

PART 18

Department of Environment and Resource Management

Summary of departmental portfolio budgets

Page	Agency	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
3-156	Department of Environment and Resource Management – controlled	914,586	996,459	965,487
	Department of Environment and Resource Management – administered	36,496	69,364	45,791
3-181	Queensland Water Commission	28,166	22,119	24,407

Note:

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

DEPARTMENTAL OVERVIEW

MINISTERIAL RESPONSIBILITY

The Minister for Natural Resources, Mines and Energy and Minister for Trade and the Minister for Climate Change and Sustainability are responsible for the functions of the Department of Environment and Resource Management (DERM). The Minister for Natural Resources, Mines and Energy and Minister for Trade is also responsible for the functions of the Queensland Water Commission.

STRATEGIC ISSUES

The department conserves, protects and manages the State's environment and natural resources for the benefit of all Queenslanders. The department's main areas of focus are: preparing Queensland to meet the challenge of climate change; protecting and enhancing Queensland's natural environment and cultural heritage; securing water for Queensland's future; managing Queensland's land responsibly and developing and administering a streamlined regulatory framework for environmental protection, land use planning and natural resource use.

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 Green target: *Cut Queenslanders' carbon footprint by one third with reduced car and electricity use*. DERM contributes to this target through the achievements of the Climate Smart Home Service and development of waste management strategies and programs
- contributes to the Green target: *Protect 50 per cent more land for nature conservation and public recreation* by securing land for new areas of national park and acquiring land of high conservation value for use as nature refuges
- contributes to the Strong target: *Queensland is Australia's strongest economy, with infrastructure that anticipates growth*, in particular planning for the delivery of safe, reliable, fit-for-purpose, cost-effective and sustainable water supplies across Queensland
- contributes to the Strong target: *50 per cent increase in the proportion of Queensland businesses that undertake research and development or innovation* through collaborative initiatives aimed at improving industry environmental performance and encouraging sustainable use of natural resources
- contributes to the Fair target: *Increase the proportion of Queenslanders involved in their communities as volunteers by 50 per cent*. DERM provides information and resources to support volunteers including in national parks and through the Green Nomads environmental volunteering placement program.

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

- service delivery expectations and preferences of the department's clients and stakeholders
- an ageing and increasingly mobile workforce across Queensland and increasing competition with other employment sectors to attract, develop and retain staff with the critical skills needed to meet service delivery priorities
- the need to manage community wide risks associated with all aspects of climate change, including mitigation and adaptation
- significant new industrial development, particularly, in the liquefied natural gas and mining sectors

- continuing population growth in coastal regions and in South-East Queensland in particular will bring potential competition between urban, rural, industrial, agricultural, recreation and conservation uses of limited natural resources and the need to take whole of landscape/catchment approaches to planning
- national policies, strategies and initiatives relating to natural resource usage, including the National Water Initiative, the Healthy Headwaters program for the Murray-Darling basin and the National Strategy for the Conservation of Australia's Biological Diversity.

Our departmental objectives, as listed in our strategic plan, are:

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

2010-11 HIGHLIGHTS

- The Government will provide additional funding of \$7 million over five years including \$1.4 million in 2010-11, to expand the Wild River Rangers program which aims to care for Queensland's world class wild rivers, to employ Indigenous rangers, and to mentor and deliver accredited training. The Wild River Rangers program currently employs 27 rangers, this additional funding will see an additional 10 rangers employed in 2010-11 and will provide ongoing support for 40 rangers for four years from 2011-12.
- The Government will provide additional funding of \$15.9 million for 2010-11 to implement the new industry focussed waste reform agenda to avoid waste generation and improve resource efficiency and recovery, and to reduce the climate change impacts of waste. The reforms include significant funding for direct assistance to businesses to recycle; enforcement to prevent illegal dumping and new infrastructure to improve waste management.
- The Industry Waste Levy will apply from 2011-12 to industrial, commercial, construction and demolition waste taken to landfill in designated areas. The estimated revenue from the levy over four years is \$379 million. This will be allocated to three funds:
 - Waste Avoidance and Resource Efficiency Fund - \$159 million;
 - Local Government Sustainable Future Fund - \$120 million; and
 - Q2 environmental fund - \$100 million.
- The Government will provide \$55.9 million over five years from 2010-11 to build on the \$5.8 million provided in 2009-10 for programs to acquire and manage lands in order to advance the Government's *Toward Q2: Tomorrow's Queensland* Green target of increasing national park to 7.5% of the State by 2020.
- The Government will provide increased funding of \$45.5 million over five years from 2010-11 with a focus on habitat restoration, to continue to deliver the Queensland Government's Koala Response Strategy and also to help to contribute to the Government's Q2 target for increased Greenspace areas.
- The Government will provide additional funding of \$3.5 million over three years commencing in 2010-11 to support the Government's election commitment to carry out engagement and research to progress a declaration for an Area of International Conservation Significance and World Heritage nomination for Cape York Peninsula.

- The Government will provide increased funding of \$2.8 million over five years commencing 2010-11 to continue the National Packaging Covenant initiative. The Covenant is designed to minimise the environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials.
- The Government will provide total funding of \$15 million over 5 years from 2010-11 including an additional \$8.4 million to extend the Nature Assist Program. This program offers financial incentives to landholders for conservation-focussed management on the lands they manage, providing the land is secured by a legally binding nature refuge agreement.
- The implementation of the *Great Barrier Reef Water Quality Protection Plan 2009* will continue under a five year, \$50 million program which commenced in 2009-10.
- The transfer of river improvement trusts to local governments and the transfer of category 2 water authorities to the most appropriate institutional arrangements will continue to be supported with additional funding under a four year, \$1.8 million program which commenced in 2009-10.
- The implementation of new laws to protect high value native regrowth vegetation from clearing will continue under a two year \$3.2 million program which commenced in 2009-10.
- Continuing the three year program to adopt and implement a “site valuation” methodology in Queensland for non-rural land will continue in 2010-11. This program, which commenced in 2009-10, received \$7.1 million, including \$1.9 million capital funding.
- Proposed amendments to the Environmental Protection Regulation, informed by consultation with key stakeholders on departmental conduct of environmental impact statements, will increase the department’s capacity to assess the environmental implications and mitigation measures of proposed major mining, gas and petroleum projects in a timely manner.
- The department will continue to lead and coordinate State-wide initiatives to achieve the Government’s *Toward Q2: Tomorrow’s Queensland* 2020 Green target to cut by one third Queenslanders’ carbon footprint with reduced car and electricity use and waste to landfill.
- The Government, through the Queensland Climate Change Centre of Excellence, will release the latest climate projections for Queensland and assessments of climate change impacts for use by key Queensland sectors in a report titled *What the Science is Telling Us*.
- The Government and Local Government Association of Queensland will deliver an improved methodology for assessing inland flooding risks which takes account of climate change, as part of a project to improve Queensland’s resilience to future inland flood events.

RECENT ACHIEVEMENTS

- In the first year 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 average household carbon footprint dropped by 4.9%. Current programs to reduce household emissions include the ClimateSmart Home Service, which was provided to over 100,000 households in 2009-10. This service has an estimated average annual reduction in electricity related greenhouse emissions of up to 2.2 tonnes annually per household.

