		31	64	64
Transfers to Government Payable	59,62	..	680	680
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		31	744	744
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		31	744	744
NET ASSETS/(LIABILITIES)	60,63	3,457	258	258
EQUITY				
Capital/contributed equity		(42,459,654)	(42,459,654)	(42,459,654)
Accumulated surplus/(accumulated deficit)		42,463,111	42,459,912	42,459,912
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY	60,63	3,457	258	258

ADMINISTERED CASH FLOW STATEMENT

Department of Environment and Heritage Protection	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts		..	..	..
User charges and fees	64,66	4,966	10,992	5,263
Royalties and land rents receipts		700	1,500	1,200
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		350	690	680
Outflows				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government	65,67	(6,016)	(18,774)	(7,143)
Net cash provided by/(used in) operating activities		..	(5,592)	680
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets		..	..	..
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		..	(5,592)	680
Cash at the beginning of financial year		2,241	5,881	289
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,241	289	969

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

1. From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$4.466 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$4.527 million.

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

2. Decrease is the net impact of the additional deferral of funds to 2013-14 (\$6.5M) and the deferral of funds from 2013-14 to later years (\$11.8 million). This reduction was offset by supplementation for severance payments (\$2.0 million) and net transfers to and from other agencies (\$0.6 million).
3. Increase due to the recovery of savings in the ClimateSmart Home Service (CSHS) contract.
4. Increase relates to severance payments (\$2.0 million), additional cost of enterprise bargaining salary and wage increase (\$0.2 million) and the transfer of staff from another agency (\$0.7 million).
5. Increase due to the reclassification of expenditure due to the introduction of the new guideline "Distinction between Grants and Service Procurement Payments". Supplies and services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and services". Outsourced Service Delivery includes contracts with parties external to the Department to provide "front line" services to the community.
6. Increase primarily due to an increase in the Queensland Government Insurance fund premium paid by the agency assessed post structural changes made in May 2012.
7. The projected operating deficit in the 2013-14 Estimated actual relates to a number of externally funded programs where revenue has been received in a prior year and carried forward as part of the department's cash reserves. This includes Australian Government funding for the Dugong and Turtle protection (\$2.3 million), koala habitat offsetting programs (\$5.9 million) and a payment to the Department of National Parks, Recreation, Sport and Racing of funds received under the National Reserve System program (\$2.8 million).

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. Increase reflects additional increases in annual environmental license fee, application and amendment fees (\$5.2 million), new protected plant fees (\$0.2 million) and increases in environmental impact statement assessment fees and the conversion of these fees to controlled revenue (\$1.8 million).
9. Decrease reflects the finalisation of savings under the ClimateSmart Home Service (CSHS) contract.
10. Increase reflects additional enterprise bargaining costs (\$1.9 million).
11. Increase due to the reclassification of expenditure due to the introduction of the new guideline "Distinction between Grants and Service Procurement Payments". Supplies and services (including some items that were previously classified as grants) have been reclassified as either "Outsourced service delivery" or "Other supplies and services". Outsourced Service delivery includes contracts with parties external to the Department to provide "front line" services to the community.
12. Decrease includes some movement of "Outsourced service delivery".
13. Estimated actual reflects the impairment of the receivables balance for aged outstanding debts.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

14. After the deferral of funds between years the increase relates funding for Everyone's Environment grants (\$3.2 million), Nature Refuges (\$2.8 million), enterprise bargaining (\$1.6 million), Industry Driven Waste Strategy (\$1.3 million), Crocodile Management (\$1.2 million), Indigenous Land and Sea Rangers (\$0.7 million), offset by reduction in funding for CSG regulation now provided by controlled license revenue (\$4.2 million).
15. Increase reflects additional increases in annual environmental license fee, application and amendment fees (\$5.2 million), new protected plant fees (\$0.2 million) and increases in environmental impact statement assessment fees and the conversion of these fees to controlled revenue (\$1.8 million).
16. Decrease reflects the finalisation of savings under the ClimateSmart Home Service (CSHS) contract.
17. Decrease reflects severance payments made in 2013-14 (\$2.0 million). This has been offset by additional enterprise bargaining costs (\$1.9 million).

18. Increase in Outsourced service delivery relates to expenditure under the Nature Refuges programs.
19. Decrease reflects reduction in projected expenditure through externally funded programs such as Dugong and Turtle management and koala habitat offsets projects resulting from State infrastructure development.
20. The projected operating deficit in the 2013-14 Estimated actual relates to a number of externally funded programs where revenue has been received in a prior year and carried forward as part of the department's cash reserves. This includes Australian Government funding for the Dugong and Turtle Protection (\$2.3 million), koala habitat offsetting programs (\$5.9 million) and a payment to the Department of National Parks, Recreation, Sport and Racing of funds received under the National Reserve System program (\$2.8 million).

Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

21. The increase in the projected cash balance reflects an increase in payables balance where monies are owed but not paid at reporting date.
22. Reduction relates primarily to land (\$29.6 million) due to a reduction in the 2013-14 Capital Acquisition program of \$18 million through deferrals and the transfer of acquired land to the Department of National Parks, Recreation, Sport and Racing following tenure resolution.
23. Increase in payables reflects a revised estimate based on actual balances held by the department during preparation of the budget.
24. Reduction in contributed equity largely reflects the deferral of land acquisition funding provided as equity injection from 2013-14 to 2014-15.
25. Increase in accumulated deficit reflects projected operating deficit in 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. The increase in the projected cash balance reflects an increase in the payables balance for monies owed but not paid at reporting date.
27. Reduction primarily reflects the transfer of land to the Department of National Parks, Recreation Sport and Racing.
28. Increase in payables reflects estimate based on latest balances.
29. Increase reflects additional land assets planned for acquisition during 2014-15 funded by equity injection from Government less transfer of land assets to the Department of National Parks, Recreation, Sport and Racing.
30. Increase in accumulated deficit reflects projected operating deficit in 2013-14.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

31. Increase primarily reflects planned land acquisitions (\$26.7 million) less land transfers to the Department of National Parks, Recreation, Sport and Racing (\$11.9 million).
32. Increase reflects the investment in software development in 2014-15, particularly for the Compliance Renewal Program.
33. Increase primarily reflects planned land acquisitions (\$26.7 million) less land transfers to the Department of National Parks, Recreation, Sport and Racing (\$11.9 million).

