

PART 14

Department of Environment and Resource Management

Summary of departmental portfolio budgets

Page	Agency	2010-11 Adjusted Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
3-108	Department of Environment and Resource Management – controlled	964,543	962,770	1,053,948
	Department of Environment and Resource Management – administered	45,791	48,027	45,024
3-133	Queensland Water Commission	24,407	21,202	26,574

Note:

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

DEPARTMENTAL OVERVIEW

MINISTERIAL RESPONSIBILITY

The Minister for Environment and Resource Management and Minister for Energy and Water Utilities are responsible for the Department of Environment and Resource Management (DERM) and the Queensland Water Commission (QWC).

STRATEGIC ISSUES

The Department of Environment and Resource Management conserves, protects and manages the State's environment and natural resources for today and for future generations.

The objectives of the department, as listed in the Strategic Plan 2011-15, are:

- natural resources and the environment are well managed
- client needs are understood and met
- decisions are evidence based.
- Queensland is prepared for climate change
- ecosystems are healthy, protected and bio-diverse
- indigenous land access and ownership is improved and Queensland's cultural heritage is conserved

The department supports and participates in the Government's plan for the future – *Toward Q2: Tomorrow's Queensland*. In particular the department:

- leads on the 2020 Green target: *Cut by one-third Queenslanders' carbon footprint with reduced car and electricity use*. The department leads Queensland's response to the challenge of climate change through implementation of the *ClimateQ: towards a greener Queensland* strategy. It is also implementing a State-wide waste management strategy aimed at reducing waste to landfill
- contributes to the 2020 Green target: *Protect 50 per cent more land for nature conservation and public recreation*. The department primarily contributes to this target by acquiring land for new areas of national park and by protecting Queensland's biodiversity values.
- contributes to the 2020 Strong target: *Queensland is Australia's strongest economy, with infrastructure that anticipates growth*. The department is involved in planning and regulating safe, reliable, fit-for-purpose and sustainable water supplies across Queensland
- contributes to the 2020 Strong target: *Increase by 50 per cent the proportion of Queensland businesses undertaking research and development or innovation*. The department participates in collaborative initiatives aimed at improving industry environmental performance and encouraging sustainable use of natural resources
- contributes to the 2020 Fair target: *Increase by 50 per cent the proportion of Queenslanders involved in their communities as volunteers*. The department provides information and resources to support volunteers in national parks and other areas of the department, and through the Green Nomads environmental volunteering placement program.

During the natural disasters that occurred over the 2010-11 summer, the department played a critical role in coordinating the State's response efforts and is now leading Queensland's environmental recovery, in line with the Queensland Reconstruction Authority's (QldRA) Community, Economic and Environmental Recovery and Reconstruction Plan (the State Plan). The department will work in partnership through the QldRA and communities to resolve critical environmental recovery issues, support the sustainable recovery of ecosystem services and natural resource management systems, and deliver ecologically sustainable development outcomes.

In the coming years the following factors will continue to impact on the department's operating environment:

- managing the natural resource and ecosystem impacts of more severe and frequent extreme weather events
- significant new industrial development, particularly, in the liquefied natural gas and mining sectors
- continued population growth, mainly in urban and coastal areas, will increase the community's demand for land and apply pressures on biodiversity
- maintaining community confidence in our capacity to protect the environment, despite increasing demand for the department's services
- facing the challenge of staying current with information technology to provide an accurate, consistent and timely response to service requests
- national policies, strategies and initiatives, including the National Water Initiative, the National Partnership Agreement to Deliver a Seamless National Economy and the carbon price mechanism from the Australian Government's Multi Party Climate Change Committee.

2011-12 HIGHLIGHTS

- The department will continue to lead the coordination of the Environment Line of Reconstruction for Operation Queensland, the State Plan. Reconstruction will occur across nine categories: water and sewerage infrastructure; mining and industry; marine health; wildlife; riparian and coastal ecosystems; protected areas; landscapes; waste and contamination management; and cross-reconstruction activities.
- The Government is committed to making 50 per cent of North Stradbroke Island national park in 2011-12 with the agreement of the Quandamooka People through an Indigenous Land Use Agreement and ongoing implementation of the *North Stradbroke Island Protection and Sustainability Act 2011*.
- In implementing *Queensland's Waste Reduction and Recycling Strategy 2010–2020* the department will introduce new legislation and a comprehensive set of programs designed to discourage unnecessary disposal and foster new business opportunities. The Industry Waste Disposal Levy will apply from 1 December 2011. Funds will be used to improve Queensland's waste and resource management practices with targeted programs to help business, industry and local government to reduce the amount of waste generated, particularly in regional areas. Surplus funds will be provided to help support other key environmental initiatives designed to secure a sustainable future for Queensland.
- The ClimateSmart Home Service, the largest household carbon reduction program in Australia, is receiving an additional \$60 million to extend the program by three years to December 2012, including \$34.5 million in 2011-12. The Government's total investment over four years to December 2012 is \$120 million to provide energy saving advice, information and products to approximately 430,000 households.

- Additional funding of \$1.9 million in 2010-11 and \$5.1 million per annum from 2011-12 is being provided for the implementation of the valuation reforms, including the department issuing over 1.6 million statutory land valuations annually for all rateable local government areas, implementation of quality assurance procedures for annual valuations, providing a centralised objection process and support the operations of a peer review process.
- To date, water supply security programs have been largely focused on South East Queensland. Additional funding of \$12.2 million over five years commencing 2011-12 is being provided to deliver programs aimed at improving water security for areas outside of South East Queensland.
- The Government is making available to the department surplus revenue generated through sale of forest products that would otherwise contribute towards an operating surplus and be remitted to the Consolidated Fund. The additional funds totalling \$10.5 million over four years commencing 2011-12 will be used to employ Queensland Parks and Wildlife Service rangers and to assist in the management of the national park estate.
- Additional funding of \$7.8 million over five years commencing 2010-11 is being provided for enhancements to the Government Land Register for all government property assets, and also an accelerated program of allocation and disposal of unallocated State land to its most appropriate use and tenure.
- The Government is committed to implementing the strategic cropping land policy framework, which provides a strong approach for protecting Queensland's best cropping land resource. This includes the finalisation and implementation of new legislation and a new State Planning Policy by early 2012 aimed at identifying, conserving and managing strategic cropping land. Additional funding of \$0.8 million was provided during 2010-11 to implement the framework. Funding requirements beyond 1 July 2011 are to be generated through user charges.
- The department will continue to improve the health of South East Queensland waterways by reducing rural and urban diffuse pollution through an allocation of \$2 million to the Healthy Waterways program in 2011-12.
- The department has committed to a strong and proactive compliance program in regulating and monitoring the Coal Seam Gas (CSG) and Liquefied Natural Gas (LNG) industries. The department's compliance plan commits to:
 - undertake over 140 proactive audits and inspections of Environmental Authority conditions, CSG water management activities, LNG plant and Gladstone harbour dredging, hydraulic fracturing activities (including the use of restricted compounds) and beneficial use approvals;
 - an ongoing groundwater monitoring and regulatory regime to manage groundwater impacts of CSG water extraction over time, such as independent monitoring and auditing of 300 groundwater bores; baseline assessments; bore assessments and make good agreements; and
 - adaptive management principals in recognising and incorporating improved knowledge and technologies in minimising environmental risk associated with CSG and LNG activities.
- The department will continue in its whole-of-Government role of representing the State in native title litigation before the Federal Court. In recognition of the increasing litigation costs associated with the role, additional funding of \$1 million per annum commencing 2011-12 is being provided.

