

## Service Delivery Statements

Department of National Parks, Recreation, Sport and Racing

# **2014–15 State Budget Papers**

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

**Appropriation Bills**

**Concessions Statement**

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

The Budget Papers are available online at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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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	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
2	Department of National Parks, Recreation Sport and Racing – controlled	365,231	331,688	420,049
	Department of National Parks, Recreation Sport and Racing - administered	26,959	26,990	27,010

### 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 National Parks, Recreation, Sport and Racing:

<b>Minister for National Parks, Recreation, Sport and Racing</b> <b>The Honourable Steven Dickson MP</b>
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<b>Department of National Parks, Recreation, Sport and Racing</b> <b>Director-General: Dr John Glaister</b>
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<b>Service Area 1:</b> National Parks
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<b>Service Area 2:</b> Recreation and Sport
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<b>Service Area 3:</b> Racing
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Additional information about the department can be sourced from <http://www.nprsr.qld.gov.au/>.

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Department of National Parks, Recreation, Sport and Racing supports the Government's commitments through managing and protecting our parks and forests to enable sustainable use now and in the future, supporting and encouraging active participation in physical activity, and ensuring the integrity of the racing industry across the State. The department has three service areas working towards this purpose: National Parks; Recreation and Sport; and Racing.

The department's objectives are:

- a capable and streamlined, customer-centric organisation
- parks and forests are protected and available to be enjoyed by all Queenslanders now and into the future
- Queenslanders lead active and healthy lifestyles through participation in physical activity
- a Queensland racing industry operating with integrity.

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

- grow a four pillar economy by reducing red tape; improving access to, and promoting ecotourism in, Queensland's parks and forests; and contributing to economic sustainability and employment in the sport and recreation industry
- lower the cost of living by facilitating affordable options for participation in physical activity
- investing in better infrastructure and using better planning through continuously improving management of our parks and forests; supporting the development and upgrade of local sporting and recreation facilities; and supporting new racing infrastructure upgrades
- revitalise front-line services by streamlining permit processes for parks and forests and improving the online customer experience for tourists and visitors; enhancing opportunities for engagement in physical activity by reviewing and aligning programs that increase participation; and providing a proactive regulatory environment for the racing industry
- restore accountability in government through sourcing and using customer feedback to inform current and future service delivery; and providing a regulatory framework and integrity-related services for the Queensland racing industry.

Challenges for the department include: balancing improved conservation with the needs of the tourism industry; providing better access to parks and forests for all Queenslanders and visitors; maintaining effective and collaborative management with Traditional Owners and other agencies; sustainably managing emerging resource use industries; creating behaviours for lifelong participation in physical activity; supporting Queenslanders' increasing interests in non-traditional physical activities; and rejuvenating the Queensland racing industry.

In 2014-15, the department will deliver key Government commitments and initiatives by:

- providing funding of \$4 million on a joint program with the Australian Government (\$7 million over four years consisting of \$3.5 million State funding and \$3.5 million Australian Government funding) to support an integrated control program targeting feral pigs, reducing the impacts on marine turtle hatchings on the east coast of Queensland adjoining the Great Barrier Reef and the west coast of Cape York Peninsula
- providing \$0.7 million for the Friends of Parks program to improve and expand volunteering and tourism opportunities across the park and forest estate

- providing \$22.7 million towards national parks infrastructure including \$4.1 million to develop visitor centre upgrades at David Fleay Wildlife Park, Carnarvon Gorge, D'Aguilar National Park and Mon Repos Visitor Centre
- providing funding of \$0.5 million to support Nature Play which aims to increase the amount of time children spend outdoors in unstructured play
- providing funding of \$21.5 million to help Queenslanders get active through the Get in the Game programs. Get Started encourages more children and young people to play sport and become involved in recreation activities and helps ease the financial burden on families. Get Going and Get Playing provide funding to local sport and recreation organisations for projects and facility development to encourage greater membership and improved services
- continuing to provide \$1 million to fund 20 country race meetings to rejuvenate country racing in Queensland
- continuing to fund major racing industry infrastructure projects across Queensland to meet future industry requirements
- conducting a comprehensive review of the *Racing Act 2002* to ensure the Act reflects developments within the racing industry since 2002.

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

- releasing the Queensland Ecotourism Plan at the DestinationQ forum in August 2013
- progressing master plans for three ecotourism gateway visitor centres (David Fleay Wildlife Park, D'Aguilar National Park and Mon Repos Visitor Centre) to increase access to protected areas and support growth in ecotourism
- completing the first stage (and commencing the second stage) of the general expression of interest calling for sustainable ecotourism development initiatives in protected areas
- releasing additional government-initiated ecotourism opportunities at Mamu Tropical Skywalk (Wooroonooran National Park), Green Mountains campground (Lamington National Park) and Obi Obi zipline (Kondalilla National Park). The Mamu Tropical Skywalk commercial management arrangements commenced on 31 March 2014
- constructing and commissioning into service a 24 metre long-range patrol vessel for field management operations in the Great Barrier Reef (GBR). The vessel *Reef Ranger* was jointly funded by the Queensland (\$2.5 million) and Australian (\$2.5 million) governments under the GBR Intergovernmental Agreement and their respective commitments to the GBR Field Management Program
- announcing the Queensland Eco and Sustainable Tourism (QuEST) policy to provide business certainty and reduce red tape and costs for tourism operators and promote best practice standards
- reviewing the online camping and permit booking service for protected areas and entering into negotiations to deliver a contemporary, cost-effective, user-friendly permit booking and transaction service for camping customers
- amending whale watching commercial activity agreements to abolish passenger fees for commercial tourism operators and replace them with a single annual payment of \$5,000. This initiative has reduced red tape and resulted in savings of approximately \$4,500 per year for operators in the Great Sandy Marine Park and up to \$8,500 per year for those in Moreton Bay
- amending the *Nature Conservation Act 1992* to streamline the number of tenure classes from 14 to seven, and simplifying the process for preparing, reviewing and amending national park management plans
- engaging four external volunteer organisations to provide Friends of Parks coordinators in addition to the Queensland Parks and Wildlife Service Conservation Volunteer Coordinator, and providing \$0.5 million for Friends of Parks small grants to 31 organisations
- providing \$4.5 million for pest management on the Queensland Parks and Wildlife Service managed estate, including \$2.2 million for strategic pest management projects
- conducting more than 290 planned burns on Queensland Parks and Wildlife Service managed lands and responding to over 325 wildfires across the State