- The department has continued to contribute to the achievement of the Government's *Toward Q2: Tomorrow's Queensland 2020* Green target *Protect 50 per cent more land for nature conservation and public recreation*. As at 7 May 2010, there were 8,124,878 hectares of National Park in Queensland. This represents 4.7% of the State and is an increase of 164,538 hectares since June 2009.
- The department has also significantly expanded the total area of nature refuges in Queensland. As at 12 May 2010, the total area of all nature refuges was over 1,700,000 hectares, or the equivalent of 1% of the total area of Queensland.
- The department has lead implementation of the Government's new climate change strategy, *ClimateQ*, with four of the 39 new initiatives having been completed or integrated into agencies' core business since the initiative was launched in August 2009. A further 32 initiatives have commenced and are progressing to schedule. Key *ClimateQ* milestones, funded by the Queensland Climate Change Fund, which were achieved in 2009-10 include:
 - finalising \$2.1 million worth of grant agreements with seven rural industries under the Rural Water Use Efficiency initiative. The fourth generation of this initiative is assisting landholders to prepare their irrigation systems for climate change and improve water use efficiency;
 - collaborating with the Department of Community Safety to deliver emergency response vehicles and safety equipment under the Supporting our Heroes program, and develop a draft *Evacuation Framework for Queensland Coastal Communities* under the Disaster Preparedness in Vulnerable Communities program; and
 - collaborating with the Department of Employment, Economic Development and Innovation and key industry stakeholders to design the ClimateSmart Business Service, designed to help small to medium sized businesses reduce energy, carbon emissions and business costs.
- The Government provided additional funding of \$1 million in 2009-10 for a program which has enhanced fire management for parks, forests and State managed lands across the State. Through mitigation of wildfire threats and improving wildfire response capability this program aims to improve both community safety and environmental protection.
- The department introduced a new regulatory model to improve reef resilience and to reduce water pollution from nutrients, sediment and pesticides entering the Reef under the *Great Barrier Reef Protection Amendment Act 2009*, which commenced operation on 1 January 2010. This is the first in a series of nine actions to be lead by DERM, under the *Great Barrier Reef Water Quality Protection Plan 2009*, over the next five years.
- The Government introduced new legislation to require all agricultural earthworks within 500 metres of a freshwater wetland to be approved in accordance with the *Sustainable Planning Act 2009*. Under this legislation a State Planning Policy will protect of wetlands of high ecological significance in the Great Barrier Reef catchment area.
- The Government provided additional funding of \$6.2 million for the Koala Response Strategy in it's 2009-10 Mid-Year Budget Review. This funded a range of koala habitat protection and rehabilitation activities and the launch of a Koala Disease Research Grant program. Implementation of the strategy has also included public consultation on two draft State Planning Instruments aimed at regulating new development and informing future planning and infrastructure delivery.
- The department completed four great walks in 2009-10 – the Carnarvon Great Walk, the Cooloolo Great Walk, the Whitsunday Ngaro Sea Trail Great Walk and the Conondale Great Walk. In addition, a technical feasibility study was completed for a proposed great walk from the Daintree River to the tip of Cape York.

- The department appointed eight new rangers to assist in enforcing the new Moreton Bay Marine Park zoning plan and has appointed eight new rangers for the park.
- The department commenced construction of the Harry Atkinson Artificial Reef near Peel Island in Moreton Bay and sank the “Tiwi Pearl” to further develop the reef. This is the first of six artificial reefs scheduled for development in Moreton Bay.
- There are now a total of 27 Wild River Rangers working across the Cape York Peninsula and the Gulf of Carpentaria. These rangers are working with local Indigenous communities and natural resource management groups.
- The department undertook preparatory activities for planned declaration proposals for eight wild river basins on Cape York Peninsula. This included mapping and pre-release consultation with Traditional Owners and other stakeholders. The department also released the Lake Eyre Basin Wild River Discussion Paper in South-West Queensland, in March 2010.
- The department finalised the Condamine and Balonne Resource Operations Plan (ROP) in 2009-10. The ROP defines water allocations, trading and operating rules and water monitoring for the Lower Balonne and will enhance protection for the environment by keeping more water in the river during significant flows and will provide for the health of rivers, floodplains and wetlands. Finalising the Plan (ROP) allows the Australian Government to start purchasing water allocations to support its \$3.1 billion Restoring the Balance in the Murray Darling Basin initiative that seeks to return water to the basin’s rivers and wetlands.
- On 8 October 2009 the department implemented new laws for on-going protection of high value regrowth and riparian vegetation in priority reef catchments and has updated all codes, policies and maps under the vegetation management framework to reflect new regrowth requirements. The new laws replaced the moratorium on clearing endangered regrowth vegetation which was in place from 8 April to 7 October 2009.
- The department has simplified the vegetation management framework by amending vegetation clearing triggers for Material Change of Use and Reconfiguring a Lot applications to reduce unnecessary referral of applications to DERM in accordance with the government commitment to streamline the development assessment framework. The department also introduced new more equitable vegetation management structures.
- The Indigenous survey improvement project, undertaken in collaboration with the Department of Communities, is updating the survey network in six Indigenous communities. This will greatly assist local development, the resolution of land related and home ownership issues and the roll out of the construction of new social housing for these six communities.
- To better monitor the health of Queensland’s waterways and land, and provide the information necessary to help manage the effects of climate change a new supercomputer, was installed at the State’s science centre at Indooroopilly in September 2009.
- The Government reached agreement with key stakeholders to implement “site value” valuation methodology from the 2011 valuation. The *Valuation of Land and Other Legislation Amendment Act 2010*, which commenced on 12 March 2010, allowed the State government to issue the 2010 valuation and protected ratepayers and tax payers from significant financial exposure. The Act also introduced a new objection process to commence in line with the 2010 valuation.
- In 2009-10 a bilateral agreement between the State and Australian Government to deliver the Healthy Headwaters Program was finalised. This program seeks to enhance long term ecosystem viability by making more water available for the environment in the Murray-Darling Basin.

- The completion of a \$13.1 million drain replacement and rehabilitation works program, under the Great Artesian Basin Sustainability Initiative, has resulted in an additional annual saving of an estimated 5,861 megalitres of discharge from the Great Artesian Basin. The 36 projects in this program were jointly funded by landholders and the State and Australian governments. A range of projects completed under this and previous initiatives have resulted in total water savings of approximately 172,500 megalitres per year.

DEPARTMENTAL SERVICES

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in the Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standard to provide better information on the effectiveness and efficiency of their services.

The four departmental services, 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 2010-14.

Climate change

- This departmental service delivers initiatives aimed at reducing Queensland's carbon footprint and preparing Queensland for the impacts of climate change.
- A particular focus of the Climate Change service is to lead the development and implementation of initiatives aimed at achieving the Queensland Government's Toward Q2 Green target – *Cut Queenslanders' carbon footprint by a third with reduced car and electricity use.*
- The service also works with Queenslanders to reduce and reuse waste and to conserve water at home, work and in their communities.
- The department also provides support to the Premier's Council on Climate Change and administers the Queensland Climate Change Fund which provides \$30 million per year for new climate change initiatives.

Environment

- This departmental service covers a substantial portion of the department's business including the activities of the Queensland Parks and Wildlife Service and a wide range of services aimed at protecting Queensland's biodiversity and natural environment and its resources and preventing or controlling pollution and achieving resource recovery.
- The priorities of the service include improving the environmental performance of government, industry, business and the community, protecting and enhancing the health of Queensland's unique ecosystems, landscapes and marine environments, managing air soil and water quality and conserving native flora and fauna.