- The Government will finalise its Biodiversity Strategy for Queensland, which will articulate Queensland's plan for conserving biodiversity throughout the state by reversing the decline in biodiversity and increasing the resilience of species, ecosystems and ecological processes. To support the strategy, \$3.9 million has been made available over four calendar years as part of the *ClimateQ* Climate Change Corridors for Biodiversity initiative. The allocation will fund community action to build healthy, connected ecosystems for threatened and iconic species in response to the threats of climate change.
- As part of the Government's commitment to action on climate change the department will deliver a comprehensive, updated adaptation strategy that targets key sectors, addresses policy gaps and ensures that Queensland communities are best-equipped to cope with the full range of projected climate impacts.
- The department will undertake the first ever comprehensive and systematic assessment of risk to the wetlands of Queensland's Great Barrier Reef catchment area and the development of a community-based wetland condition monitoring guide.
- The Healthy HeadWaters Water Use Efficiency Project will help to achieve the long-term goal of improving irrigation efficiency and securing the viability of ecological assets in the Queensland Murray Darling Basin. The project targets investment at on-farm water use efficiency and the delivery of the water savings to both the environment and irrigators. The project is a bilateral project with the Australian government to upgrade irrigation infrastructure and practices through its *Water for the Future* initiative.
- A Queensland Biodiversity Offset Policy will be finalised to guide decisions on offsets for adverse impacts to State significant biodiversity values that cannot be avoided or minimised and to assist clients identify offset sites that are ecologically equivalent to impacts sites.
- The stock routes network reforms, including new stock route management legislation are intended to be finalised by the end of 2011, for implementation to commence by June 2012. These proposed reforms will include a revised classification system of stock routes, a new grazing authority framework and improved resources for local governments as the primary managers of the stock route network.
- The Green Tape Reduction project will be progressed and will deliver substantial improvements to Queensland's *Environmental Protection Act 1994*, including: a new licensing model that matches assessment effort to environmental risk; providing flexible operational approvals; streamlining the approvals process for the resources sector and streamlining information requirements.
- The Cooper and Fitzroy "Generation 2" Resource Operations Plans will be finalised, identifying strategies to establish additional tradeable water allocations. This will address the over allocation of groundwater in the Callide Valley and improve the protection of natural and cultural values of the catchments.
- *ClimateQ: toward a greener Queensland* is the centrepiece of Queensland's response to climate change. Of a total 39 *ClimateQ* initiatives, 9 will be delivered and 20 underway in 2011-12, building on the 10 initiatives that were delivered previously.

RECENT ACHIEVEMENTS

- The department assisted the Queensland Reconstruction Authority to prioritise mapping activities and produce on-demand map products for 164 disaster affected Queensland towns and suburbs. The capture of this imagery has resulted in the department creating 237 new publicly available mapping products.

- The department mobilised additional resources during the 2010-11 wet season to manage the potential risks to the environment due to uncontrolled discharges from mine sites as a result of extreme rainfall events. Between December 2010 and March 2011, the department processed 60 Transitional Environmental Programs to assist industry and mining companies in their recovery from the impacts of flooding while ensuring adequate safeguards for the environment and drinking water supplies.
- Queensland's Waste Reduction and Recycling Strategy 2010-20, released publicly in December 2010, provides a new direction for waste and resource management. The reforms will encourage Queenslanders to avoid waste, and to recycle and responsibly dispose of any residual waste.
- The new Queensland Coastal Plan was released to prepare the state for the impacts of climate change. The plan brings a much greater focus on managing urban development in the coastal zone, ensuring that new urban areas are not located in coastal hazard areas. Coastal hazard impacts on existing urban areas will be mitigated through the preparation of community-at-risk scale adaptation plans based on sea level rise climate change projections.
- There have been significant regulatory changes:
 - in late 2010, amendments were made to the *Environmental Protection Act 1994* to regulate the use of compounds containing benzene, toluene, ethylbenzene and xylenes to ensure the coal seam gas industry continued to avoid deliberate use of these compounds in well stimulation activities;
 - a new regulatory framework was established to manage the potential cumulative impact on water supply bores and springs from the extraction of groundwater by petroleum tenure holders, including coal seam gas activities; and
 - amendments were also made to the recycled water provisions of the *Water Supply (Safety and Reliability) Act 2008* to protect public health where the supply of coal seam gas water, as recycled water, augments urban communities' drinking water supply sources.
- A new team has been established as a "one stop shop", merging the responsibilities of the department and the Department of Employment, Economic Development and Innovation, for the provision of information, resolution of landholders' complaints and delivery of enforcement activities related to the coal seam gas industry. In order to support the establishment of this unit, DERM has employed more than 30 additional staff to assist in the regulation of the coal seam gas industry. The majority of these staff are regionally based throughout key areas of coal seam gas activity.
- The Government's strategy to protect North Stradbroke Island and to provide land justice for its Traditional Owners achieved a major milestone with the passage of the *North Stradbroke Island Protection and Sustainability Act 2011* and declaration of 20 per cent of the island as national park.
- In September 2010, the *Land Valuation Act 2010* received assent, significantly reforming and streamlining the statutory land valuation system. This legislative framework enabled the Valuer-General to issue, on 3 May 2011, approximately 1.65 million site and unimproved statutory land valuations in all 58 rateable local government areas.
- Finalisation of the Baffle Water Resource Plan and the Mary Resource Operations Plan has progressed the department's national commitments to managing the State's water for now and into the future.
- The activities required to deliver the 2009 Election Commitment at Kirra Beach have been completed at a cost of \$1.1 million. The beach will continue to improve with natural levels of sand now being delivered through the Tweed River Entrance Sand Bypassing Project.

- Approximately 95,000 ClimateSmart Home Services were delivered during 2010-11, resulting in a total of approximately 280,000 households receiving the service by 30 June 2011. This program demonstrates the department's leadership of the Government's *Toward Q2: Tomorrow's Queensland* 2020 Green target - *Cut Queenslanders' carbon footprint by one third with reduced car and electricity use.*
- The First Great Barrier Reef Report Card was developed this year, incorporating paddock and catchment modelling that evaluated management practice changes and remote sensing information on groundcover, riparian vegetation and wetlands.
- The department delivered clear guidance for local governments on how to factor climate change into flood risk assessments, as part of the Inland Flooding Study in partnership with the Local Government Association of Queensland.
- The Nature Assist project has acquired more than 2.8 million hectares of nature refuges protecting high quality conservation values throughout Queensland. This contributes to the State's conservation target to achieve 20 million hectares of all forms of protected area by 2020.
- The Cooloola Recreation Area was declared, effective from 17 October 2010, extending from Noosa North Shore to Rainbow Beach to provide for enhanced management of this popular coastal destination encompassing the Cooloola Section of the Great Sandy National Park.
- On 18 March 2011, the department provided a system to assess and manage the cumulative underground water impacts from multiple petroleum tenures for the Surat and Southern Bowen Basin areas, including the alluvium of the Condamine River.
- The department has implemented the Koala Response Strategy, with the Koala Nature Refuges program rehabilitating 58 hectares of private land to date. In total, almost 150 hectares of koala habitat has been secured.

DEPARTMENTAL SERVICES

The four departmental service areas, Climate Change, Environment, Land and Water will deliver against one or more strategies under each of the departmental objectives outlined in the Department of Environment and Resource Management Strategic Plan 2011-15.

Climate change

The objective of this departmental service area is meeting the challenge of Climate Change. This is delivered through initiatives aimed at ensuring that:

- Queensland's carbon footprint is reduced
- Queensland is prepared for the impacts of Climate Change.
- Queensland's response is informed by the best available science.

Environment

The objective of this departmental service area is conserving our natural environment. This is delivered through initiatives aimed at ensuring that:

- Queensland's unique biodiversity is protected
- Queensland's protected area estate and marine parks are well managed
- Queensland's unique ecosystems, landscapes, marine environments and native flora and fauna are conserved
- pollution is prevented or controlled
- Queenslanders reduce waste generation and disposal
- Queensland's natural resources are proactively managed and monitored for productive use and environmental protection
- Queensland's environmental values are protected, including air, water and soil quality.

Land

The objective of this departmental service area is to manage our natural resources, improve indigenous land ownership and conserve Queensland's cultural heritage. This is delivered through initiatives aimed at ensuring:

- confidence and integrity in land systems and information
- managing land wisely.

Water

The objective of this departmental service area is securing water for Queensland's future. This is delivered through initiatives aimed at ensuring:

- water is allocated and sustainably managed
- water levels and quality of surface and groundwater systems are monitored
- Queenslanders conserve water at home, work and in their communities
- secure, safe and reliable water supplies are provided to Queensland communities.

STAFFING¹

Service areas	Notes	2010-11 Budget	2010-11 Est. actual	2011-12 Estimate
Services	2			
Climate Change	3	105	141	141
Environment	3	2,501	2,909	2,909
Land	3,4	1,834	1,607	1,656
Water	3	957	924	924
Total		5,397	5,581	5,630

Notes:

1. Full-time equivalents (FTEs).
2. Corporate FTEs are allocated across the services to which they relate.
3. The variances between 2010 -11 Budget and 2010 -11 Est. Actual distribution by Service Area are primarily due to the reallocation of staff across DERM e.g. the transfer of FTEs from the Sustainable Industries Branch from Environment Service Area to the Climate Change Service Area. FTEs were also transferred into the Environment Service Area to develop and implement the Queensland Waste Reform Strategy. The increase variations across both Climate Change and Environment services are also reflective of a small number of vacant positions being filled in the latter part of the financial year.
4. The increase between the 2010-11 Est. actual and the 2011-12 Estimate for the Land Service is due to an additional 49 FTEs for the Strategic Cropping Land project.