- providing funding of \$20.5 million for the Get Started, Get Going and Get Playing programs under the Get in the Game initiative
- providing \$9.4 million in financial support to State-level recreation and sport organisations
- commencing implementation of the Government's response to the report *Start Playing, Stay Playing: A plan to increase and enhance sport and active recreation opportunities for women and girls*, developed by the Ministerial Advisory Committee on Women and Girls in Sport and Recreation
- providing initial funding of \$0.6 million to bring Nature Play to Queensland
- providing \$3.7 million to the Queensland Police-Citizens Youth Welfare Association to deliver recreation and sport services in 38 Indigenous communities
- delivering 176 Building Active Communities Workshops to increase the skills and knowledge of community sport volunteers through access to quality information and training
- delivering 164 sports coaching, officiating and first aid accreditation courses through the Get Active Queensland Accreditation Program
- providing \$1 million to revitalise the racing industry by enabling 20 additional country race meetings as well as increased prize money at a number of meetings
- providing \$2.5 million to Racing Queensland for the Queensland Thoroughbred Investment Scheme, to increase interest and investment in the State's thoroughbred breeding industry
- providing funding to Racing Queensland to enable completion of phase one of the Gold Coast Turf Club redevelopment and replacement of the turf track at the Toowoomba Turf Club
- approving Australian Quarter Horse Racing Development Pty Ltd as the control body for the quarter horse racing code in Queensland.

## 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 National Parks, Recreation, Sport and Racing	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue			
Deferred from previous year/s	24,335	(5,333)	62,590
Balance of service appropriation	285,802	275,093	291,726
Other revenue	53,664	79,411	64,662
<b>Total income</b>	<b>363,801</b>	<b>349,171</b>	<b>418,978</b>
<b>Expenses</b>			
National Parks	191,487	198,943	206,566
Recreation and Sport	125,853	114,984	128,034
Racing	47,891	17,761	85,449
<b>Total expenses</b>	<b>365,231</b>	<b>331,688</b>	<b>420,049</b>
<b>Operating surplus/deficit</b>	<b>(1,430)</b>	<b>17,483</b>	<b>(1,071)</b>
<b>Net assets</b>	<b>3,143,116</b>	<b>2,911,030</b>	<b>2,908,965</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation revenue	26,766	26,790	26,811
Other administered revenue	193	200	199
<b>Total revenue</b>	<b>26,959</b>	<b>26,990</b>	<b>27,010</b>
<b>Expenses</b>			
Transfers to government	193	200	199
Administered expenses	26,766	26,790	26,811
<b>Total expenses</b>	<b>26,959</b>	<b>26,990</b>	<b>27,010</b>
<b>Net assets</b>	<b>6,410</b>	<b>6,276</b>	<b>6,276</b>



## Budget Measures Summary<sup>1</sup>

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 National Parks, Recreation, Sport and Racing	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental	..	4,000	1,000	1,000	1,000
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The totals reconcile with Budget Paper 4.

## Staffing<sup>1</sup>

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
National Parks	2, 3	1,039	1,047	1,058
Recreation and Sport	2	258	256	256
Racing	2	30	30	32
<b>TOTAL</b>	<b>3, 4</b>	<b>1,327</b>	<b>1,333</b>	<b>1,346</b>

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. FTEs providing internal corporate services are allocated to the service to which they relate.
3. The increase in 2013-14 is due to the transfer of partial funding of 5 FTEs for the Land and Sea Rangers program and program funding to support management of property acquisitions in the Currawinya region from the Department of Environment and Heritage Protection. A further extension of 10 FTEs for the Land and Sea Rangers program in 2014-15 accounts for the increase from 2013-14.
4. The department also participates in a partnership arrangement, whereby it receives corporate services from the Department of Agriculture, Fisheries and Forestry, the Department of Environment and Heritage Protection and the Department of Natural Resources and Mines.

## SERVICE PERFORMANCE

### Services

Our service areas are:

#### National Parks

This service area contributes directly to the departmental objective 'Parks and forests are protected and available to be enjoyed by all Queenslanders now and into the future'.

This objective is achieved by:

- managing parks and forests for conservation and for people, including fire, pest and weed management
- facilitating ecotourism, recreation and heritage experiences within the protected area estate, including building and maintaining visitor and tourism infrastructure
- providing protected area services with Traditional Owners and Indigenous communities, including implementing Indigenous joint management plans and agreements
- managing protected area permissions to provide sustainable environmental, economic and social benefits to the Queensland community, including administering permits and authorities for tourism, infrastructure and sustainable resource use, and delivering red tape reduction and a streamlined permit system.

The Queensland Parks and Wildlife Service (QPWS) managed terrestrial estate covers more than 1,300 areas, including more than 8 million hectares of national park and almost 3 million hectares of State forest. Land and sea areas include protected areas and forest reserves under the *Nature Conservation Act 1992*, State forests and timber reserves under the *Forestry Act 1959*, recreation areas under the *Recreation Areas Management Act 2006*, marine parks under the *Marine Parks Act 2004*, fish habitat areas under the *Fisheries Act 1994*, reserves under the *Land Act 1994* where QPWS has been appointed trustee, and freehold land held for the State by QPWS. In addition, QPWS manages Queensland's five World Heritage areas in partnership with the Australian Government.

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, QPWS aims to ensure that the parks are protected, accessible and valued by all Queenslanders.

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

By managing important marine protected areas, such as declared fish habitat areas, QPWS aims to ensure sustainable recreational, commercial and Indigenous fishing.

#### Recreation and Sport

This service area contributes directly to the departmental objective 'Queenslanders lead active and healthy lifestyles through participation in physical activity'.

This objective is achieved by:

- engaging young people to encourage lifelong participation in physical activity
- supporting a wide range of physical activities, including organised sport, fitness and other recreation-based activities
- activating places and spaces for sport and recreation, including making the most of government-owned facilities
- building strong partnerships across government, community and the commercial sector to boost participation in physical activity
- continuing to support and develop elite Queensland athletes through provision of coaching and services.