Land

- This departmental service delivers initiatives to develop and provide the high quality spatial and other information such as mapping, land ownership (titles and registrations), valuations and land tenure, needed to undertake effective planning and development of the State. It also includes the development of policies and programs which are designed to ensure healthy landscapes, stock route management, resolution of native title issues, the sale of quarry materials and forest products from State lands and the management of Queensland's cultural heritage.
- The priorities of this service are to manage and promote the sustainable and productive use of the State's land resources, to provide security of freehold title of land throughout. A key priority in land administration is the resolution of native title outcomes, improvement of Indigenous access to all types of land tenures and the stimulation of economic and social development opportunities associated with these terms.

Water

- This departmental service includes planning and managing the use of the State's water resources to maintain sufficient water flow for healthy rivers and monitor surface and groundwater systems to check water levels and quality. The service also ensures secure, safe and reliable water supplies for Queensland communities through its regulatory activities.
- The priority of this service is to protect and manage the State's water resources and enable the delivery of safe and reliable water supplies to Queensland communities. It ensures this vital resource is managed and shared appropriately and also encourages more efficient use of water through pricing and trading systems and provides protection to ensure our natural waters and dependent ecosystems are healthy.

Reconciliation of changes in the transition from outputs to services

2010-11 Services Structure	2009-10 Output Structure
Climate Change	Sustainable Futures (some measures)
Environment	Conservation and Environmental Services Performance and Capability Sustainable Futures (some measures) Water and Catchment Services
Land	Land and Vegetation Services Sustainable Futures (some measures)
Water	Water and Catchment Services

STAFFING¹

Service	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
Services	2			
Climate Change		108	105	105
Environment	3	2,465	2,452	2,501
Land		1,828	1,834	1,834
Water	4	1,035	957	957
Total services		5,436	5,348	5,397
Total		5,436	5,348	5,397

Notes:

1. Full-time equivalents (FTEs).
2. Staffing figures have been recast to reflect the new service structure. Corporate FTEs are allocated across the services to which they relate. The overall reduction between the 2009-10 Budget and Estimated actual figures relate mainly to a reduction in Corporate FTEs which is in turn reflected in each of the Services.
3. The increase in the 2010-11 Estimate figures is due to additional staff for implementation of the Queensland Waste Reform Strategy, the Wild River Rangers, Koala Protection Strategy and the Cape York World Heritage nomination initiatives.
4. The reduction in the 2009-10 Estimated actual in the Water service relates to a reduction in temporary positions in the Home WaterWise Rebate Scheme and other initiatives that were finalised during the year and a reduction in corporate FTEs attributed to that service.

2010-11 SERVICE SUMMARY¹

Service area	Total cost \$'000	Sources of revenue			
		State Contribution \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Climate Change	29,489	27,667	603	..	1,219
Environment	487,341	389,945	4,197	70,113	23,086
Land	258,143	187,706	47,617	..	24,078
Water	186,756	156,472	1,901	23,898	4,485
Total	961,721	761,790	54,318	94,011	52,868

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.
4. The total Sources of revenue exceed the Total cost in the above table reflecting the budgeted operating surplus for the Land Service area.

ADMINISTERED ITEMS

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.

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

Service standards ¹	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Service: Climate Change				
Percentage of Premier's Council on Climate Change papers supported by DERM policy research that are developed in a method consistent with the Queensland Government Policy Handbook		New measures	New measures	100%
Percentage of Climate Change Impact Statements consistent with the Cabinet Handbook		100%	100%	100%
Percentage of project briefs for ClimateQ initiatives funded from the Queensland Climate Change Fund that are consistent with Government commitments in ClimateQ		New measures	New measures	100%
Percentage of climate science datasets requested by external clients delivered within 5 working days		New measures	New measures	95%
Percentage of climate science research publications put forward that are accepted by international or national journals /conferences /forums		New measures	New measures	90%
State contribution (\$000)		38,919	46,037	27,667
Other revenue (\$000)		1,381	1,688	1,822
Total cost (\$000)		40,300	47,725	29,489
Service: Environment				
Percentage Indigenous involvement in delivery of estate management specifically on Cape York, directly related to the Cape York Indigenous Ranger program	2	New measures	New measures	25%
Tonnage of resources from stadia, public venues and public events diverted from the waste stream into recycling		New measures	New measures	600
Number of planned compliance inspections of sites carrying out regulated activities:				
• Level A (Basic inspections)		150	150	180
• Level B (Condition audit)		450	450	430
• Level C (Performance audit)		80	80	80
Implement the Queensland Parks and Wildlife Services (QPWS) Strategic Pest Management Program, measured as a percentage of projects delivered annually		New measures	New measures	90%

Service standards¹	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
The percentage of good practice indicators (GPI's) for national parks that are met or exceeded, as measured by the Rapid Assessment Program	3	New measures	New measures	N/A
Effectiveness of visitor and management infrastructure projects as measured through the Capital Works Activity Index	4	New measures	New measures	90%
Percentage of environmental authorities administered under the Environmental Protection Act that are issued within statutory timeframes		New measures	New measures	100%
All approved formal investigations of alleged non compliance with all legislation administered by DERM completed within 12 months of investigation approval date	5	New measures	New measures	95%
Average tonnes reduction in annual household emissions from electricity use in homes that have received the ClimateSmart Home Service	6	New measures	New measures	2.2 tonnes
Increase in Indigenous involvement in delivery of natural resource management, directly related to the Wild River Rangers Program		New measures	New measures	10 additional Rangers
Percentage of compliance projects and other activities set out in the Annual Compliance Plan completed on time		New measures	New measures	90%
Implementation of QPWS fire management system, measured by planned burns implemented as a percentage of the QPWS managed estate	7	New measures	New measures	5%
Annual percentage increase of science-based products available from the DERM website	8	New measures	New measures	5%
Annual increase of the number of hectares of vegetation communities and ecosystems mapped to support key policy programs		New measures	New measures	6,000,000 hectares
Percentage of time that valid live air quality monitoring data is available from the DERM website		New measures	New measures	95%
Average percentage savings in greenhouse gas emissions by ecoBiz partners		New measures	New measures	10%
Increase in the area (hectares) of high conservation quality land gazetted as nature refuge		New measures	New measures	1,000,000

Service standards ¹	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Leverage private to public investment ratio for projects supported by the Queensland Sustainable Energy Innovation Fund		New measures	New measures	5:1
Percentage of actions under the Great Barrier Reef Water Quality Protection Plan led by the department assessed as progressing satisfactorily or better		New measures	New measures	100%
Percentage of eligible regional Natural Resource Management group State investments reviewed annually and fully acquitted against program objectives		New measures	New measures	100%
State contribution (\$000)		354,305	376,550	389,945
Other revenue (\$000)		85,667	136,973	97,396
Total cost (\$000)		439,972	513,523	487,341
Service: Land				
Percentage of State land applications completed within customer service standards		New measures	New measures	80%
Total of Forest Product sales quantities per total Forest Product Full Time Equivalent (FTE)				
- Native forest timber (m³/FTE)		New measures	New measures	2,140m³/FTE
- Quarry material (m³/FTE)				32,560m³/FTE
Percentage of Titles Registry dealings registered accurately		New measures	New measures	99.5%
Percentage of Records processed within customer service standards				
- Titles Registry		90%	94%	90% in 5 days
- Digital Cadastral Database		90%	90%	90% in 7 days
Percentage of valuation objections completed within customer services standards (60 working days of the closure of the objection period)		90%	94%	90%
Percentage of Sustainable Planning Act (SPA) development applications assessed within legislative timeframes		New measures	New measures	100%
Percentage of Queensland Heritage Register recommendations referred to the Queensland Heritage Council within statutory timeframes		100%	100%	100%
Percentage of completion of survey framework infrastructure in six priority Indigenous communities by June 2011		New measures	New measures	100%