2011-12 SERVICE SUMMARY¹

Service areas	Total cost \$'000	Sources of revenue			
		State Contribution \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Climate Change	64,774	62,521	249	..	2,004
Environment	491,934	425,421	5,127	33,781	27,605
Land	244,473	167,507	50,351	1,000	25,615
Water	248,317	192,276	2,290	41,171	12,580
Total^{2,3}	1,049,498	847,725	58,017	75,952	67,804

Notes:

1. Explanations of variances are provided in the financial statements.
2. The department provides corporate service functions to the Queensland Water Commission on a fee for service basis. The cost of service delivery and associated revenue has been excluded from the above table.
3. Australian Government funding received via appropriated Service receipts has been included under Commonwealth revenue in the above table.

ADMINISTERED ITEMS

DESCRIPTION

The department's administered responsibilities include the following:

Environment Protection Related Regulatory Fees

The department collects a range of regulatory fees associated with environmental monitoring, authorities and development applications, permits for commercial activity in or near parks, the keeping of wildlife, and licensing of the recreational and commercial harvesting of wildlife. These fees are generally levied on business and local government in relation to environmental licensing and on members of the community and small business in relation to permits for commercial activities and wildlife and the licensing of wildlife harvesting.

Waste Disposal Levies

Waste disposal levies are generally payable on waste transported to waste disposal facilities by the commercial, industrial, construction and demolition sectors. The levies, calculated on a per tonne basis, are collected by waste disposal facility operators and remitted to the department on a regular basis.

Land Title Act Fees

Revenue is collected under the *Land Title Act 1994* for the lodgement of documents to secure ownership and other interests in land and other resources and record related information. Customers include individuals and organisations, both in Queensland and elsewhere, with interests in the State's resources. The client groups include landowners, government agencies, industry groups, financial institutions, solicitors and other service providers.

Lease of State Land

Annual rentals and instalments are collected on land leased from the State and on various permits issued over State land under the *Land Act 1994*.

Water Infrastructure Maintenance

The State is responsible for the upkeep of a number of non-commercial dams and weirs that do not form part of any irrigation scheme. Adequate maintenance and improvement must be undertaken to protect the public from unsafe structures and prevent property loss as a result of structural failure.

Unsafe structures may be decommissioned or, where appropriate, repaired before responsibility for the ongoing maintenance of the structures is transferred to organisations such as local authorities.

DEPARTMENTAL STATEMENTS

PERFORMANCE STATEMENT

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Area: Climate Change - Service standards				
Average cost to deliver the ClimateSmart Home Service on a per household basis	1	New measure	New measure	\$320
Average tonnes reduction in annual household emissions from electricity use, fuel and waste to landfill	2,3	New measure	New measure	0.5
Average percentage savings in greenhouse gas emissions by EcoBiz partner companies	4,5	10%	18%	18%
Other measures				
Percentage of Premier's Council on Climate Change recommendations adopted by Government	6	New measure	New measure	80%
Private to public investment ratio for projects supported by the Queensland Sustainable Energy Innovation Fund	7	5:1	6.5:1	8:1
State contribution (\$000)		27,667	55,981	62,521
Other revenue (\$000)		1,822	2,251	2,253
Total cost (\$000)		29,489	58,232	64,774
Service Area: Environment - Service standards				
Tonnage of recyclable materials from stadia, public venues and public events diverted from the waste stream into recycling	8	600	600	600
Average time taken to upload air quality monitoring data to the DERM website	9	New measure	New measure	2 hour
Delivery of infrastructure projects on Queensland Parks and Wildlife Services managed estates, as measured by the capital works activity index.	10,11	90%	80%	90%
The annual increase in hectares of Land for Nature Conservation (National Parks)	12	New measure	81,000 hectares	350,000 hectares
Increase in the area (million hectares) of high conservation quality land gazetted as nature refuge	13	1	1	0.466
Other measures				
Indigenous involvement in Cape York protected area management	14,15	25%	30%	30%

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Implement the Queensland Parks and Wildlife Services (QPWS) Strategic Pest Management Program, measured as a percentage of projects delivered annually		90%	90%	90%
Implementation of Queensland Parks and Wildlife Service (QPWS) fire management system, measured by planned burns implemented as a percentage of the QPWS managed estate	16	5%	4%	5%
Number of sites engaging in activities regulated under the <i>Environmental Protection Act 1994</i> , inspected for compliance	17,18			
• Level A (Basic inspections)		180	300	180
• Level B (Condition audit)		430	430	430
• Level C (Performance audit)		80	80	80
Percentage of environmental authorities administered under the <i>Environmental Protection Act 1994</i> that are issued within statutory timeframes	19	100%	99%	100%
Annual increase of the number of hectares of vegetation communities and ecosystems mapped to support key policy programs	20	6,000,000	6,000,000	5,000,000
State contribution (\$000)		389,945	387,281	425,421
Other revenue (\$000)		97,396	75,655	66,513
Total cost (\$000)		487,341	462,936	491,934
Service Area: Land - Service standards				
Total of Forest Product sales quantities per total Forest Product Full Time Equivalent (FTE)				
• Native forest timber (m³/FTE)		2,140	2,137	2,255
• Quarry material (m³/FTE)		32,560	40,700	36,275
Resolution of outstanding Native Title Claims		New measure	New measure	10%
Percentage of Aboriginal and Torres Strait Islander Land Trusts compliant and effectively managing their land		New measure	New measure	50%
Other measures				
Percentage of <i>Sustainable Planning Act 2009</i> development applications assessed within legislative timeframes	21	100%	98.1%	100%
Information resources downloaded via Information Queensland Website	22	New measure	New measure	22,800
Number of parcels of the unallocated State land portfolio allocated to their most appropriate use and tenure.	23	New measure	New measure	300 parcels

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Accuracy of registration of title dealings to deliver public confidence in the integrity of the State's titling system.	24	99.5%	99.8%	99.5%
Percentage of records processed within customer service standards				
• Titles Registry (in 5 days)		90%	95%	90%
• Digital Cadastral Database (in 7 days)		90%	94%	90%
State contribution (\$000)		186,764	177,181	167,507
Other revenue (\$000)		71,695	58,494	76,966
Total cost (\$000)		257,199	234,417	244,473
Service Area: Water				
Service standards	25			
Percentage of high priority risks identified in aquatic ecosystem health trend reports that have an appropriate management intervention developed and actions are satisfactorily progressed		100%	100%	100%
Percentage of Queensland's natural water systems with appropriate quality and ecosystem health monitoring frameworks in place		67%	67%	67%
Other measures				
Percentage of the State's drinking water services that have appropriate drinking water quality monitoring and response frameworks in place	26	100%	100%	100%
Cumulative number of wild river declarations finalised	27	10	10	12
Percentage of the State's natural surface water systems managed in accordance with National Water Initiative compliant water planning guidelines	28	73%	69%	76%
Percentage of water resource management dealings processed within customer service standards:	29			
• licence applications		75%	75%	75%
• licence transfers and renewals		85%	90%	90%
State contribution (\$000)		156,472	158,678	192,276
Other revenue (\$000)		30,284	42,842	56,041
Total cost (\$000)		186,756	201,520	248,317

Notes:

1. This measure has replaced a discontinued measure to provide improved reporting and to measure the efficiency of the cost to deliver the ClimateSmart Home Service.
2. This measure has replaced a discontinued measure to provide improved reporting on the State Government's efforts to reduce Queensland households' carbon footprint.
3. The Department of Environment and Resource Management is the lead department for the Toward Q2: Tomorrow's Queensland Green – Carbon footprint target. For further information on this Toward Q2: Tomorrow's Queensland target measure and its contributing departments, please refer to the Target Delivery Plan found on the www.TowardQ2.qld.gov.au website.