The Recreation and Sport service area encourages 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, active recreation centres and physical activity resources for parents and teachers, aimed at getting young Queenslanders physically active.

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

### **Racing**

This service area contributes directly to the departmental objective 'A Queensland racing industry operating with integrity'.

This objective is achieved by:

- providing assessments and investigation services to ensure an accountable, ethical and responsible Queensland racing industry
- providing financial assistance including funding for facility upgrades and additional country race meetings
- delivering independent, effective and quality assured drug control services to the Queensland racing industry
- ensuring effective oversight and governance of 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 centre 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.

The Queensland All Codes Racing Industry Board is the control body for the thoroughbred, harness and greyhound codes of racing and is responsible for cross-industry issues such as funding and infrastructure needs. Separate control boards for the thoroughbred, harness and greyhound codes of racing are responsible for assisting the all-codes board in the management of their respective codes of racing.

The Racing Integrity Commissioner provides independent oversight of integrity related issues across the three codes of racing, thoroughbred, harness and greyhound, aimed at ensuring the integrity of the racing industry in Queensland.

A separate control body licence has been approved for quarter horse racing in Queensland. Being an approved control body provides the necessary powers for a body to manage its code of racing, to uphold the integrity of racing activities and ensure the welfare of licensed animals. There is no financial commitment from Government to support this new code of racing.

The Racing Disciplinary Board is established under the *Racing Act 2002* to hear and determine appeals by aggrieved persons against appellable decisions of a racing control body.

## Red tape reduction

The department has identified five key initiatives to contribute to the Government's commitment to red tape reduction. Implementation commenced during 2013-14 and will continue into 2014-15.

### *Queensland Eco and Sustainable Tourism (QuEST) initiative*

Ecotourism operators will have greater business certainty with new transferable long-term activity agreements of 15 years; replacing previous three-year, non-transferable permits. The new QuEST policy was announced on 30 July 2013. Implementation will occur in stages in the Fraser Island Recreation Area, Moreton Island Recreation Area, Whitsunday Islands area, Daintree National Park and Cooloolo Recreation Area.

### *Whale watching operations*

The Government will implement fixed fees for whale watching tour operators and continue work to open up more areas in marine parks for whale watching. A single annual payment of \$5,000 will apply to all commercial whale watching operators in Queensland marine parks, abolishing passenger fees for operators and resulting in average savings of approximately \$4,500 per year for operators in the Great Sandy Marine Park and \$8,500 for those in Moreton Bay. The department progressed negotiation of new commercial activity agreements with operators during 2013-14. Regulatory amendments will occur to give effect to the proposed changes in areas available for whale watching.

### *Streamlining the permit system for Queensland Parks and Wildlife Service (QPWS) managed lands*

The department is progressing the development of a range of legislative, regulatory and administrative reforms to streamline permit processes and reduce red tape. The reform initiatives aim to increase access to national parks and other public lands, make it easier for customers to do business with the department and reduce the administrative burden for customers and staff. A range of initiatives have already been completed or are underway, including the deregulation of small-scale commercial filming and photography activities and allowing for the renewal, where appropriate, of commercial activity permits. These initiatives are contributing towards achieving consistent and appropriate permit requirements, assessment and issuing processes across State forests, protected areas, recreation areas and marine parks. New initiatives are continuing to be investigated for implementation during 2014-15.

### *Single Great Barrier Reef World Heritage Area tourism permit*

The department progressed work towards a single authority for commercial tourism operators in the marine park and on national park islands in the Great Barrier Reef World Heritage Area. The single tourism permit will combine the joint State-Commonwealth marine park permit with a *Nature Conservation Act 1992* and *Recreation Areas Management Act 2006* island commercial activity permit. Tourism operators will benefit through reduced administration and one interface with government for their permitting business. This initiative will also result in efficiencies within the two administering agencies (Great Barrier Reef Marine Park Authority and the department).

### *Repeal of Racing Venues Development Act 1982 and Eagle Farm Racecourse Act 1998*

The department progressed the repeal of this redundant legislation, which is being led by the Department of State Development, Infrastructure and Planning. Repeal is possible as a result of the freeholding of the Eagle Farm Racecourse to the Queensland Turf Club (now Brisbane Racing Club) in 1998, and the closure in 2013 of the sole remaining racing venue trust (Parklands Gold Coast Trust) under the *Racing Venues Development Act 1982*, due to the declaration of a priority development area to build the Gold Coast Commonwealth Games Village. It is anticipated that these redundant Acts will be repealed in 2014-15.

## 2014-15 Service Summary<sup>1</sup>

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
National Parks	206,566	152,092	24,835	15,974	12,594
Recreation and Sport	128,034	120,861	6,170	..	1,003
Racing	85,449	81,363	..	..	4,086
<b>TOTAL</b>	<b>420,049</b>	<b>354,316</b>	<b>31,005</b>	<b>15,974</b>	<b>17,683</b>

Notes:

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

## Performance Statement

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: National Parks</b>				
<b>Service standards</b>				
Delivery of visitor and tourism facility and park management infrastructure projects on Queensland Parks and Wildlife Service (QPWS) managed estate, as measured by the capital works activity index	1	80-100	85	80-100
Percentage of the Protection and Wildfire Mitigation Zones prescribed burning target achieved on QPWS managed estate to protect life and property	2	90%	90%	90%
Percentage of the QPWS managed estate prescribed burning target achieved to protect life, property and biodiversity	3	80%	80%	80%
<b>State contribution (\$000)</b>		<b>147,660</b>	<b>148,260</b>	<b>152,092</b>
<b>Other revenue (\$000)</b>		<b>42,307</b>	<b>68,256</b>	<b>53,403</b>
<b>Total cost (\$000)</b>	4	<b>191,487</b>	<b>198,943</b>	<b>206,566</b>
<b>Service Area: Recreation and Sport</b>				
<b>Service standards</b>				
Percentage of athletes selected for national teams from the Queensland Academy of Sport	5	25%	25%	25%
Ratio of elite athlete direct coaching and specialist services costs to administration support costs	6	19:1	19:1	19:1
Participant satisfaction with the department's sport and active recreation programs	7	92%	95%	95%
Percentage of young people redeeming a Get Started voucher who have not played club sport before	8	>7%	27%	20%
<b>State contribution (\$000)</b>		<b>118,929</b>	<b>108,194</b>	<b>120,861</b>
<b>Other revenue (\$000)</b>		<b>6,924</b>	<b>6,790</b>	<b>7,173</b>
<b>Total cost (\$000)</b>	4	<b>125,853</b>	<b>114,984</b>	<b>128,034</b>