Service standards ¹	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Percentage of Cultural heritage database searches completed within customer service timeframes (14 working days)		New measures	New measures	100%
Number of information resources accessible via Information Queensland		New measures	New measures	150
State contribution (\$000)		183,944	192,447	187,706
Other revenue (\$000)		71,976	70,801	71,695
Total cost (\$000)		254,920	262,248	258,143

Service: Water

Percentage of water authorisations managed in accordance with National Water Initiative compliant water access entitlement guidelines	9	New measures	New measures	92% of supplemented water authorisations compliant
Percentage of water resource management dealings processed within customer service standards:				
- licence applications		New measures	New measures	75%
- licence transfers and renewals				85%
Percentage of the State's natural water systems managed in accordance with National Water Initiative compliant water planning guidelines		New measures	New measures	73% (surface water management areas)
Percentage of high priority meter project areas completed in accordance with the agreed 2010-11 schedule		New measures	New measures	100%
Percentage of water supplies that meet regulatory requirements for water safety and reliability	10	New measures	New measures	100%
Cumulative number of wild river declarations finalised	11	New measures	New measures	10
Percentage of high priority risks identified in aquatic ecosystem health trend reports that have an appropriate management intervention developed and actions are satisfactorily progressed		New measures	New measures	100%
Percentage of Queensland's natural water systems with appropriate quality and ecosystem health monitoring frameworks in place	12	New measures	New measures	67%

Service standards ¹	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Percentage of the State's population where level of service objectives and associated water balance strategies have been approved by the State Government		New measures	New measures	75%
State contribution (\$000)		163,709	153,807	156,472
Other revenue (\$000)		15,685	15,398	30,284
Total cost (\$000)		179,394	169,205	186,756

Notes:

- DERM has discontinued the majority of the output performance measures which were published in its 2009-10 Service Delivery Statement. These measures have been replaced by a set of Service Standards for 2010-11, which are aimed at measuring the effectiveness and efficiency of the department's service delivery. These service standards have been developed as part of the department's implementation of the Queensland Government Performance Management Framework, which was introduced in May 2009.
- The Premier has committed to achieve 30% Indigenous Involvement by December 2011. The department is on track to achieve these results.
- The Rapid Assessment Program is a survey conducted biennially (every 2 years). The next assessment is scheduled for 2011-12.
- The practical range of the Capital Works Activity Index is between 50 (poor) and 110 (excessive). An index of 100 clearly indicates that on balance, activity levels were ideal. This measure represents the percentage of projects which are attaining a rating of 100 within the index. It is calculated as - [(number of projects on track divided by the total number of projects) + (the total dollars expended divided by the finance approved annual budget)] divided by 2.
- The basis on which this target is set is due to legislative timeframes in relation to starting proceedings and retaining evidence. The majority of the legislation, administered by DERM, provides a 12 month expiration date under the statute of limitations.
- ClimateSmart Homes Service (CSHS) carbon reduction is driven by installation of energy efficiency products (CFLs and low flow showerheads) and household behavioural change in usage of electricity. The phasing out of incandescent light bulbs as a separate regulatory process has affected the calculated carbon reduction benefit from CFL's installation by CSHS.
- This includes all planned burns achieved. The bulk of these would be for conservation or hazard reduction purposes. These would be summed and calculated as a percentage of the total managed estate, which is currently about 12.6 million hectares. This equates to a current annual target for total planned burning conducted by QPWS in the order of 630,000 hectares.
- This service standard supports/contributes to the Premiers Toward Q2 ICT Strategy.
- A National Water Initiative (NWI) compliant water authorisation includes a water allocation, interim water allocation and water licences that have a volumetric limit, have metered or measures water use, access conditions and are relocatable. Making supplemented entitlements NWI compliant is a priority under the NWI agreed program
- Percentage of water supplies is defined as the percentage of the State's population whose reticulated water supply has regulatory compliance.
- While no declarations are scheduled to be finalised in 2010-11, it is planned for 9 declarations to be progressed within timeframes (eg. Release of declaration, consultation period and close of submission) during 2010-11.
- This service standard target is an assessment of monitoring frameworks across all natural water systems based on 92 drainage basins and significant sub-basins.

INCOME STATEMENT

Department of Environment and Resource Management	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
Service revenue	1,6,11	748,763	808,926	807,208
User charges		56,693	56,660	58,076
Grants and other contributions	2,7,12	75,275	96,097	65,841
Other revenue		34,755	35,591	35,520
Gains on sale/revaluation of property, plant and equipment and investments		100	185	100
Total income		915,586	997,459	966,745
Expenses				
Employee expenses	3,8,13	455,306	457,720	481,862
Supplies and services	4,9,14	261,543	278,878	261,770
Grants and subsidies	5,10,15	111,503	173,745	134,637
Depreciation and amortisation		75,836	75,914	76,937
Finance/borrowing costs		199	199	150
Other expenses		10,115	9,919	10,047
Losses on sale/revaluation of property, plant and equipment and investments		84	84	84
Total expenses		914,586	996,459	965,487
OPERATING SURPLUS/(DEFICIT)		1,000	1,000	1,258

STATEMENT OF CHANGES IN EQUITY

Department of Environment and Resource Management	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve		88,471	84,205	85,614
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		88,471	84,205	85,614
Surplus/(deficit) for the period		1,000	1,000	1,258
Total recognised income and expense for the period		89,471	85,205	86,872
Equity injection/(withdrawal)		(24,627)	(36,875)	(29,334)
Equity adjustments (MoG transfers)		..	545	..
Total movement in equity for period		64,844	48,875	57,538

BALANCE SHEET

Department of Environment and Resource Management	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	16,24,32	32,734	61,586	64,312
Receivables		42,509	40,585	41,040
Other financial assets		..	..	..
Inventories		1,911	2,104	2,104
Other	17,25	29,602	19,509	19,509
Non-financial assets held for sale		212	161	161
Total current assets		106,968	123,945	127,126
NON-CURRENT ASSETS				
Receivables		..	180	180
Other financial assets		..	..	..
Property, plant and equipment	18,26,33	3,644,018	3,577,999	3,627,580
Intangibles	19,27	24,549	30,726	34,074
Other		..	..	..
Total non-current assets		3,668,567	3,608,905	3,661,834
TOTAL ASSETS		3,775,535	3,732,850	3,788,960
CURRENT LIABILITIES				
Payables		52,954	50,754	50,903
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		577	577	630
Provisions		..	..	..
Other	20,28	60,395	74,677	73,677
Total current liabilities		113,926	126,008	125,210
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		1,318	1,319	689
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		1,318	1,319	689
TOTAL LIABILITIES		115,244	127,327	125,899
NET ASSETS/(LIABILITIES)		3,660,291	3,605,523	3,663,061
EQUITY				
Capital/contributed equity	21,29,34	3,561,760	3,506,452	3,477,118
Retained surplus/(accumulated deficit)	22,30	1,000	8,891	10,149
Reserves:				
- Asset revaluation reserve	23,31,35	97,531	90,180	175,794
- Other (specify)		..	..	..
TOTAL EQUITY		3,660,291	3,605,523	3,663,061