4. The wording of this measure has been adjusted to make the measure easier to understand.
5. The 2010-11 target was based on broader industry averages for achieving energy efficiency, but the EcoBiz program was more successful than expected in 2010-11 in achieving greenhouse gas savings in participating companies. The target has been increased for 2011-12.
6. This measure has replaced a discontinued measure to provide improved reporting on successfully developed recommendations that are able to be implemented by Government.
7. The success of projects funded by the Queensland Sustainable Energy Innovation Fund has resulted in a higher than expected private to public investment ratio in 2010-11 and a higher target for 2011-12.
8. Preliminary information suggests that the 2010-11 target will most likely be exceeded, but this can only be confirmed from annual data collected from public place recycling participants after 30 June 2011.
9. This measure has been implemented to provide more effective and efficient reporting in relation to air quality data. It replaces a discontinued measure.
10. The unprecedented prolonged wet season and the influence of State-wide flooding, Tropical Cyclones Anthony and Yasi, and monsoonal flooding has prevented access to many construction sites by staff and contractors and has also prevented work at many sites. Some delays are still being experienced through the availability of contractors and it is expected that in the aftermath of the widespread flood damage this could continue for the remainder of the year.
11. The wording of this measure has been adjusted to make the measure easier to understand.
12. The 2010-11 Estimated actual of 81,000 hectares includes Koombooloomba National Park, Little Mulgrave National Park, Naree Budjong Djara (North Stradbroke Island) National Park, Gadgarra National Park and Mount Abbot National Park. The 2011-12 Target/estimated of 350,000 hectares is expected to comprise approximately 80,000 hectares in acquisitions, 150,000 hectares in State forest transfers and 120,000 hectares for Cape York gazettals. The Department of Environment and Resource Management is a contributing department for the Toward Q2: Tomorrow's Queensland Green – Greenspace target. The Department of Local Government and Planning is the lead department for this target and the land for public recreation component of the target is reported in the Department of Local Government and Planning's Service Delivery Statement. For further information on the Toward Q2: Tomorrow's Queensland target measures and their contributing departments, refer to the Target Delivery Plan found on the www.TowardQ2.qld.gov.au website.
13. The 2011-12 Target/estimate is lower than the 2010-11 Target/estimate and the 2010-11 Est. actual, as many of the larger properties have now been recruited into the program. The program has an approved five year plan and within that plan 2011-12 will concentrate on a higher proportion of smaller properties with strong conservation values, such as connectivity between other protected areas. The 2011-12 Target/estimate is consistent with the requirements to meet the Government's Toward Q2 Green target.
14. The recent establishment and funding of additional indigenous identified ranger positions has enabled targeted recruitment of indigenous people.
15. The wording of this measure has been adjusted to make the measure easier to understand.
16. Fire target of 5% is not expected to be reached by the end of the 2010-11 year due to prolonged wet weather preventing planned burns. QPWS places the highest priority on protecting life followed by protecting property and environmental values in its fire management program. While the primary purpose of approximately half the planned burns implemented to date for the year has been for hazard reduction (for life and property protection), all planned burns serve multiple purposes.
17. Site inspections under the Environmental Protection Act 1994 Level A – basic inspections 3rd Quarter reporting shows a marked increase in Level A inspections, as DERM have proactively undertaken visual checks of many flood impacted premises or a more detailed assessment of only a portion of the operations such as, stormwater management controls or containment dam levels.
18. The wording of this measure has been adjusted to make the measure easier to understand.
19. The Quarter 3 result for 2010-11 was 99% as one registration certificate was approved outside timeframes. It was delayed as a result of flooding in Brisbane and subsequent skeleton staffing, which led to it being received in action office (Toowoomba) after the due date for a decision.
20. Wet weather has impacted on field work and access to survey areas. This will result in a reduction to 5 million hectares per year for the 2011-12 financial year.
21. The shortfall was due to some process/systems issues, including system tracking and reporting limitations. Further enhancements to the Ecotrack system are due to come into effect in June 2011. Training and amended administrative processes have also been developed and implemented to help address the shortfall.
22. This measure has replaced a discontinued measure to provide improved reporting.
23. In this context, a "parcel" is an area of Unallocated State Land defined with a lot on plan description and associated cadastral boundaries, which is similar to how a freehold parcel or a reserve parcel of land is defined.
24. The wording of this measure has been adjusted to make the measure easier to understand.
25. A suitable measure of efficiency is currently being investigated.
26. The wording of this measure has been adjusted to make the measure easier to understand.
27. The Federal Parliamentary Inquiry into Queensland's wild rivers laws has delayed the progression of the wild rivers program. Declaration proposals for the eight remaining wild river declarations on the Cape York Peninsula are now anticipated to commence in 2011-12.
28. Queensland is an active participant in the National Water Initiative (NWI) Agreement and continues to progress a water reform framework that includes the development of water resource plans. This provides for the sustainable management of water between human consumptive needs and environmental values. To be NWI compliant a water system requires a water resource plan and resource operations plan. The development of resource operations plans implements the outcomes and strategies specified in the water resource plan. Resource operations plans for the Baffle and Whitsunday catchments were delayed during 2010-11 and will now be finalised during 2011-12. This measure has replaced a discontinued measure to provide improved reporting on surface water.
29. The better-than-target result for licence transfers and renewals is associated with improvements to administrative and electronic processes; In line with the better result, a higher target is proposed target for 2011-12 year.

INCOME STATEMENT

Department of Environment and Resource Management	Notes	2010-11 Adjusted Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
Income				
Service revenue	1,9,16	806,264	803,414	883,896
User charges	2,10,17	58,076	46,396	62,467
Grants and other contributions	3,11,18	65,841	79,185	71,572
Other revenue		35,520	33,630	35,868
Gains on sale/revaluation of property, plant and equipment and investments		100	145	145
Total income		965,801	962,770	1,053,948
Expenses				
Employee expenses	4,12,19	481,241	485,761	505,186
Supplies and services	5,13,20	261,735	278,727	318,110
Grants and subsidies	6,14,21	134,349	106,994	140,485
Depreciation and amortisation		76,937	76,222	78,155
Finance/borrowing costs		150	..	..
Other expenses	7,22	10,047	12,808	11,012
Losses on sale/revaluation of property, plant and equipment and investments	8,15	84	1,000	1,000
Total expenses		964,543	961,512	1,053,948
OPERATING SURPLUS/(DEFICIT)		1,258	1,258	..

STATEMENT OF CHANGES IN EQUITY

Department of Environment and Resource Management	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		85,614	101,658	110,197
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		85,614	101,658	110,197
Surplus/(deficit) for the period		1,258	1,258	..
Total recognised income and expense for the period		86,872	102,916	110,197
Equity injection/(withdrawal)		(29,334)	(23,907)	(31,181)
Equity adjustments (MoG transfers)	23,24	..	30,617	..
Total movement in equity for period		57,538	109,626	79,016

BALANCE SHEET

Department of Environment and Resource Management	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
CURRENT ASSETS				
Cash assets	25,36,47	64,312	122,717	123,730
Receivables		41,040	40,527	40,982
Other financial assets		..	..	..
Inventories		2,104	2,230	2,230
Other	26,37	19,509	13,827	13,827
Non-financial assets held for sale		161	217	217
Total current assets		127,126	179,518	180,986
NON-CURRENT ASSETS				
Receivables	27,38	180	438	438
Other financial assets	28,39	..	3,123	3,123
Property, plant and equipment	29,40,48	3,627,580	3,596,510	3,666,808
Intangibles	30,41	34,074	36,855	42,624
Other		..	..	..
Total non-current assets		3,661,834	3,636,926	3,712,993
TOTAL ASSETS		3,788,960	3,816,444	3,893,979
CURRENT LIABILITIES				
Payables	31,42	50,903	44,776	43,925
Accrued employee benefits		..	12,672	12,672
Interest-bearing liabilities and derivatives		630	630	689
Provisions		..	..	..
Other	32,43	73,677	97,870	97,870
Total current liabilities		125,210	155,948	155,156
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		689	689	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		689	689	..
TOTAL LIABILITIES		125,899	156,637	155,156
NET ASSETS/(LIABILITIES)		3,663,061	3,659,807	3,738,823
EQUITY				
Capital/contributed equity	33,44,49	3,477,118	3,592,184	3,561,003
Accumulated surplus/(accumulated deficit)	34,45	10,149	(38,378)	(38,378)
Reserves:				
- Asset revaluation surplus	35,46	175,794	106,001	216,198
- Other (specify)		..	..	..
TOTAL EQUITY		3,663,061	3,659,807	3,738,823

CASH FLOW STATEMENT

Department of Environment and Resource Management	Notes	2010-11 Adjusted Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	50,62,71	806,264	816,269	883,896
User charges	51,63,72	63,330	52,650	68,721
Grants and other contributions	52,64,73	63,134	76,478	68,865
Other		59,830	57,940	60,178
Outflows:				
Employee costs	53,65,74	(481,241)	(485,761)	(505,186)
Supplies and services	54,66,75	(284,396)	(302,388)	(341,771)
Grants and subsidies	55,67,76	(134,349)	(106,994)	(140,485)
Borrowing costs		(150)	..	..
Other	56,77	(15,600)	(18,361)	(16,565)
Net cash provided by/(used in) operating activities		76,822	89,833	77,653
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		446	491	491
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	57,68,78	(44,631)	(90,255)	(45,320)
Payments for investments	58,79	..	(1,700)	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(44,185)	(91,464)	(44,829)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	59,69,80	35,583	51,018	29,559
Outflows:				
Borrowing redemptions		(577)	(577)	(630)
Finance lease payments		..	..	..
Equity withdrawals	60,81	(64,917)	(74,925)	(60,740)
Net cash provided by/(used in) financing activities		(29,911)	(24,484)	(31,811)
Net increase/(decrease) in cash held		2,726	(26,115)	1,013
Cash at the beginning of financial year	61,70,82	61,586	148,832	122,717
Cash transfers from restructure		..	..	..
Cash at the end of financial year		64,312	122,717	123,730