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Racing</b>				
<b>Service standards</b>				
Percentage of <i>Racing Act 2002</i> annual assessment non- compliance issues resolved within required timeframes	9	80%	85%	85%
Percentage of drug sample analyses from licensed racing animals completed and reported within 10 working days	10	95%	95%	95%
<b>State contribution (\$000)</b>		<b>43,548</b>	<b>13,306</b>	<b>81,363</b>
<b>Other revenue (\$000)</b>		<b>4,433</b>	<b>4,365</b>	<b>4,086</b>
<b>Total cost (\$000)</b>	4	<b>47,891</b>	<b>17,761</b>	<b>85,449</b>

Notes:

1. This service standard measures how efficiently the capital works program is being managed. The capital works activity index is calculated by averaging the percentage of capital works projects completed and the percentage of capital works budget expended. The target is a numeric range. An index result between 80 and 100 indicates efficient delivery of infrastructure.
2. This service standard focuses on protecting key community interests, i.e. specifically identified critical areas close to residences and other urban zones. Annually 20% of the QPWS estate Protection and Wildfire Mitigation Zones are targeted for hazard reduction prescribed burning.
3. This service standard reflects the recommendation of the 2009 Victorian Bushfires Royal Commission that a 5% target for prescribed burning of the State should be established. For the QPWS managed estate, this target refers to flammable/treatable areas only (i.e. it excludes rainforest, sand dunes, wetlands etc.) and equates to about 600,000 hectares.
4. Explanations of variances are provided in the financial statements.
5. This service standard measures the effectiveness of the Queensland Academy of Sport in achieving its goal to have Queensland athletes represented in national teams.
6. This service standard measures how efficiently resources are allocated to Queensland Academy of Sport frontline service delivery.
7. This service standard measures participants' satisfaction with the department's Active Recreation Centre programs, and other sport and recreation training, education and accreditation services.
8. This service standard measures the effectiveness of the Get Started program. The wording has changed from the 2013-14 Service Delivery Statements to provide greater clarity. The previous wording was: 'Percentage of young people becoming new members of sport and recreation clubs (as a result of the Get Started program)'. As the program operates on a calendar year basis, the 2013-14 Estimated actual relates to the 2013 calendar year. The significant variation between the 2013-14 target and the 2013-14 Estimated actual is due to baseline data not being available when the 2013-14 target was established. The 2014-15 target has been adjusted to take account of actual and predicted future performance.
9. This service standard measures how effectively the Office of Racing communicates regulatory requirements to industry and industry's responsiveness to compliance requirements. Required timeframes may vary dependent upon the nature of the non-compliance issues identified and the nature of the steps required to resolve the issues. Timeframes are defined by the chief executive and are communicated to the relevant control body as part of the control body assessment program report.
10. This service standard measures the extent to which the Racing Science Centre meets the negotiated service standards in its Service Level Agreement with the Queensland racing industry.

## 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

Capital purchases for the Department of National Parks, Recreation, Sport and Racing in 2014-15 total \$29.5 million.

The 2014-15 capital program directly supports the department's objectives through a significant capital works program in both National Parks and Recreation and Sport. In addition, there is ongoing replacement of plant and equipment and continued development and enhancement of systems to support delivery of the department's frontline services.

The National Parks capital works program provides infrastructure critical for the management, enjoyment and protection of our special places. In 2014-15, capital investments for National Parks will total \$22.7 million, incorporating \$1.8 million on various projects to improve visitor access; \$4.1 million towards visitor centre upgrades at David Fleay Wildlife Park, Carnarvon Gorge, D'Aguilar National Park and Mon Repos Conservation Park; \$5.2 million to replace amenity blocks and campground upgrades including visitor facilities within National Parks and \$1.5 million towards a major upgrade of the Iron Range Base, Gladstone Base and Dixie redevelopment. There are also other various National Parks capital works and property, plant and equipment purchases totalling \$10.1 million.

Recreation and Sport will invest \$5.8 million in 2014-15 on priority capital upgrade projects at its Active Recreation Centres, Sports Reserves and Sport Houses throughout the State to enhance service delivery, provide greater participation outcomes and ensure a safe user environment.

### Capital budget statement

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		28,370	27,103	26,868
Total plant and equipment		2,705	2,588	2,100
Total other capital		995	674	500
<b>Total Capital Purchases</b>		<b>32,070</b>	<b>30,365</b>	<b>29,468</b>

Notes:

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



# BUDGETED FINANCIAL STATEMENTS

## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

### Departmental income statement

Total expenses are estimated to be \$420 million in 2014-15, an increase of \$88.3 million or 26.6 per cent from 2013-14 Estimated actual expenses.

The expenditure increase in 2014-15 is predominantly due to the deferral of committed expenditure from 2013-14 and mainly relates to an increase in grants and subsidies of \$72.8 million and supplies and services of \$13.6 million.

The increase in grants and subsidies is primarily reflected in the Racing Industry Capital Development Scheme of \$63.6 million and Recreation and Sport grants totalling \$12.1 million, partially offset by the discontinuation of the expenditure on Queensland Thoroughbred Investment Scheme (\$2.5 million).

The Racing Industry Capital Development Scheme provides for infrastructure investment across Queensland's racing industry. The \$110 million approved funding program is due for completion by 30 June 2015. Expenditure in relation to the scheme in 2014-15 is budgeted at \$71.8 million compared with an estimated actual spend in 2013-14 of \$8.2 million. However, it should be noted that the code-specific control boards, created on 1 May 2013, are responsible for identifying infrastructure priorities and seeking specific funding allocations from Government. Accordingly, the timing and quantum of such future expenditure may vary in accordance with the infrastructure priorities identified by the control boards.