CASH FLOW STATEMENT

Department of Environment and Resource Management	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	36,44,52	748,763	812,429	807,208
User charges		61,947	61,914	63,330
Grants and other contributions	37,45,53	72,568	93,390	63,134
Other		59,065	59,901	59,830
Outflows:				
Employee costs	38,46,54	(455,306)	(457,720)	(481,862)
Supplies and services	39,47,55	(284,204)	(301,539)	(284,431)
Grants and subsidies	40,48,56	(111,503)	(173,745)	(134,637)
Borrowing costs		(199)	(199)	(150)
Other		(15,668)	(15,472)	(15,600)
Net cash provided by/(used in) operating activities		75,463	78,959	76,822
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		446	531	446
Investments redeemed		..	..	..
Loans and advances redeemed		251	251	..
Outflows:				
Payments for property, plant and equipment and intangibles	41,49,57	(51,598)	(63,754)	(44,631)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(50,901)	(62,972)	(44,185)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	42,50,58	82,016	100,075	35,583
Outflows:				
Borrowing redemptions		(529)	(529)	(577)
Finance lease payments		..	..	..
Equity withdrawals	43,51,59	(106,643)	(136,950)	(64,917)
Net cash provided by/(used in) financing activities		(25,156)	(37,404)	(29,911)
Net increase/(decrease) in cash held		(594)	(21,417)	2,726
Cash at the beginning of financial year		33,328	83,003	61,586
Cash transfers from restructure		..	..	..
Cash at the end of financial year		32,734	61,586	64,312

ADMINISTERED INCOME STATEMENT

Department of Environment and Resource Management	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	63,67	245,533	245,984	260,912
Royalties, property income and other territorial Revenue		65,462	64,793	66,413
Interest		2,164	2,164	2,164
Administered revenue	60,64,68	31,091	28,959	5,386
Other	61,65,69	69,088	196,034	166,185
Total revenues		413,338	537,934	501,060
Expenses				
Supplies and services		1,305	1,865	1,296
Depreciation and amortisation		185	185	185
Grants and subsidies	60,64,68	29,054	26,862	3,858
Benefit payments				
Borrowing costs		..	..	..
Other	62,66	5,952	40,452	40,452
Total expenses		36,496	69,364	45,791
Net surplus or deficit before transfers to Government		376,842	468,570	455,269
Transfers of administered revenue to Government		321,939	347,721	338,269
OPERATING SURPLUS/(DEFICIT)		54,903	120,849	117,000

ADMINISTERED BALANCE SHEET

Department of Environment and Resource Management	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	70,75	23,181	19,067	19,067
Receivables	71,76	25,623	31,974	31,974
Inventories		..	..	..
Other	71,76	29,959	35,449	35,449
Non-financial assets held for sale	71,76	26,383	8,421	8,421
Total current assets		105,146	94,911	94,911
NON-CURRENT ASSETS				
Receivables	77,81	45,288	46,418	41,918
Other financial assets		..	..	..
Property, plant and equipment	72,78, 82	24,052,471	65,732,748	67,528,914
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		24,097,759	65,779,166	67,570,832
TOTAL ADMINISTERED ASSETS		24,202,905	65,874,077	67,665,743
CURRENT LIABILITIES				
Payables	71,76	9,999	12,346	12,346
Transfers to Government payable		18,887	16,929	16,929
Interest-bearing liabilities		158	..	..
Other	71,76	33,449	38,028	38,028
Total current liabilities		62,493	67,303	67,303
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other	70,75	3,302	..	..
Total non-current liabilities		3,302	..	..
TOTAL ADMINISTERED LIABILITIES		65,795	67,303	67,303
ADMINISTERED NET ASSETS/(LIABILITIES)		24,137,110	65,806,774	67,598,440
EQUITY				
Capital/Contributed equity	73,79	23,183,576	23,568,679	23,597,427
Retained surplus/(Accumulated deficit)		66,619	184,392	301,392
Reserves:		..	..	..
- Asset revaluation reserve	74,80, 83	886,915	42,053,703	43,699,621
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		24,137,110	65,806,774	67,598,440

ADMINISTERED CASH FLOW STATEMENT

Department of Environment and Resource Management	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered revenue	84,86,88	31,091	30,431	5,386
Grants and other contributions		4,903	5,849	2,000
Taxes, fees and fines	87,89	245,533	245,984	260,912
Royalties, property income and other territorial revenues		65,462	64,793	66,413
Other		6,485	6,485	6,485
Outflows:				
Transfers to Government		(321,939)	(347,721)	(338,269)
Grants and subsidies	84,86,88	(29,054)	(28,287)	(3,858)
Supplies and services		(1,653)	(2,213)	(1,644)
Borrowing costs		..	..	..
Other		(9,925)	(9,425)	(9,425)
Net cash provided by/(used in) operating activities		(9,097)	(34,104)	(12,000)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		31,068	57,068	31,068
Investments redeemed		..	..	..
Loans and advances redeemed		12,000	12,000	12,000
Outflows:				
Payments for property, plant and equipment and intangibles	85,90	(49,003)	(29,786)	(52,316)
Payments for investments		..	..	..
Loans and advances made		(7,500)	(7,500)	(7,500)
Net cash provided by/(used in) investing activities		(13,435)	31,782	(16,748)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	85,90	44,100	5,321	50,316
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		(21,568)	(21,568)	(21,568)
Equity withdrawals				
Net cash provided by/(used in) financing activities		22,532	(16,247)	28,748
Net increase/(decrease) in cash held		..	(18,569)	..
Administered cash at beginning of financial year		23,181	37,636	19,067
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		23,181	19,067	19,067

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

1. Service revenue increased as a result of the reclassification of, and an increase in Australian Government funding, and additional 2009-10 State funding for the restoration of flood damaged public infrastructure assets and initiatives such as the Koala Response Strategy, regulation of regrowth vegetation, the Cloncurry pipeline, and property valuation reform.
2. Grant revenue increased mainly as a result of higher than forecast receipts from the Australian Government under the Caring for our Country initiative.
3. Employee related expenses increased with additional costs associated with the reform of the property valuation system, regulation of regrowth vegetation and implementation of the Koala Response Strategy.
4. The increase in outlays on supplies and services mainly relates to the reform of the property valuation system, the accelerated implementation of the water asset management and regulation initiative, and outlays on climate change and vegetation management initiatives deferred from 2008-09.
5. Increased grant payments mainly relate to the Australian Government funded Caring for our Country initiative, natural disaster relief assistance and State funded initiatives such as the Koala Response Strategy, vegetation management and the Cloncurry pipeline. The increases are partly offset by the restructure of previously approved funding for the dam spillway upgrade program.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

6. Service revenue increases as a result of the reclassification of, and an increase in Australian Government funding under the Caring for our Country, Great Artesian Basin Sustainability (GABSI) and Healthy Headwaters initiatives, together with additional State funding to meet enterprise bargaining related salary increases and for initiatives such as Wild River Rangers, water infrastructure asset management and regulation, the Koala Response Strategy, land acquisition related programs, the introduction of a waste reform strategy, the Cloncurry pipeline, and the reform of the property valuation system. The increase is partly reduced by the transfer of funding for approved projects to other Government departments for climate change initiatives, the dam spillway upgrade program with the restructure of previously approved funding, and for the elimination of broadscale tree clearing with this initiative nearing completion.
7. The 2010-11 grant revenue falls mainly due to certain Australian Government grants now reported as service revenue.
8. Employee costs increase mainly as a result of enterprise bargaining related salary increases and the introduction of a waste reform strategy.
9. Within supplies and services increased outlays associated with the introduction of a waste reform strategy and land acquisition related programs are offset by reduced outlays on climate change initiatives with the transfer of funding for approved projects to other State Government departments.
10. Grant payments in relation to the Koala Response Strategy and the Cloncurry pipeline are expected to increase and additional outlays are expected with the introduction of a waste reform strategy.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