ADMINISTERED INCOME STATEMENT

Department of Environment and Resource Management	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	83,90,94	260,912	221,533	309,968
Royalties, property income and other territorial revenue	84,91,95	66,413	82,102	89,230
Interest		2,164	2,164	2,164
Administered revenue	85,96	5,386	7,622	4,619
Other	86,92	166,185	214,435	218,188
Total revenues		501,060	527,856	624,169
Expenses				
Supplies and services	87	1,296	2,044	956
Depreciation and amortisation		185	185	185
Grants and subsidies	88,96	3,858	5,346	3,663
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		40,452	40,452	40,220
Total expenses		45,791	48,027	45,024
Net surplus or deficit before transfers to Government		455,269	479,829	579,145
Transfers of administered revenue to Government	89,93,97	338,269	314,579	410,142
OPERATING SURPLUS/(DEFICIT)		117,000	165,250	169,003

ADMINISTERED BALANCE SHEET

Department of Environment and Resource Management	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
CURRENT ASSETS				
Cash assets	98,103	19,067	28,626	28,626
Receivables	98,103	31,974	25,931	25,931
Inventories		..	..	..
Other	98,103	35,449	29,308	29,308
Non-financial assets held for sale	98,103	8,421	95	95
Total current assets		94,911	83,960	83,960
NON-CURRENT ASSETS				
Receivables	98,104,109	41,918	53,243	48,743
Other financial assets		..	..	..
Property, plant and equipment	99,105,110	67,528,914	66,778,706	69,100,805
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		67,570,832	66,831,949	69,149,548
TOTAL ADMINISTERED ASSETS		67,665,743	66,915,909	69,233,508
CURRENT LIABILITIES				
Payables	98,103	12,346	9,906	9,906
Transfers to Government payable	98,103	16,929	27,971	27,971
Interest-bearing liabilities		..	..	..
Other	98,103	38,028	29,713	29,713
Total current liabilities		67,303	67,590	67,590
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		67,303	67,590	67,590
ADMINISTERED NET ASSETS/(LIABILITIES)		67,598,440	66,848,319	69,165,918
EQUITY				
Capital/Contributed equity	100,106,111	23,597,427	23,855,448	23,835,980
Accumulated surplus/(Accumulated deficit)	101,107,112	301,392	477,024	646,027
Reserves:		..	..	..
- Asset revaluation surplus	102,108,113	43,699,621	42,515,847	44,683,911
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		67,598,440	66,848,319	69,165,918

ADMINISTERED CASH FLOW STATEMENT

Department of Environment and Resource Management	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	114,127	5,386	10,026	4,619
Grants and other contributions	115,122,128	2,000	250	4,003
Taxes, fees and fines	116,123,129	260,912	221,533	309,968
Royalties, property income and other territorial revenues	117,124,130	66,413	82,102	89,230
Other		6,485	6,485	6,485
Outflows:				
Transfers to Government	118,125,131	(338,269)	(314,579)	(410,142)
Grants and subsidies	132	(3,858)	(5,177)	(3,663)
Supplies and services	119	(1,644)	(2,392)	(1,304)
Borrowing costs		..	..	..
Other		(9,425)	(9,425)	(9,193)
Net cash provided by/(used in) operating activities		(12,000)	(11,177)	(9,997)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		31,068	31,068	31,068
Investments redeemed		..	..	..
Loans and advances redeemed		12,000	12,000	12,000
Outflows:				
Payments for property, plant and equipment and intangibles	120,126,133	(52,316)	(79,010)	(6,103)
Payments for investments		..	..	..
Loans and advances made		(7,500)	(7,500)	(7,500)
Net cash provided by/(used in) investing activities		(16,748)	(43,442)	29,465
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	121,126,133	50,316	75,986	2,100
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(21,568)	(21,568)	(21,568)
Net cash provided by/(used in) financing activities		28,748	54,418	(19,468)
Net increase/(decrease) in cash held		..	(201)	..
Administered cash at beginning of financial year		19,067	28,827	28,626
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		19,067	28,626	28,626

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. Service revenue increased with additional State funding for climate change related activities, the new property valuation methodology, strategic natural resource management and protection of the Great Barrier Reef. The increase is partly offset by the deferral of funding for koala protection initiatives, dam spillway upgrades, Great Artesian Basin sustainability and the North Stradbroke Island national park together with the reclassification of certain funding received from the Australian Government as grant revenue and the conversion of funding to equity to acquire land for koala protection.
2. Revenue from user charges relating to real estate market transactions fell with the downturn in activity following the 2011 floods.
3. Grant revenue increased with the reclassification of certain Australian Government funding from Service receipts. The increase was partly offset by falls in other Australian Government grants following new funding arrangements.
4. Employee expenses increased due to outlays associated with initiatives such as the new property valuation methodology, coal seam gas industry regulation and management of State owned and strategic cropping land.
5. Supplies and services expenses increased mainly due to additional outlays on climate change related activities.
6. Grants and subsidy outlays fell with the redirection of koala protection grant funding to land acquisitions for koala protection, the deferral of koala protection related grants pending availability of suitable areas of land and deferral of dam spillway upgrade grants with works not yet undertaken by dam owners. The decrease is partly offset by grants for vegetation protection deferred from 2009-10 and for flood damage restoration.
7. Other expenses increased mainly as a result of the settlement of a compensation claim in relation to forest logging.
8. Losses on disposal of assets increased with the write off of flood damaged assets.

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

9. Service revenue increases due to additional State funding for climate change and other initiatives such as expanding the national park estate, dam spillway upgrades, the waste reform strategy, improving regional water security and introduction of a new land valuation methodology. The increases are partly offset by a net reduction in Australian Government funded initiatives resulting from the reclassification of certain funding to grant revenue.
10. Revenue from user charges increases mainly due to the introduction of fees associated with the protection of strategic cropping land.
11. Grant revenue decreases due to additional revenue from the reclassification from Service revenue of certain Australian Government funding being offset by an expected reduction in grant revenue from other sources.
12. Employee expenses increase due to award related increases and additional staff to manage State owned and strategic cropping land, and the new property valuation methodology, and the national park estate.
13. Supplies and services expenses increase mainly due to additional outlays on the ClimateSmart Home Service and improving regional water security.
14. Grants and subsidy payments increase with additional payments for dam spillway upgrades. The increase is partly offset by the deferral of grants for koala protection, the waste management strategy and healthy headwaters initiatives.
15. Losses on disposal of assets increased with the write off of flood damaged assets.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

16. Service revenue increases due to additional State funding for climate change and other initiatives such as expanding the national park estate, the koala response strategy, dam spillway upgrades, the waste reform strategy, and improving regional water security. These increases, together with increases Australian Government for Healthy Headwaters initiatives, are partly offset by reduced funding for vegetation management as initiatives are finalised.
17. Revenue from user charges increases mainly due to the introduction of fees associated with the protection of strategic cropping land.
18. Grant funding received from sources other than the Australian Government is expected to decrease.
19. Employee expenses increase mainly due to award related increases and additional costs associated with the implementation of the waste reform strategy, management of the national park estate and strategic cropping land, and implementation of the new property valuation methodology.
20. Supplies and services expenses increase mainly due to additional outlays on climate change related activities, the waste reform strategy, expanding the national park estate and improving regional water security.
21. Grants and subsidy payments increase mainly as a result of additional outlays for dam spillway upgrades and the Australian Government funded Healthy Headwaters initiative. The increases are partly offset by reduced grants for vegetation management as initiatives are finalised.
22. Other expenses are expected to fall as a compensation claim in relation to forest logging was settled in 2010-11.

Statement of changes in equity

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

23. Equity adjustments (MoG transfers) increased as a result of the transfer of office fit out costs and herbarium from other Government departments.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

24. Equity adjustments (MoG transfers) in 2010-11 included the transfer of office fit out costs and herbarium from other Government departments.

Balance sheet

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

25. The cash balance increased with higher than forecast advances for land purchases on behalf of other agencies and unexpended grant monies held at year end.