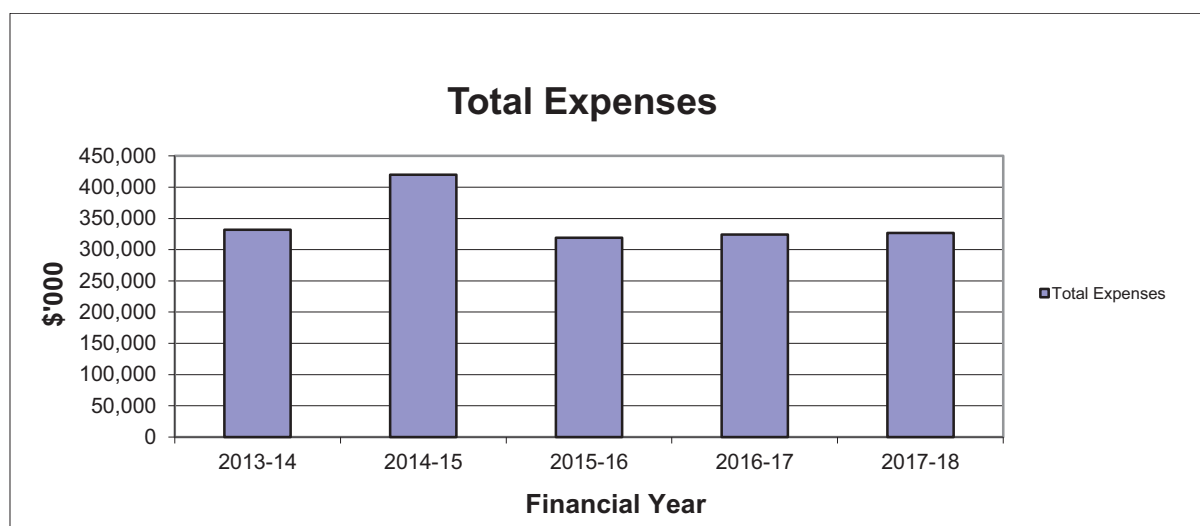
Grants in relation to Recreation and Sport are estimated to increase in 2014-15 mainly due to the deferral of expenditure across a number of programs.

There is an estimated surplus in 2013-14 of \$17.5 million due primarily to the receipt in 2013-14 of claims revenue from the Queensland Reconstruction Authority for repair work expenditure incurred in prior years on Tropical Cyclones Oswald and Yasi as well as the summer disasters of 2010-11.

There is an overall budget deficit of \$1.1 million in 2014-15 which has arisen due to a timing mismatch between the recognition of revenue and expenses. This predominantly relates to externally sourced revenue that was received in a prior year and a portion of the associated expenditure will be incurred in 2014-15, mainly in relation to the Parks and Forest Management Fund.

Expenditure reduces significantly in the forward estimates from 2015-16 onwards as the impact of the Racing Industry Capital Development Scheme (\$71.8 million) and deferrals from prior years for Recreation and Sport related grant programs are removed. The minor increase in 2016-17 reflects the impact of the Enterprise Bargaining Agreement increases.

**Chart: Total departmental expenses across the Forward Estimates period**



## Departmental balance sheet

The department's budgeted major asset balances in 2014-15 are predominantly comprised of heritage and cultural land held as national parks (\$1.36 billion), infrastructure (\$864 million), land (\$425 million), buildings (\$226 million) and property, plant and equipment including intangibles (\$29 million).

A reduction in property, plant and equipment in 2013-14 reflects a revaluation decrement of \$378 million at the end of the 2012-13 financial year associated with national parks land, partially offset by new land acquired in 2013-14 and an anticipated revaluation increment.

The minor increase in the value of the department's non-current assets in 2014-15 reflects anticipated acquisitions and anticipated revaluation increments, partially offset by the impact of depreciation for the period on the department's existing asset values.

The department's main liabilities at year end relate to payables of a general operating nature as well as funding held as unearned revenue.

Total equity incorporates an accumulated deficit component primarily due to prior year revaluation decrements associated with national parks land. Under accounting standards the department is required to periodically review its assets, including land and infrastructure.

## CONTROLLED INCOME STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1, 11, 18	310,137	269,760	354,316
Taxes		..	..	..
User charges and fees	2, 12, 19	26,759	24,718	31,005
Royalties and land rents		1,064	1,064	1,600
Grants and other contributions	3, 13, 20	15,205	41,380	21,488
Interest		660	554	520
Other revenue	4	9,976	11,609	10,049
Gains on sale/revaluation of assets		..	86	..
<b>Total income</b>		<b>363,801</b>	<b>349,171</b>	<b>418,978</b>
<b>Expenses</b>				
Employee expenses	5, 14, 21	102,245	108,474	111,322
Supplies and services:				
- Outsourced service delivery	6, 15	..	2,500	2,500
- Other supplies and services	7, 22	94,763	82,131	95,778
Grants and subsidies	8, 16, 23	103,723	74,179	147,021
Depreciation and amortisation		60,313	60,485	60,313
Finance/borrowing costs		34	34	67
Other expenses	9, 17	4,153	3,053	2,968
Losses on sale/revaluation assets		..	832	80
<b>Total expenses</b>		<b>365,231</b>	<b>331,688</b>	<b>420,049</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	10, 24	<b>(1,430)</b>	<b>17,483</b>	<b>(1,071)</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of National Parks, Recreation, Sport and Racing	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	25, 29	..	27,264	27,947
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>27,264</b>	<b>27,947</b>
Surplus/(deficit) for the period	26, 31	(1,430)	17,483	(1,071)
<b>Total recognised income and expense for the period</b>		<b>(1,430)</b>	<b>44,747</b>	<b>26,876</b>
Equity injection/(withdrawal)	27, 32	(39,688)	(56,735)	(40,211)
Equity adjustments (inc. MoG transfers)	28, 30, 33	..	4,966	11,270
<b>Total movement in equity for period</b>		<b>(41,118)</b>	<b>(7,022)</b>	<b>(2,065)</b>