Cash flow statement

34. From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$4.466 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$4.527 million.

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

35. Decrease is the net impact of the additional deferral of funds to 2013-14 (\$6.5M) and the deferral of funds from 2013-14 to later years (\$11.8 million). This reduction was offset by supplementation for severance payments (\$2.0 million) and net transfers to and from other agencies (\$0.6 million).
36. Increase in cash movement reflects the reduction in the receivables of an operating nature (\$77.9 million) during the year. This reflects the large receivables balance at the end of 2012-13 as a result of inter-departmental billing for machinery of Government related transactions.

37. Decrease reflects change in the treatment of estimates for GST Input tax credits received from the Australian Tax Office (ATO) and the recovery of savings from the ClimateSmart Home Service contract.
38. Increase relates to severance payments (\$2.0 million), additional cost of enterprise bargaining salary and wage increase (\$0.2 million) and the transfer of staff from another agency (\$0.7 million).
39. Increase in cash movement reflects the reduction in the payables of an operating nature (\$47.1 million) during the year. This reflects the large payables balance at the end of 2012-13 as a result of inter-departmental billing for machinery of Government related transactions.
40. Reduction primarily reflects the deferral of funding for land acquisitions from 2013-14 (\$18.8 million).
41. Reflects the deferral of equity injection funding for land acquisitions from 2013-14 (\$16.6 million).

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

42. Decrease reflects a change in the treatment of estimates for GST Input tax credits received from the ATO in 2013-14 and the recovery of savings from the ClimateSmart Home service contract.
43. Increase reflects additional enterprise bargaining costs (\$1.9 million).
44. Decrease relates to change in the treatment of Input tax credits estimates in the Cash Flow Statement.
45. Increase reflects additional equity injection allocated for land acquisition programs.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

46. After deferral of funds between years the increase relates funding for Everyone's Environment grants (\$3.2 million), Nature Refuges (\$2.8 million), enterprise bargaining supplementation (\$1.6 million), Industry Driven Waste Strategy (\$1.3 million), Crocodile Management (\$1.2 million), Indigenous Land and Sea Rangers (\$0.7 million), offset by reduction in funding for CSG regulation now provided by license revenue (\$4.2 million).
47. Decrease in cash movement reflects the reduction in the receivables of an operating nature (\$77.9 million) during the year. This reflects the large receivables balance at the end of 2012-13 as a result of inter-departmental billing for machinery of Government related transactions.
48. Reduction in movement in GST receivable for Input tax credits received from the ATO and the recovery of savings from the ClimateSmart Home Service contract during 2013-14.
49. Decrease reflects severance payments made in 2013-14 (\$2.0 million). This has been offset by additional enterprise bargaining costs (\$1.9 million).
50. Decrease in cash movement reflects the reduction in the payables of an operating nature (\$47.1 million) during the year. This reflects the large payables balance at the end of 2012-13 as a result of inter-departmental billing for machinery of Government related transactions.
51. Increase primarily reflects the deferral of funding for land acquisitions from 2013-14 (\$16.6 million).

Administered income statement

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

52. Increase relates to additional revenue for wildlife licensing and for contaminated land search fees.
53. Increase relates to additional royalties received for sand dredging.
54. Expense in 2013-14 reflects credit note adjustments to environmental license revenue recognised in 2012-13, where that debt is no longer payable, usually as a result of the license being surrendered.

Major variations between 2013-14 Estimated actual and 2014-15 Budget include:

55. Increase indexation for wildlife licensing and contaminated land search fees offset by a reduction in environmental impact statement assessment fees (\$1.2 million) where those fees have been re-categorised from administered to controlled.
56. Decrease relates to estimated royalties from sand dredging.
57. Expense in 2013-14 reflects credit note adjustments to environmental license revenue recognised in 2012-13, where that debt is no longer payable, usually as a result of the license being surrendered.

Administered balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

58. Decrease reflects the net impact of movements in receivables and payables during 2013-14.
59. Increase in payables relates to revenue recognised, but not returned to Government as at year end.
60. Reduction reflects the net movement of payables and receivables during 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 61. Reflects the net impact of movements in receivables and payables during 2013-14.
- 62. Increase in payables relates to revenue recognised, but not returned to Government as at year end.
- 63. Reduction reflects the net movement of payables and receivables during 2013-14.

Administered cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

- 64. Increase relates to additional revenue for Wildlife licensing and for contaminated land search fees and reduction in receivables during 2013-14. Receivables relates to outstanding debtors.
- 65. Increase in transfers to Government includes payment (\$10.6 million) during 2013-14 of large payable to Government from the end of 2012-13, reflecting cash held and revenue receivables.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

- 66. Reflects reduction in receivables balance during 2013-14 and a reduction in environmental impact statement assessment fees (\$1.2 million) where those fees have been re-categorised from administered to controlled.
- 67. Transfers to Government during 2013-14 includes payment (\$10.6 million) of large payable to Government from the end of 2012-13, reflecting cash held and revenue receivables

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.