26. Other current assets fell with lower than forecast prepaid expenses and unexpended advances for land purchases.
27. Non-current receivables represent future instalments on freehold leases. New lease agreements entered into in 2009-10 were higher than expected resulting in an increase in the value of future instalments receivable.
28. Other financial assets represent the department's investments in EcoFund in late 2009-10 and in 2010-11.
29. Property assets decreased with devaluations in late 2009-10. The decrease was partly offset by transfers of land for national park purposes, accommodation fit out costs and increased land acquisitions for vegetation protection, koala protection and the National Park Estate.
30. Intangibles increased in value with investment in strategic land management systems and the reallocation of available capital budget to more accurately reflect the department's capital acquisition program.
31. Payables were adjusted in accordance with actual balances at 30 June 2010. The balance fluctuates from year to year and cannot be accurately forecast.
32. Budgeted amount for other current liabilities included unexpended advances held for land purchases on behalf of other agencies and unearned grant funding. Balances fluctuate from year to year with the June 2011 balances adjusted to reflect actual balances at 30 June 2010 when advances for land acquisitions increased and unearned grant revenue decreased as a result of a change in accounting policy.
33. Capital/Contributed equity increased mostly due to transfers of administered land to the National Park Estate and accommodation fit out costs.
34. The Accumulated deficit mainly results from asset devaluations in late 2009-10 which were reported as an expense in the department's Financial Statements for the year ended 30 June 2010. The deficit was partly offset by additional revenue resulting from the change in accounting policy in respect to recognition of unearned grant revenue.
35. Asset devaluations in late 2009-10 are partly offset by revaluations upward in 2010-11.

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

36. The cash balance increase reflects higher advances for land purchases on behalf of other agencies, unexpended grant monies and cash reserves for future asset replacements.
37. Other current assets fall due to expected reductions in prepayments and unexpended advances for land purchases.
38. Non-current receivables on freehold leases are adjusted to reflect the actual balance at 30 June 2010.
39. Other financial assets represent the department's investments in EcoFund in late 2009-10 and in 2010-11.
40. Property assets increase with devaluations in 2009-10 being offset by revaluations in 2010-11 and 2011-12, transfers of land for national park purposes and accommodation fit out costs and land acquisitions for vegetation protection and the National Park Estate.
41. Intangibles increased in value due to investment in strategic land management systems and the reallocation of available capital budget to more accurately reflect the department's capital acquisition program.
42. Payables are adjusted in accordance with actual balances at 30 June 2010. The balance fluctuates from year to year and cannot be accurately forecast.
43. Other current liabilities budgeted amount included unexpended advances held for land purchases on behalf of other agencies and unearned grant funding. Balances fluctuate from year to year with the June 2011 balances adjusted to reflect actual balances at 30 June 2010 when advances for land acquisitions increased and unearned grant revenue decreased as a result of a change in accounting policy.
44. Capital/Contributed equity increases mostly due to transfers of land for national park purposes and accommodation fit out costs and funding to acquire national park land being partly offset by equity withdrawals to return depreciation funding not required for asset replacement to Consolidated Fund.
45. The Accumulated deficit mainly results from asset devaluations in late 2009-10 which were reported as an expense in the department's Financial Statements for the year ended 30 June 2010. The deficit was partly offset by additional revenue resulting from the change in accounting policy in respect to recognition of unearned grant revenue.
46. Forecast asset revaluations upwards in 2010-11 and 2011-12 offset asset devaluations in late 2009-10.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

47. The cash balance increase reflects higher reserves for future asset replacements.
48. Property assets increase mainly due to asset revaluations and land acquisitions for the National Park Estate.
49. Capital/Contributed equity decreases with funding for land acquisitions for the National Park Estate being offset by equity withdrawals reflecting the return of depreciation funding not required for asset replacements to Consolidated Fund.

Cash flow statement

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

50. Service revenue increased due to additional State funding for climate change related activities, the new property valuation methodology, strategic natural resource management and protection of the Great Barrier Reef. The increase is partly offset by the deferral of funding for koala protection initiatives, dam spillway upgrades, Great Artesian Basin sustainability and the North Stradbroke Island national park together with the reclassification of certain funding received from the Australian Government as grant revenue and the conversion of funding to equity to acquire land for koala protection.
51. User charges relating to real estate market transactions fell due to the downturn in activity following the 2011 floods.
52. Grant revenue increased due to the reclassification of certain Australian Government funding from Service receipts. The increase was partly offset falls in other Australian Government grants following revised funding arrangements.
53. Employee expenses increased due to outlays associated with initiatives such as the new land valuation methodology, coal seam gas industry regulation and management of State owned and strategic cropping land.
54. Supplies and services expenses increased mainly due to additional outlays on climate change related activities.
55. Grants and subsidy outlays fell with the redirection of koala protection grant funding to land acquisitions for koala protection, the deferral of koala protection related grants pending availability of suitable areas of land and deferral of dam spillway upgrade grants with works not yet undertaken by dam owners. The decrease is partly offset by grants for vegetation protection deferred from 2009-10 and for flood damage restoration.
56. Other expenses increased mainly as a result of the settlement of a compensation claim in relation to forest logging.
57. Payments for property, plant and equipment increased due to acquisitions of land and building for national park, koala protection and conservation purposes and investment in strategic software. The acquisitions were mostly funded from unexpended Government funding carried over from 2009-10 and from additional Government funding made available during 2010-11.

- 58. Payments for investments represent the department's unbudgeted investment in EcoFund.
- 59. Equity injections increased with additional funding made available for land acquisitions, strategic land management and equity transfers to SunWater for capital project.
- 60. Equity withdrawals increased with additional transfers to SunWater for capital projects.
- 61. The cash balance increased mainly due to higher than forecast advances for land purchases on behalf of other agencies and unexpended grant monies and Government funding for asset acquisitions.

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

- 62. Service revenue increases due to additional State funding for climate change and other initiatives such as expanding the national park estate, dam spillway upgrades, the waste reform strategy, improving regional water security and introduction of a new land valuation methodology. The increases are partly offset by a net reduction in Australian Government funded initiatives with the reclassification of certain funding to grant revenue.
- 63. Revenue from user charges increases mainly due to the introduction of fees associated with the protection of strategic cropping land.
- 64. Grant revenue decreases due to additional revenue from the reclassification from Service revenue of certain Australian Government funding being offset by an expected reduction in grant revenue from other sources.
- 65. Employee expenses increase due to award related increases and additional staff to manage State owned and strategic cropping land, and the new property valuation methodology, and the national park estate.
- 66. Supplies and services expenses increase mainly due to additional outlays on climate change related activities and improving regional water security.
- 67. Grants and subsidy payments increase due to additional payments for dam spillway upgrades. The increase is partly offset by the deferral of grants for koala protection, the waste management strategy and healthy headwaters initiatives.
- 68. Payments for property plant and equipment decrease due to significant land acquisition for national park and koala protection purposes and software development for the new property valuation methodology finalised in 2010-11.
- 69. Equity injections fall due to significant land acquisition for national park and koala protection purposes and software development for the new valuation methodology finalised in 2010-11.
- 70. The cash balance increases mainly due to provision for higher balances of advances for land purchases on behalf of other agencies and unexpended grant monies.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

- 71. Service revenue increases due to additional State funding for climate change and other initiatives such as expanding the national park estate, the koala response strategy, dam spillway upgrades, the waste reform strategy, and improving regional water security. These increases, together with increases Australian Government for Healthy Headwaters initiatives, are partly offset by reduced funding for vegetation management as initiatives are finalised.
- 72. Revenue from user charges increases mainly due to the introduction of fees associated with the protection of strategic cropping land.
- 73. Grant funding received from industry, local governments and State Government departments is expected to decrease.
- 74. Employee expenses increase mainly due to award related increases and additional costs associated with the implementation of the waste reform strategy, management of the national park estate and strategic cropping land, and implementation of the new property valuation methodology.
- 75. Supplies and services expenses increase mainly due to additional outlays on climate change related activities, the waste reform strategy, expanding the national park estate and improving regional water security.
- 76. Grants and subsidy payments increase mainly as a result of additional outlays for dam spillway upgrades and the Australian Government funded Healthy Headwaters initiative. The increases are partly offset by reduced grants for vegetation management as initiatives are finalised.
- 77. Other expenses are expected to fall due to a compensation claim in relation to forest logging being settled in 2010-11.
- 78. Payments for property plant and equipment decrease due to significant land acquisition for national park and koala protection purposes and software development for the new valuation methodology finalised in 2010-11. Acquisitions were mostly funded from cash balances held at 30 June 2010.
- 79. Payments for investments reflect the department's investment in EcoFund. No investment is budgeted for 2011-12.
- 80. Equity injections fall due to funding for significant land acquisition for national park and koala protection purposes and software development for the new valuation methodology finalised in 2010-11, together with a reduction in funding for equity transfers to SunWater for capital projects.
- 81. Equity withdrawals fall mainly as a result of a reduction in transfers to SunWater for capital projects.
- 82. The cash balance is expected to decrease mainly due to asset acquisitions during 2010-11 utilising Government funding carried over from 2009-10.