## CONTROLLED BALANCE SHEET

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		68,831	69,697	59,344
Receivables		5,800	6,055	6,555
Other financial assets		..	..	..
Inventories		254	104	104
Other		65	103	103
Non-financial assets held for sale	34, 40	1,567	..	..
<b>Total current assets</b>		<b>76,517</b>	<b>75,959</b>	<b>66,106</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	35, 41	3,128,705	2,893,295	2,900,326
Intangibles		6,755	3,362	3,827
Other		..	..	..
<b>Total non-current assets</b>		<b>3,135,460</b>	<b>2,896,657</b>	<b>2,904,153</b>
<b>TOTAL ASSETS</b>		<b>3,211,977</b>	<b>2,972,616</b>	<b>2,970,259</b>
<b>CURRENT LIABILITIES</b>				
Payables	36, 42	45,620	38,713	39,713
Accrued employee benefits		2,263	2,446	2,596
Interest-bearing liabilities and derivatives		166	80	199
Provisions		..	..	..
Other		1,452	1,516	1,551
<b>Total current liabilities</b>		<b>49,501</b>	<b>42,755</b>	<b>44,059</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		20	199	..
Provisions		..	..	..
Other		19,340	18,632	17,235
<b>Total non-current liabilities</b>		<b>19,360</b>	<b>18,831</b>	<b>17,235</b>
<b>TOTAL LIABILITIES</b>		<b>68,861</b>	<b>61,586</b>	<b>61,294</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>3,143,116</b>	<b>2,911,030</b>	<b>2,908,965</b>
<b>EQUITY</b>				
Capital/contributed equity	37, 43, 46	3,411,442	3,488,978	3,460,037
Accumulated surplus/(accumulated deficit)	38, 44	(268,326)	(605,212)	(606,283)
Reserves:				
- Asset revaluation surplus	39, 45, 47	..	27,264	55,211
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>3,143,116</b>	<b>2,911,030</b>	<b>2,908,965</b>

## CONTROLLED CASH FLOW STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	48, 55, 60	310,137	270,641	354,316
User charges and fees	49, 56, 61	26,759	28,643	30,428
Royalties and land rent receipts		1,064	1,064	1,600
Grants and other contributions	50, 57, 62	14,415	39,459	21,488
Interest received		660	554	520
Taxes		..	..	..
Other	51, 63	9,976	21,609	10,049
<b>Outflows</b>				
Employee costs	52, 58	(102,245)	(109,174)	(111,172)
Supplies and services		(94,763)	(77,831)	(94,778)
Grants and subsidies	53, 59, 64	(103,723)	(74,179)	(149,521)
Borrowing costs		(34)	(34)	(67)
Other		(4,153)	(2,700)	(4,330)
<b>Net cash provided by/(used in) operating activities</b>		<b>58,093</b>	<b>98,052</b>	<b>58,533</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		2,234	1,079	873
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(32,070)	(30,365)	(29,468)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(29,836)</b>	<b>(29,286)</b>	<b>(28,595)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		5,991	6,196	5,968
<b>Outflows</b>				
Borrowing redemptions		(639)	(559)	(80)
Finance lease payments		..	..	..
Equity withdrawals	54, 65	(45,679)	(62,931)	(46,179)
<b>Net cash provided by/(used in) financing activities</b>		<b>(40,327)</b>	<b>(57,294)</b>	<b>(40,291)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(12,070)</b>	<b>11,472</b>	<b>(10,353)</b>
<b>Cash at the beginning of financial year</b>		<b>80,901</b>	<b>58,225</b>	<b>69,697</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>68,831</b>	<b>69,697</b>	<b>59,344</b>

## ADMINISTERED INCOME STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue		26,766	26,790	26,811
Taxes		..	..	..
User charges and fees		193	193	199
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue	66, 67	..	7	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>26,959</b>	<b>26,990</b>	<b>27,010</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	66, 67	..	74	..
Grants and subsidies		26,766	26,716	26,811
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		193	200	199
<b>Total expenses</b>		<b>26,959</b>	<b>26,990</b>	<b>27,010</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	68	718	475	475
Receivables	68	30	123	123
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>748</b>	<b>598</b>	<b>598</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		6,173	6,173	6,173
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>6,173</b>	<b>6,173</b>	<b>6,173</b>
<b>TOTAL ASSETS</b>		<b>6,921</b>	<b>6,771</b>	<b>6,771</b>
<b>CURRENT LIABILITIES</b>				
Payables	68	481	293	293
Transfers to Government Payable	68	30	63	63
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	68	..	139	139
<b>Total current liabilities</b>		<b>511</b>	<b>495</b>	<b>495</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>511</b>	<b>495</b>	<b>495</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>6,410</b>	<b>6,276</b>	<b>6,276</b>
<b>EQUITY</b>				
Capital/contributed equity	68	6,678	6,745	6,745
Accumulated surplus/(accumulated deficit)	68	(268)	(469)	(469)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>6,410</b>	<b>6,276</b>	<b>6,276</b>



## ADMINISTERED CASH FLOW STATEMENT

Department of National Parks, Recreation, Sport and Racing	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts		26,766	26,790	26,811
User charges and fees		193	347	199
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes				
Other	69, 72	..	1,220	..
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services	69, 72	..	(74)	..
Grants and subsidies		(26,766)	(27,149)	(26,811)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		(193)	(200)	(199)
<b>Net cash provided by/(used in) operating activities</b>		..	<b>934</b>	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	70, 73	..	4,023	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	71, 73	..	(4,957)	..
<b>Net cash provided by/(used in) financing activities</b>		..	<b>(934)</b>	..
<b>Net increase/(decrease) in cash held</b>		..	..	..
<b>Cash at the beginning of financial year</b>		<b>718</b>	<b>470</b>	<b>475</b>
Cash transfers from restructure		..	5	..
<b>Cash at the end of financial year</b>		<b>718</b>	<b>475</b>	<b>475</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014, departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable costs 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 an associated reduction has been made to appropriation revenue. The 2013-14 Adjusted budget appropriation revenue and employee expenses have been reduced by \$0.8 million. The 2013-14 Estimated actual appropriation revenue and employee expenses have been reduced by \$4.9 million.