11. Service revenue is expected to decrease mainly as a result of the transfer of funding for approved climate change projects to other State Government departments, and a reduced funding requirement for initiatives such as the elimination of broadscale tree clearing and vegetation management and regulation. The decrease is partly offset by the restructure of funding to allow completion of the Climate Smart Home Service Program, the restructure of funding for dam spillway upgrade program and additional State funding for the Koala Response Strategy, land acquisition related programs, the Cloncurry pipeline, the introduction of a waste reform strategy, GABSI and enterprise bargaining related salary increases. In addition, increased Australian Government funding is expected for GABSI and the Healthy Headwaters initiative.
12. Grant funding received directly from the Australian Government, particularly in relation to the Caring for our Country initiative is expected to decrease.
13. Employee costs are expected to increase mainly as a result of enterprise bargaining related salary increases and the introduction of a waste reform strategy.
14. Outlays on supplies and services are expected to fall with the transfer of funding for approved climate change projects to other State Government departments, reduced vegetation management and regulation activities following initial introductory costs, and finalisation of priority projects funded through deferred 2008-09 funding. The fall is partly offset by the costs associated with the introduction of a waste reform strategy and land acquisition related programs.
15. Grant payments are expected to fall with the winding up of the program to eliminate broadscale tree clearing, and reduced outlays on Australian Government funded programs with a reduction in funding available. The fall is partly offset by increased outlays associated with the introduction of a waste reform strategy and the Koala Response Strategy.

Balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

16. The increase in the cash balance mainly reflects higher than forecast advances for land purchases on behalf of other agencies and unexpended grant monies held at year end. These increases are partly offset by the return of the accumulated operating surplus from native forest operations to the Consolidated Fund.
17. Other current assets include unexpended advances held by recipient organisations, the value of which is expected to fall.
18. The value of property, plant and equipment decreased as a result of property revaluations processed in late 2008-09 which saw a significant reduction in the value of land.
19. The increase in the value of Intangibles largely reflects increased investment in property valuation and vegetation management initiatives and a reduced provision for amortisation as systems were commissioned later than expected.
20. Other current liabilities include unexpended advances for land purchases on behalf of other agencies and unearned grant monies, both of which are expected to exceed the budgeted balance.
21. To reflect 2008-09 Machinery of Government (MoG) changes, the balance of the Asset revaluation reserve as at 26 March 2009 was transferred to Contributed equity. The balance transferred was less than budget as a result of property devaluations in late 2008-09. In addition, during 2009-10 the Cabinet Budget Review Committee directed that the accumulated surplus of forest product operations held as Contributed equity, be returned to the Consolidated Fund.

22. To reflect 2008-09 MoG changes, the balance of the accumulated operating surplus as at 26 March 2009 was transferred to Contributed equity. The surplus for the period 27 March to 30 June 2009 was greater than expected mainly due to the revised definition of non-reciprocal grants and their recognition as revenue.
23. The expected balance of the Asset revaluation reserve was reduced to reflect current economic conditions.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

24. The increase in the cash balance mainly reflects increased advances for land purchases on behalf of other agencies, unexpended grant monies held at year end and cash reserves for asset replacements. These increases are partly offset by the return of the accumulated operating surplus from native forest operations to the Consolidated Fund.
25. Other current assets include unexpended advances held by recipient organisations, the value of which is expected to fall.
26. The value of property, plant and equipment decreased with property devaluations processed in late 2008-09 which saw a significant reduction in the value of land. This decrease is partly offset by expected revaluations upwards in 2009-10 and 2010-11 and property acquisitions for the Koala Response Strategy and expansion of the National Park Estate.
27. The increase in the value of Intangibles largely reflects increased investment in property valuation, waste reform and vegetation management initiatives and a reduced provision for amortisation as systems were commissioned later than expected.
28. Other current liabilities include unexpended advances for land purchases on behalf of other agencies and unearned grant monies, both of which are expected to exceed the budgeted balance.
29. To reflect 2008-09 MoG changes, the balance of the Asset revaluation reserve as at 26 March 2009 was transferred to Contributed equity. The balance transferred was less than budget as a result of property devaluations in late 2008-09. In addition, during 2009-10 the Cabinet Budget Review Committee directed that the accumulated surplus of forest product operations held as Contributed equity, be returned to the Consolidated Fund.
30. To reflect 2008-09 MoG changes, the balance of the accumulated operating surplus as at 26 March 2009 was transferred to Contributed equity. The Operating Surplus for the period 27 March 2009 to 30 June 2009 was greater than expected and a further operating surplus is expected in 2010-11.
31. Provision is made for asset revaluations in 2010-11.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

32. The increase in the cash balance mainly reflects increased reserves for asset replacements.
33. The increase in the value of property, plant and equipment flowing from property revaluations and acquisitions for the Koala Response Strategy and expansion of the National Park Estate is partly offset by increased depreciation.
34. Contributed equity decreases as a result of the return of part of the annual Service revenue relating to the non-cash depreciation expense to the Consolidated Fund. The decrease is partly offset by equity funding for asset acquisitions.
35. Provision is made for asset revaluations in 2010-11.

Cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

36. Service revenue increased as a result of the reclassification of, and an increase in Australian Government funding, and additional 2009-10 State funding for restoration of flood damaged public infrastructure assets and initiatives such as the Koala Response Strategy, regulation of regrowth vegetation, the Cloncurry pipeline, and property valuation reform. The balance of Service revenue receivable at year end is also expected to fall.
37. Grant revenue increased mainly as a result of higher than forecast receipts from the Australian Government under the Caring for our Country initiative.
38. Employee related expenses increased with additional costs associated with the reform of the property valuation system, regulation of regrowth vegetation and implementation of the Koala Response Strategy.
39. The increase in outlays on supplies and services mainly relates to the reform of the property valuation system, the accelerated implementation of the water asset management and regulation initiative, and outlays on climate change and vegetation management initiatives deferred from 2008-09.
40. Increased grant payments mainly relate to the Australian Government funded Caring for our Country initiative, natural disaster relief assistance and State funded initiatives such as the Koala Response Strategy, vegetation management and the Cloncurry pipeline. The increases are partly offset by the restructure of previously approved funding for the dam spillway upgrade program.
41. The increase in asset acquisitions largely reflects increased investment in National Parks, property valuation and vegetation management initiatives and other acquisitions deferred from 2008-09 funded from cash held at 30 June 2009.
42. Funding for contributions to SunWater's dam spillway upgrades is now provided as Equity rather than Service receipts. Additional funding was also received during 2009-10 for the purchase of areas of National Park.
43. Contributions to SunWater for the Tinaroo dam spillway upgrade are now paid as Equity withdrawals rather than capital grants. In addition, during 2009-10 the accumulated surplus of forest product operations be returned to the Consolidated Fund.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

44. Service revenue increases as a result of the reclassification of, and an increase in Australian Government funding under the Caring for our Country, Great Artesian Basin Sustainability (GABSI) and Healthy Headwaters initiatives, together with additional State funding to meet enterprise bargaining related salary increases and for initiatives such as Wild River Rangers, water infrastructure asset management and regulation, the Koala Response Strategy, land acquisition related programs, waste reform, the Cloncurry pipeline, and the reform of the property valuation system. The increase is partly reduced by the transfer of funding for approved projects to other State Government departments for climate change initiatives, the dam spillway upgrade program with the restructure of previously approved funding, and for the elimination of broadscale tree clearing with this initiative nearing completion.
45. 2010-11 grant revenue falls mainly as a result of certain Australian Government grants now shown as Service revenue.
46. Employee costs increase mainly as a result of enterprise bargaining related salary increases and the introduction of a waste reform strategy.
47. Within supplies and services increased outlays associated with the introduction of a waste reform strategy and land acquisition related programs are offset by reduced outlays on climate change initiatives with the transfer of funding for approved projects to other State Government departments.