Administered income statement

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

- 83. Taxes, fees and fines include environmental licence fees and fees associated with real estate market transactions. Revenue from environmental licence fees and real estate market activity were both lower than expected.
- 84. Territorial revenue increased due to revised annual land rental calculations.
- 85. Administered revenue increased mainly due to funding for maintenance of water infrastructure assets carried over from 2009-10 and increased funding for the Queensland Water Commission.
- 86. Other revenue consists mainly of property developer land contributions which exceeded budget.
- 87. Supplies and services expense increased due to additional outlays on maintenance of water infrastructure assets.
- 88. Grant expense increased due to higher grants payable to the Queensland Water Commission and Aboriginal communities.
- 89. Transfers of administered revenue to Government decreased due to decreased revenue from environmental licence fees and real estate market activity being partly offset by increased revenue from land rentals.

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

- 90. Taxes, fees and fines revenue increases mainly due to the introduction of commercial waste disposal levies.
- 91. Territorial revenue increases due to revised annual land rental calculations.
- 92. The value of land contributions from property developers has been increased to reflect 2009-10 actual results.
- 93. Transfers of administered revenue to Government increases due to new revenue from commercial waste disposal levies and increased revenue from land rentals.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

94. Taxes, fees and fines revenue is expected to increase with the introduction of commercial waste disposal levies and increased real estate market activity.
95. Territorial revenue increases with revised annual land rental calculations.
96. Administered revenue and Grants and subsidy payments decrease mainly as a result of a reduced State contribution towards the operations of the Queensland Water Commission.
97. Transfers of administered revenue to Government increases due to new revenue from commercial waste disposal levies and increased revenue from real estate market activity and land rentals.

Administered balance sheet

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

98. End of year balances for assets and liabilities have been adjusted in accordance with actual balances at 30 June 2010. Balances fluctuate from year to year and cannot be accurately forecast.
99. Land transfers from Forest Plantations Queensland in late 2009-10 and additional land acquired for dam sites were partly offset by lower than budgeted asset revaluations in 2009-10 and land transfers for national park purposes in late 2009-10.
100. Capital/Contributed equity was greater than budgeted due to the initial recognition of assets transferred from Forest Plantations Queensland in late 2009-10.
101. The 2009-10 accumulated surplus balance was higher than expected due to increased land transfers from property developers.
102. Asset revaluation surplus was less than expected mainly as a result of lower than expected adjustments flowing from the 2009-10 asset revaluation process.

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

103. End of year balances for assets and liabilities have been adjusted in accordance with actual balances at 30 June 2010. Balances fluctuate from year to year and cannot be accurately forecast.
104. The non-current receivable represents instalments on freehold leases and has been adjusted in accordance with actual balances at 30 June 2010. Provision is made for a reduction in the balance as leases reach maturity.
105. Property, plant and equipment values increase mainly as a result of a net increase in land values flowing from the annual revaluation process, land acquired for future dam sites and land contributions by property developers. The increase is partly offset by land transfers for national park purposes in late 2009-10.
106. Capital/Contributed equity is expected to increase due to the initial recognition of assets transferred from Forest Plantations Queensland in late 2009-10, being partly offset by the return of revenue from land sales to Consolidated Fund.
107. The accumulated surplus balance increases mainly in line with increased land contributions from property developers.
108. Provision is made for land revaluations in 2011-12.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

109. The non-current receivable, representing instalments on freehold leases, is expected to fall as leases mature.
110. Property, plant and equipment values increase mainly as a result of increased land values flowing from the annual revaluation process and land contributions by property developers.
111. Capital/Contributed equity is expected to decrease with the return of revenue from land sales to Consolidated Fund.
112. The accumulated surplus balance increases mainly in line with land contributions from property developers.
113. Provision is made for land revaluations in 2011-12.

Administered cash flow statement

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

114. Administered revenue increased mainly as a result of a reduction in the balance of appropriation receivable at year end, funding for maintenance of water infrastructure assets carried over from 2009-10 and increased funding for the Queensland Water Commission.
115. Grant revenue for water infrastructure asset upgrades was deferred from 2010-11 to 2011-12.
116. Taxes, fees and fines include environmental licence fees and fees associated with real estate market transactions. Revenue from environmental licence fees and real estate market activity were both lower than expected.
117. Territorial revenue increased due to revised annual land rental calculations.
118. Transfers to Government fell due to decreased revenue from environmental licence fees and real estate market activity being partly offset by increased revenue from land rentals.
119. Supplies and services expense increased with additional outlays on maintenance of water infrastructure assets.
120. Outlays on land for future dam sites and a bike trail facility, and water infrastructure asset upgrades increased with acquisitions deferred from 2009-10 and additional funding approved during 2010-11.
121. Equity injections increased due to funding for land acquisitions for future dam sites deferred from 2009-10 and new funding approved during 2010-11.

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

122. Grant revenue and associated water infrastructure asset upgrades were deferred from 2010-11 to 2011-12.
123. Taxes, fees and fines revenue increases mainly due to the introduction of commercial waste disposal levies.
124. Territorial revenue increases due to revised annual land rental calculations.
125. Transfers of administered revenue to Government increase due to new revenue from commercial waste disposal levies and increased revenue from land rentals.
126. Payments for property and Equity injections fall with the winding down of land acquisitions for future dam sites.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

127. Administered revenue for 2010-11 included funding for maintenance of water infrastructure assets carried over from 2009-10 and additional funding for grants to Aboriginal communities. In 2011-12 reduced funding is required for the State contribution towards the operations of the Queensland Water Commission.
128. Grant revenue and associated water infrastructure asset upgrades were deferred from 2010-11 to 2011-12.

- 129. Taxes, fees and fines revenue is expected to increase with the introduction of commercial waste disposal levies and increased real estate market activity.
- 130. Territorial revenue increases with revised annual land rental calculations.
- 131. Transfers of administered revenue to Government increase due to new revenue from commercial waste disposal levies and increased revenue from real estate market activity and land rentals.
- 132. Grants and subsidy payments decrease mainly as a result of a reduced State contribution towards the operations of the Queensland Water Commission.
- 133. Payments for property and Equity injections fall due to the winding up of special funding to acquire land for future dam site.

Statutory Body

Queensland Water Commission

OVERVIEW

The Queensland Water Commission (QWC) is an independent statutory body established under the *Water Act 2000*. It is responsible for planning for the provision of a safe, secure and sustainable water supply and for improving institutional and regulatory frameworks for South East Queensland (SEQ). The QWC is also responsible for providing sound, evidence-based advice on managing the impacts of coal seam gas (CSG) extraction on underground water resources.

The QWC contributes to the Government's *Toward Q2: Tomorrow's Queensland* ambitions to be *Strong: Creating a diverse economy powered by bright ideas* and *Green: Protecting our lifestyle and environment*.

REVIEW OF PERFORMANCE

Recent achievements

In 2010-11, for Water Supply and Demand Management the QWC has:

- finalised the SEQ Water Strategy and engaged with key stakeholders on implementation programs including total water cycle planning and future supply options
- worked with the SEQ Water Grid Manager and WaterSecure to develop operating strategies to reduce capital and operating expenditure without compromising water security
- expanded the existing Energy Ombudsman's role to form the industry funded Energy and Water Ombudsman Queensland, to provide stronger protection for SEQ water and wastewater customers
- reviewed the 10-year bulk water price path in SEQ, informing a decision to reduce the annual increase by \$5 per household.

For CSG Water, the QWC has:

- commenced the new CSG groundwater function within the QWC
- provided advice on the establishment of the Surat cumulative management area
- commenced groundwater flow modelling and assessments of the Great Artesian Basin springs in the Surat cumulative management area.

Future developments

The QWC's key priorities in 2011-12 for Water Supply and Demand Management are to:

- continue the implementation of key actions in the SEQ Water Strategy, including developing a drought response plan for SEQ and reviewing and reporting on appropriate water use efficiency measures in the current environment of improved water security
- undertake an annual review of the SEQ Water Strategy
- continue to implement institutional and regulatory reforms including the Government's announcement to cap distribution and retail water and wastewater prices in SEQ and offer Councils the opportunity to withdraw from the current Distributor retailer structure

- review the 10-year bulk water price path in SEQ due in 2012-13
- review the SEQ water market design and rules to ensure the ongoing efficient operation and clarity of roles and accountabilities of water entities.

For CSG Water, the QWC's key priorities for 2011-12 are to:

- develop and submit to the regulator, under the *Water Act 2000*, an Underground Water Impact Report for the Surat cumulative management area
- implement an industry funded levy to support the QWC's CSG groundwater role.

STATEMENTS

STAFFING¹

	Notes	2010-11 Budget	2010-11 Est. actual	2011-12 Estimate
	2,3	65	59	69

Notes:

1. Full time equivalents (FTEs) as at 30 June 2011.
2. Recent restructure to the QWC has left vacancies which are currently being recruited against.
3. Additional employees required for Coal Seam Gas Water (CSGW) functions.