### Income statement

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

1. The decrease in appropriation revenue predominantly reflects the deferral of funding for the Racing Industry Capital Development Scheme and various Recreation and Sport grants programs to 2014-15.
2. The decrease in user charges and fees predominantly reflects revenue category realignments between user charges and other revenue.
3. The increase in grants and other contributions largely reflects reimbursements for restoration work in national parks associated with Tropical Cyclone Oswald and additional funding from the Australian Government for the Caring for Our Country program.
4. The increase in other revenue mainly relates to revenue category realignments between user charges and other revenue.
5. The 2013-14 Budget employee expenses do not reflect the renewal work undertaken in 2013 and were estimated based on data available at the time of the department's inception in 2012, which resulted in an underestimation of the 2013-14 budgeted employee expenses. The 2013-14 Estimated actual employee expenses reflect the cost of employees post the renewal exercise, including realignment across expense categories.
6. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and services have been reclassified as either "outsourced service delivery" or "other supplies and services". Outsourced service delivery includes contracts with external parties to the department to provide "front line" services to the community.
7. The decrease in other supplies and services is due to expenditure category realignment and the deferral of project costs to 2014-15.
8. The decrease in grants and subsidies largely relates to deferred expenditure with respect to the Racing Industry Capital Development Scheme and Recreation and Sport grant programs from 2013-14 to 2014-15.
9. The decrease in other expenses is due to expenditure category realignments following the department's inception and renewal work.
10. The increase in operating surplus in 2013-14 is due to Natural Disaster Relief and Recovery Arrangement funding received in 2013-14. Associated expenditure was incurred in prior financial years.

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

11. The increase in appropriation revenue largely reflects the deferral of funding for the Racing Industry Capital Development Scheme and various Recreation and Sport grants programs from 2013-14 to 2014-15.
12. The increase in user charges and fees predominantly reflects additional funding for the Parks and Forest Management Fund.
13. The increase in grants and other contributions relates to funding to be received in 2014-15 from the Australian Government for marine turtle protection and funding for repair work associated with Tropical Cyclones Yasi and Oswald and the Brisbane floods.
14. The 2013-14 Budget employee expenses do not reflect the renewal work undertaken in 2013 and were estimated based on data available at the time of the department's inception in 2012, which resulted in an underestimation of the 2013-14 budgeted employee expenses. The 2014-15 Budget reflects Enterprise Bargaining Agreement impacts and the impact of the Land and Sea Rangers program.
15. The reclassification of supplies and services to either "outsourced service delivery" or "other supplies and services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
16. The increase in grants and subsidies reflects the deferral of expenditure in relation to the Racing Industry Capital Development Scheme and various Recreation and Sport programs from 2013-14 to 2014-15.

17. The decrease in other expenses is due to various expenditure category realignments following the department's inception and renewal work.

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

18. The increase in appropriation revenue largely reflects the impact of funding deferred from 2013-14 to 2014-15, partially offset by one-off funding deferred from 2012-13 to 2013-14, for the Racing Industry Capital Development Scheme (\$66.6M) and various Recreation and Sport grants programs (\$11.6M), together with funding for the enterprise bargaining increase (\$2.0M), Land and Sea Rangers program (\$1.2M) and Cape York Protection (\$1.0M).
19. The increase in user charges and fees predominantly reflects additional payments for the Parks and Forest Management Fund.
20. The decrease in grants and other contributions largely reflects the funding provided to the department in 2013-14 for restoration work required for damage caused by Tropical Cyclones Yasi and Oswald and the 2010-11 summer disasters.
21. The increase in employee expenses is due to the cumulative impact of 2013 and 2014 Enterprise Bargaining increases together with the employment of additional rangers under the Land and Sea Rangers program.
22. The increase in other supplies and services is due to expenditure in 2014-15 associated with disaster relief recovery work, Queensland Recreation Area Management Board related costs, marine turtles protection, Cape York protection and replacement of the sport grants management system with a service solution.
23. The increase in grants and subsidies reflects the deferral of expenditure in relation to the Racing Industry Capital Development Scheme and various Recreation and Sport programs.
24. The decrease in operating surplus in 2014-15 mainly relates to the one-off nature of Natural Disaster Relief and Recovery Arrangements, received in 2013-14, associated with tropical cyclone damage to national parks, where expenditure was incurred in prior financial years. The 2014-15 deficit relates to the timing of revenue and expenses associated with externally funded programs, in particular the Parks and Forest Management Fund.

### Statement of changes in equity

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

25. The increase in the asset revaluation reserve is due to an anticipated revaluation increment in buildings and infrastructure.
26. The increase in operating surplus in 2013-14 is due to Natural Disaster Relief and Recovery Arrangements funding received in 2013-14 with associated expenditure having been incurred in prior financial years.
27. The increase in equity withdrawals is largely due to the return of funding to the Consolidated Fund of funding advanced in prior years to support disaster recovery work in national parks and the return of Racing Industry Capital Development Scheme prior year funding, which will be appropriated to the department in 2014-15.
28. The increase in equity adjustments is due to the transfer of protected estate land from the Department of Environment and Heritage Protection.

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

29. The increase in the asset revaluation reserve is due to an anticipated revaluation increment in buildings and infrastructure.
30. The increase in equity adjustments is due to the anticipated transfer of protected estate land from the Department of Environment and Heritage Protection.

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

31. The decrease in operating surplus in 2014-15 is due to Natural Disaster Relief and Recovery Arrangements funding received in 2013-14 with associated expenditure having been incurred in prior financial years.
32. The decrease in equity withdrawals is largely due to the return of funding in 2013-14 to the Consolidated Fund of funding advanced in prior years to support disaster recovery work in national parks.
33. The increase in equity adjustments is due to the anticipated transfer of protected estate land from the Department of Environment and Heritage Protection.

## Balance sheet

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

34. The reduction in non-financial assets is due to the realisation of proceeds from assets held for sale during the year. There are no assets forecast at 30 June 2014 to meet the criteria as held for sale.
35. The decrease in property, plant and equipment is due to a revaluation decrement in 2012-13 with respect to national parks land.
36. The decrease in current payables is due to a general reduction in average payable balances.
37. The increase in capital/contributed equity is due to the transfer of protected estate land from the Department of Environment and Heritage Protection.
38. The increase in the accumulated deficit is due to a revaluation decrement recorded on 30 June 2013.
39. The increase in the asset revaluation reserve is due to an anticipated revaluation increment to buildings and infrastructure.