48. Grant payments in relation to the Koala Response Strategy and the Cloncurry pipeline are expected to increase while additional outlays are expected with the introduction of a waste reform strategy.
49. Outlays on property, plant and equipment falls mainly as a result of reduced specially funded acquisitions of rainforest land, other environment related assets and water management related assets.
50. For 2009-10, equity injections included once off funding for a SunWater capital restructure and the final year funding for rainforest land acquisition. For 2010-11 equity funding provides for contributions to SunWater for the Tinaroo and Kinchant dams spillways upgrade and the introduction of a waste reform strategy.
51. For 2009-10 equity withdrawals included a once off payment for a SunWater capital restructure while 2010-11 includes contributions to SunWater for the Tinaroo and Kinchant dams spillways upgrade.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

52. Service revenue is expected to decrease due to the restructure of funding to allow completion of the Climate Smart Home Service Program being offset by the transfer of funding for approved climate change projects to other State Government departments, and a reduced funding requirement for initiatives such as the elimination of broadscale tree clearing and vegetation management and regulation and the Koala Response Strategy. The decrease is partly offset by increased State funding for the Koala Response Strategy, land acquisition related programs, the introduction of a waste reform strategy, the Cloncurry pipeline, enterprise bargaining related salary increases and for GABSI and the restructure of funding for dam spillway upgrade program together with increased Australian Government funding for GABSI and the Healthy Headwaters initiative
53. Grant funding received direct from the Australian Government, particularly in relation to the Caring for our Country initiative is expected to decrease.
54. Employee costs are expected to increase mainly as a result of enterprise bargaining related salary increases and the introduction of a waste reform strategy.
55. Outlays on supplies and services are expected to fall with the transfer of funding for approved climate change projects to other State Government departments, reduced vegetation management and regulation activities following initial introductory costs, and finalisation of priority projects funded through deferred 2008-09 funding. The fall is partly offset by outlays in relation to the introduction of a waste reform strategy, and land acquisition related programs.
56. Grant payments are expected to fall with the winding up of the program to eliminate broadscale tree clearing, and reduced outlays on Australian Government funded programs with a reduction in funding available. The fall is partly offset by increased outlays associated with the introduction of a waste reform strategy and the Koala Response Strategy.
57. Outlays on property, plant and equipment falls due mainly to reduced specially funded acquisitions of rainforest land, other environment related assets, water management related assets and upgrade of the land valuation data management system. In addition 2009-10 outlays include a number of acquisitions funded from deferred 2008-09 funding.
58. For 2009-10, equity injections included once off funding for a SunWater capital restructure, the majority of the State contribution for upgrade of SunWater's Tinaroo dam spillway, and the final year funding for rainforest land acquisition. 2010-11 injections include funding for the completion of Tinaroo dam spillway upgrade and the commencement of funding for the Kinchant dam spillway upgrade and the introduction of a waste reform strategy.
59. For 2009-10 equity withdrawals included a once off payment for a SunWater capital restructure, the majority of the funding commitment for the upgrade of SunWater owned Tinaroo dam spillway, and the return of accumulated surplus of forest product operations to the Consolidated Fund. 2010-11 withdrawals include payments to SunWater for the completion of Tinaroo dam spillway upgrade and the commencement of funding for the Kinchant dam spillway upgrade.

Administered income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

60. Administered revenue and Grants consist mainly of funding for and payment of a grant to Queensland Water Commission (QWC) for operational costs. In 2009-10 the funding requirement of QWC was less than budgeted.
61. Other revenue increased mainly as a result of higher than forecast land contributions by developers with the requirement to now recognise the value of land under roads and higher than expected gains on the sale of land.
62. Other expenses include land transfers to other entities which increased with the value of land under roads being included.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

63. Revenue from taxes, fees and fines increases with additional revenue from land titling and environmental licence fees.
64. For 2009-10 administered revenue and grant payments include funding for and payment of a grant to QWC for operational costs. The 2010-11 funding and grant payment to QWC only relates to the coal seam gas initiative.
65. Other revenue increases mainly as a result of increased land contributions by developers with the recognition of the value of land under roads.
66. Other expenses include land transfers to other entities which increase with the value of land under roads now included.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

67. Revenue from taxes, fees and fines increases with additional revenue from land titling and environmental licence fees.
68. For 2009-10 administered revenue and grant payments include funding for and payment of a grant to QWC for operational costs. The 2010-11 funding and grant payment to QWC only relates to the coal seam gas initiative.
69. In 2009-10 other revenue included higher than budgeted gains on the sale of land.

Administered balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

70. The budgeted balance for cash and other non current liabilities included cash deposits held subsequent to the transfer of environmental assessments under the *Petroleum and Gas (Protection and Safety) Act 2004*. Relevant amounts are no longer recognised in the financial statements but are disclosed in the notes to the annual financial statements.
71. End of year balances for current receivables, other current assets and non-financial assets held for sale have been adjusted in accordance with actual balances at 30 June 2009. Balances fluctuate from year to year and cannot be accurately forecast.

72. Property, plant and equipment values increased mainly as a result of the initial recognition of the value of land under roads, higher than expected land values flowing from the annual revaluation process, land transfers from other agencies and land contributions by developers.
73. To reflect MOG changes, the balance of the asset revaluation reserve as at 26 March 2009 was transferred to Contributed equity. The balance transferred was greater than expected as a result of asset revaluations.
74. The asset revaluation reserve was higher than expected mainly as a result of the initial recognition of the value of land under roads and higher than expected land values flowing from the annual revaluation process.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

75. The budgeted balance for cash and other non current liabilities included cash deposits held subsequent to the transfer of environmental assessments under the *Petroleum and Gas (Protection and Safety) Act 2004*. Relevant amounts are no longer recognised in the financial statements but are disclosed in the notes to the annual financial statements.
76. End of year balances for current receivables, other current assets and non-financial assets held for sale have been adjusted in accordance with actual balances at 30 June 2009. Balances fluctuate from year to year and cannot be accurately forecast.
77. This non-current receivable balance represents instalments receivable on freehold leases and is falling as leases reach maturity.
78. Property, plant and equipment values increased mainly as a result of the initial recognition of the value of land under roads, increased land values flowing from the annual revaluation process, land transfers from other agencies, and land contributions by developers.
79. To reflect MOG changes, the balance of the asset revaluation reserve as at 26 March 2009 was transferred to Contributed equity. The balance transferred was greater than expected as a result of asset revaluations.
80. The asset revaluation reserve increases as a result of the initial recognition of the value of land under roads and increased land values flowing from the annual revaluation process.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

81. This non-current receivable balance represents instalments receivable on freehold leases and is falling as leases reach maturity.
82. Property, plant and equipment values increased mainly as a result of increased land values flowing from the annual revaluation process and land contributions by developers.
83. The Asset revaluation reserve increases as a result of increased land values flowing from the annual revaluation process.