PERFORMANCE STATEMENT

Service standards	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Finalisation of SEQ Water Strategy actions on time and within budget	1	New measure	New measure	90% - 100%
Institutional and regulatory framework improvements delivered on time and within budget	2	Amended measure	Amended measure	85%-90%
Average residential daily water consumption in SEQ region	3	Amended measure	Amended measure	<200 litres per person per day
Independent technical expert panel members' satisfaction that the Surat underground water impact report provides sound, evidence-based advice	4	New measure	New measure	80% - 85%
State contribution (\$000)		2,157	3,320	..
Other revenue (\$000)		22,250	17,882	26,574
Total cost (\$000)		24,407	21,202	26,574

Notes:

1. New measure reflects the Commission's efficiency in planning for the provision of a safe, secure and sustainable water supply for SEQ to achieve the desired Level of Service objectives. This is a measure that enables an assessment of the suite of SEQ Water Strategy actions.
2. Amended measure reflects the Commission's efficiency in improving the institutional and regulatory frameworks to enable efficient and cost-effective service delivery to water customers in SEQ. This measure is a description of reform actions that enables an assessment of the institutional framework affecting the water sector. This service standard may be influenced by other key stakeholders, possibly resulting in delayed delivery of some actions. This issue has been taken into consideration in formulating the target.
3. Amended measure reflects the Commission's effectiveness in planning for the provision of a safe, secure and sustainable water supply for SEQ to achieve the desired Level of Service objectives. This measure provides information on the voluntary residential water consumption target for SEQ residents.
4. New measure reflects the Commission's effectiveness in providing sound, evidence-based advice on management of the impacts of coal seam gas extraction on underground water resources. This measure may be influenced by a minority of expert panel members not being satisfied with the advice. This issue has been taken into consideration in formulating the target.

INCOME STATEMENT

Queensland Water Commission	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
Income				
Service revenue		..	..	..
User charges	1,5,10	22,100	17,434	26,324
Grants and other contributions	2,6,11	2,157	3,320	..
Other revenue		150	448	250
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		24,407	21,202	26,574
Expenses				
Employee expenses	7,12	7,350	7,163	8,617
Supplies and services	3,13	16,419	12,973	15,671
Grants and subsidies	8,14	..	..	1,267
Depreciation and amortisation	4,9	583	983	953
Finance/borrowing costs		..	..	..
Other expenses		55	83	66
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		24,407	21,202	26,574
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Queensland Water Commission	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period	

BALANCE SHEET

Queensland Water Commission	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
CURRENT ASSETS				
Cash assets	15,21	3,943	9,182	3,545
Receivables		466	466	481
Other financial assets		..	..	..
Inventories		..	..	..
Other		35	57	57
Non-financial assets held for sale		..	..	..
Total current assets		4,444	9,705	4,083
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	16,19,22	20	2,004	1,641
Intangibles	22	1,882	1,741	1,151
Other		..	..	..
Total non-current assets		1,902	3,745	2,792
TOTAL ASSETS		6,346	13,450	6,875
CURRENT LIABILITIES				
Payables	17,23	2,500	8,252	2,162
Accrued employee benefits		620	520	379
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	18,20	..	344	344
Total current liabilities		3,120	9,116	2,885
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		150	36	36
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	18,20,24	..	1,606	1,262
Total non-current liabilities		150	1,642	1,298
TOTAL LIABILITIES		3,270	10,758	4,183
NET ASSETS/(LIABILITIES)		3,076	2,692	2,692
EQUITY				
Capital/contributed equity		3,076	2,199	2,199
Accumulated surplus/(accumulated deficit)		..	493	493
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		3,076	2,692	2,692

CASH FLOW STATEMENT

Queensland Water Commission	Notes	2010-11 Budget \$'000	2010-11 Est. act. \$'000	2011-12 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts		..	..	..
User charges	27,30	22,100	22,112	21,658
Grants and other contributions	25,28,31	2,157	3,320	..
Other		150	438	235
Outflows:				
Employee costs	32	(7,230)	(7,183)	(8,782)
Supplies and services		(16,424)	(14,267)	(17,415)
Grants and subsidies	29,33	..	..	(1,267)
Borrowing costs		..	..	..
Other	26	(55)	(4,792)	(66)
Net cash provided by/(used in) operating activities		698	(372)	(5,637)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		698	(372)	(5,637)
Cash at the beginning of financial year		3,245	9,554	9,182
Cash transfers from restructure		..	..	..
Cash at the end of financial year		3,943	9,182	3,545

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The decrease in the User charges estimate (Water Service Provider (WSP) levy) is due to a review of programs and priorities, improved efficiencies and economies of scale pursuant to the introduction of the Coal Seam Gas Water (CSGW) function.
2. The increase in Grants represents increased 'seed funding' for the establishment of the CSGW function.
3. The decrease in Supplies and services reflects the review of work programs and priorities, increased efficiencies and improved economies of scale pursuant to the introduction of the CSGW function.
4. The increase in depreciation expense represents additional depreciation related to office accommodation which was capitalised at the end of 2009-10.

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

5. User charges for 2011-12 comprise \$20.658M WSP levy, a reduction of \$1.442M on 2010-11, and a \$5.666M Petroleum Tenure Holder levy.
6. In 2011-12 the Commission's CSGW management functions will be funded by a levy on Petroleum Tenure Holders in accordance with Section 360 FA of the *Water Act 2000*.
7. The increase in employee expenses principally relates to the full year effect of the CSGW function and the impact of enterprise bargaining agreement (EBA) cost increases.
8. Grants and subsidies represents the partial repayment to government of seed funding for the CSGW function from the Petroleum Tenure Holder levy and a grant for customer advocacy services to provide input into water policy.
9. The increase in depreciation expense represents additional depreciation associated with the Commission's office accommodation which was capitalised at the end of the 2009-10 financial year.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

10. The increase in User charges represents the funding of the Commission's CSGW function via a levy on Petroleum Tenure Holders and an increase in the 2011-12 Water Service Provider levy from the 2010-11 Estimated Actual – refer to Note 5.
11. The decrease in Grants reflects that the Commission's CSGW management functions will be funded by a levy on Petroleum Tenure Holders in accordance with Section 360 FA of the *Water Act 2000*.
12. The increase principally relates to the full year effect of the CSGW function and the impact of EBA cost increases.
13. The increase in Supplies and services reflects the Commission's work program including the full year effect of CSGW.
14. Grants and subsidies represents the partial repayment to government of seed funding for CSGW function from the Petroleum Tenure Holder levy and a grant for customer advocacy services to provide input into water policy.

Balance sheet

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

15. The increase in cash principally reflects unexpended funds owing to the WSPs from 2010-11 to be paid in 2011-12.
16. The increase in Property, plant and equipment reflects the capitalisation of office accommodation at the end of 2009-10.
17. The increase in Payables principally reflects unexpended funds owing to the WSPs from 2010-11 to be paid in 2011-12.
18. The increase in Other liabilities represents the current and non-current portion of the office accommodation lease incentive.

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

19. The increase in Property, plant and equipment reflects the capitalisation of office accommodation at the end of 2009-10.
20. Other liabilities reflect the current and non-current portion of the Commission's office accommodation lease incentive.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

21. The decrease in cash principally reflects the payment of unexpended funds from 2010-11 to the WSPs in 2011-12.
22. The decrease in Property, plant and equipment and Intangibles reflects the depreciation of assets.
23. The decrease in Payables reflects the payment of unexpended funds from 2010-11 to the WSPs.
24. The decrease in Other liabilities represents the amortisation of the Commission's lease incentive.

Cash flow statement

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

25. The increase in Grants represents increased 'seed funding' for the establishment of the CSGW function.
26. The increase in Other represents the repayment of unspent grant funds from 2009-10 returned to government in 2010-11.

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

27. User chargers for 2011-12 comprise the WSP levy offset by the re-payment of unexpended funds from 2010-11 and the Petroleum Tenure Holder Levy.
28. In 2011-12 the Commission's CSGW management functions will be funded by a levy on Petroleum Tenure Holders in accordance with Section 360 FA of the *Water Act 2000*.
29. Grants and subsidies represents the partial repayment to government of seed funding for the CSGW function from the Petroleum Tenure Holder levy and a grant for customer advocacy services to provide input into water policy.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

30. User charges for 2011-12 comprise the WSP levy offset by the re-payment of unexpended funds from 2010-11 and the Petroleum Tenure Holder Levy.
31. The decrease in Grants reflects that the Commission's CSGW management functions will be funded by a levy on Petroleum Tenure Holders in accordance with Section 360 FA of the *Water Act 2000*.
32. The increase principally relates to the full year effect of the CSGW function and the impact of EBA cost increases.
33. Grants and subsidies represents the partial repayment to government of seed funding for CSGW function from the Petroleum Tenure Holder levy and a grant for customer advocacy services to provide input into water policy.