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

40. The reduction in non-financial assets is due to the realisation of proceeds from assets held for sale during the year. No assets are forecast at 30 June 2015 to meet the criteria of held for sale.
41. The decrease in property, plant and equipment is due to a revaluation decrement in 2012-13 with respect to national parks land.
42. The decrease in current payables is due to a general reduction in average payable balances.
43. The increase in capital/contributed equity is due to the transfer of protected estate land from the Department of Environment and Heritage Protection.
44. The increase in the accumulated deficit is due to a revaluation decrement recorded in 2012-13.
45. The increase in the asset revaluation reserve is due to an anticipated revaluation increment to buildings and infrastructure.

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

46. The decrease in capital/contributed equity is due to equity withdrawal payments due in 2014-15. These equate to the difference in depreciation funding received via appropriation revenue and the level of approved capital expenditure.
47. The increase in the asset revaluation reserve is due to an anticipated revaluation increment to buildings and infrastructure.

## Cash flow statement

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

48. The decrease in appropriation receipts largely reflects the deferral of funding for the Racing Industry Capital Development Scheme and various Recreation and Sport grants programs from 2013-14 to 2014-15.
49. The increase in user charges predominantly reflects category realignments between user charges and other inflows, together with movements in receivable balances.
50. The increase in grants and other contributions largely reflects reimbursements for restoration work in national parks associated with Tropical Cyclone Oswald and additional funding from the Australian Government for the Caring for Our Country program.
51. The increase in other inflows mainly relates to category realignments between user charges and other inflows.
52. The 2013-14 Adjusted budget employee costs do not reflect the renewal work undertaken in 2013 and were estimated based on data available at the time of the department's inception in 2012, which resulted in an underestimation of the 2013-14 budgeted employee expenses. The 2013-14 Estimated actual employee expenses reflect the cost of employees post the renewal exercise, including realignment across expense categories.
53. The decrease in grants and subsidies largely relates to deferred costs with respect to the Racing Industry Capital Development Scheme and Recreation and Sport programs.
54. The increase in equity withdrawals is largely due to the return of funding to the Consolidated Fund of funding advanced in prior years to support disaster recovery work in national parks and the return of Racing Industry Capital Development Scheme prior year funding, which will be appropriated to the department in 2014-15.

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

55. The increase in appropriation receipts largely reflects the deferral of funding for the Racing Industry Capital Development Scheme and various Recreation and Sport grants programs from 2013-14 to 2014-15.
56. The increase in user charges predominantly reflects category realignments between user charges and other inflows, together with movements in receivable balances.
57. The increase in grants and other contributions relates to funding to be received in 2014-15 from the Australian Government for marine turtle protection and funding for repair work associated with disaster events expiring on 30 June 2014 and Tropical Cyclone Oswald progress payments.
58. The 2013-14 Adjusted budget employee costs do not reflect the renewal work undertaken in 2013 and were estimated based on data available at the time of the department's inception in 2012, which resulted in an underestimation of the 2013-14 budgeted employee expenses. The 2014-15 Budget reflects Enterprise Bargaining Agreement increases and the impact of the Land and Sea Rangers program.
59. The increase in grants and subsidies largely relates to deferred costs with respect to the Racing Industry Capital Development Scheme and Recreation and Sport programs.

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

60. The increase in appropriation receipts predominantly reflects the impact of funding deferred from 2013-14 to 2014-15, partially offset by one-off funding deferred from 2012-13 to 2013-14, for the Racing Industry Capital Development Scheme (\$66.6M) and various Recreation and Sport grants programs (\$11.6M), together with funding for the enterprise bargaining increase (\$2.0M), Land and Sea Rangers program (\$1.2M) and Cape York Protection (\$1.0M).
61. The increase in user charges predominantly reflects category realignments between user charges and other inflows, together with movements in receivable balances.
62. The decrease in grants and other contributions largely reflects the scale of damage caused by Tropical Cyclones Yasi and Oswald and the 2010-11 summer disasters and the subsequent funding provided to the department in 2013-14.
63. The decrease in other inflows mainly relates to receipt category realignments between user charges and other inflows.
64. The increase in grants and subsidies largely relates to deferred costs with respect to the Racing Industry Capital Development Scheme and Recreation and Sport programs.
65. The decrease in equity withdrawals is largely due to the return of funding in 2013-14 to the Consolidated Fund of funding advanced in prior years to support disaster recovery work in national parks and the return of Racing Industry Capital Development Scheme prior year funding, which will be appropriated to the department in 2014-15.

### **Administered income statement**

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

66. The increase in other revenue and other supplies and services expense reflects the department's role in winding up of trust accounts on behalf of Government.

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

67. The decrease in other revenue and other supplies and services expense reflects the department's role in winding up of trust accounts on behalf of Government.

### **Administered balance sheet**

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

68. The movements between the 2013-14 Adjusted budget and the 2013-14 Estimated actual reflect estimated balances as informed by the audited 30 June 2013 position.

### **Administered cash flow statement**

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

69. The increase in other inflows and other supplies and services costs reflects the department's role in winding up of trust accounts on behalf of Government.
70. The increase in equity injections is due to acquisition of trust assets and liabilities held on behalf of Government.
71. Equity withdrawals relate to the winding up trust activities with funds returned to Government.

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

- 72. The decrease in other inflows and other supplies and services costs reflects the department's role in winding up trust accounts on behalf of Government.
- 73. The movements in equity injections and withdrawals are due to one-off trust related activity in 2013-14.

# GLOSSARY OF TERMS

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<b>Accrual Accounting</b>	— 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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<b>Administered Items</b>	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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<b>Agency/Entity</b>	— 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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<b>Appropriation</b>	— Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"><li>– delivery of agreed services</li><li>– administered items</li><li>– adjustment of the Government’s equity in agencies, including acquiring of capital.</li></ul>
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<b>Balance Sheet</b>	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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<b>Capital</b>	— 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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<b>Cash Flow Statement</b>	— 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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<b>Controlled Items</b>	— 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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<b>Depreciation</b>	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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<b>Equity</b>	— Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity’s accumulated surpluses/losses, capital injections and any reserves.
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<b>Equity Injection</b>	— An increase in the investment of the Government in a public sector agency.

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<b>Financial Statements</b>	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income Statement</b>	— 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.
<b>Outcomes</b>	— 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.
<b>Own-Source Revenue</b>	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	— Key policy areas that will be the focus of Government activity.
<b>Services</b>	— 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](http://www.budget.qld.gov.au).