Administered cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

84. Administered revenue and grants consist mainly of funding for and payment of a grant to QWC for operational costs. In 2009-10 the funding requirement of QWC was less than budgeted.
85. Equity injections and property acquisitions relating to Nathan and Connors River dams were deferred to 2010-11.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

86. For 2009-10 administered revenue and grant payments include funding for and payment of a grant to QWC for operational costs. The 2010-11 funding and grant payment to QWC only relates to the coal seam gas initiative.
87. Revenue from taxes, fees and fines increases with additional revenue from land titling and environmental licence fees.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

88. For 2009-10 administered revenue and grant payments include funding for and payment of a grant to QWC for operational costs. The 2010-11 funding and grant payment to QWC only relates to the coal seam gas initiative.
89. Revenue from taxes, fees and fines increases with additional revenue from land titling and environmental licence fees.
90. 2009-10 land acquisitions for Nathan and Connors River dams and associated Equity injections were deferred to 2010-11.

Statutory Body

Queensland Water Commission

OVERVIEW

The Queensland Water Commission (the Commission) is an independent statutory body responsible for achieving safe, secure and sustainable water supplies in South East Queensland (SEQ). The Commission operates under a legislative framework defined in the *Water Act 2000* and contributes to the achievement of two of the Government's *Toward Q2: Tomorrow's Queensland* ambitions: Strong: *Creating a diverse economy powered by bright ideas* and Green: *Protecting our lifestyle and environment*.

Our work program supports both ambitions by securing sufficient water to support a comfortable, sustainable and prosperous lifestyle while meeting the needs of urban, industrial and rural growth and the environment.

REVIEW OF PERFORMANCE

Recent achievements

In 2009–10, the Commission made substantial progress towards maintaining water security in SEQ, including:

- releasing the draft SEQ Water Strategy and providing advice to the Government on regional water security options
- updating the System Operating Plan (SOP) which provides a framework for the operation of the SEQ Water Grid
- implementing Permanent Water Conservation Measures
- developing legislation which establishes three council owned distributor–retail entities and enables them to commence operation on 1 July 2010
- further developing and implementing the WaterHub system.

The Commission also implemented changes to its structure. These included reducing the number of Commissioners from three to one, and consolidating corporate and communication services into the Department of Environment and Resource Management (DERM).

Future developments

During 2010–11, the Commission will continue to carry out its responsibilities as defined under the *Water Act 2000*, including:

- finalising and implementing the SEQ Water Strategy
- investigating potential future water supply options, including local supplies such as stormwater harvesting
- delivering total water cycle planning for key development areas
- commencing a detailed review of the demand management program, including restrictions
- managing the SOP which facilitates the achievement of the desired levels of service objectives for the region
- further developing the SEQ market and regulatory arrangements, following the commencement of three new council owned distributor–retail entities on 1 July 2010.

Subject to passage of legislation expected to commence in August 2010, the Commission will become responsible for the management of the cumulative impacts of Coal Seam Gas extraction on groundwater. The Government will contribute a \$2.2 million grant for this work to be undertaken.

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in the Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standard to provide better information on the effectiveness and efficiency of their services.

STATEMENTS

STAFFING¹

	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
	2, 3	84	56	65

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2009-10 Est. actual incorporates MoG change effective 1 July 2009 with corporate and communication functions transferred to DERM.
3. The 2010-11 Estimate reflects the Commission's ongoing programs including resources for the new Coal Seam Gas initiative.

PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Percentage of actions in the Regional Water Security Program undertaken on time	1	New measures	New measures	100%
Percentage of actions in the Water Reform Program undertaken on time	2, 4	New measures	New measures	95%
Average annual water consumption across SEQ as a whole (and within key sub-regions) as compared to consumption targets	3	New measures	New measures	a) Met total residential. b) Met total residential key sub- regions.
State contribution (\$'000)		27,966	21,945	2,157
Other revenue (\$'000)		200	174	22,250
Total cost (\$'000)		28,166	22,119	24,407

Notes:

1. New service standard introduced reflects the QWC's objectives to achieve a sufficient quality and quantity of water for SEQ. Key actions for 2010-11 relate to 5 projects that include the Hinze Dam Stage 3, Northern Pipeline Interconnector Stage 2, Wyaralong Dam, Wyaralong Water Treatment Plant and the Cedar Grove connector to the Wyaralong water treatment plant.
2. Key actions for 2010-11 include the development and implementation of the Customer Code, providing for the transition to the longer-term economic regulatory framework to be administered by the Queensland Competition Authority, ongoing monitoring and administration of SEQ water Market Rules, further development of the regulatory framework supporting infrastructure planning.
3. This is a service standard of achieving water use efficiency and can be measured through analysis of WaterHub data.
4. This service standard may be influenced by other key stakeholders possibly resulting in delayed delivery of some actions. The issue has been taken into consideration in formulating the target.

INCOME STATEMENT

Queensland Water Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
User charges	4,8	..	..	22,100
Grants and other contributions	1,4,8	27,966	21,945	2,157
Other revenue		200	174	150
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		28,166	22,119	24,407
Expenses				
Employee expenses	2,5,9	9,618	6,667	7,350
Supplies and services	3,6	18,148	14,949	16,419
Grants and subsidies		..	55	..
Depreciation and amortisation	7,10	400	402	583
Finance/borrowing costs		..	..	..
Other expenses		..	46	55
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		28,166	22,119	24,407
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Queensland Water Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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)	12,22	..	1,199	..
Equity adjustments (MoG transfers)		..	213	..
Total movement in equity for period		..	1,412	..

BALANCE SHEET

Queensland Water Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	11,15	5,297	3,245	3,943
Receivables		500	461	466
Other financial assets		..	..	..
Inventories		..	..	..
Other		12	35	35
Non-financial assets held for sale		..	..	..
Total current assets		5,809	3,741	4,444
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		70	63	20
Intangibles	12,18	1,050	2,422	1,882
Other		..	..	..
Total non-current assets		1,120	2,485	1,902
TOTAL ASSETS		6,929	6,226	6,346
CURRENT LIABILITIES				
Payables	13,16	3,900	2,500	2,500
Accrued employee benefits	14,17	1,250	550	620
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		5,150	3,050	3,120
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits	14,17	225	100	150
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		225	100	150
TOTAL LIABILITIES		5,375	3,150	3,270
NET ASSETS/(LIABILITIES)		1,554	3,076	3,076
EQUITY				
Capital/contributed equity	22	1,554	3,076	3,076
Retained surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		1,554	3,076	3,076

CASH FLOW STATEMENT

Queensland Water Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	23,25	..	..	22,100
Grants and other contributions	19,23,25	27,966	23,541	2,157
Other		200	174	150
Outflows:				
Employee costs	20	(9,218)	(6,794)	(7,230)
Supplies and services	21	(17,815)	(15,046)	(16,424)
Grants and subsidies		..	(55)	..
Borrowing costs		..	..	..
Other		..	(46)	(55)
Net cash provided by/(used in) operating activities		1,133	1,774	698
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	22,26	..	(1,199)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	(1,199)	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	22,26	..	1,199	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	24	(671)	(493)	..
Net cash provided by/(used in) financing activities		(671)	706	..
Net increase/(decrease) in cash held		462	1,281	698
Cash at the beginning of financial year		4,835	1,964	3,245
Cash transfers from restructure		..	..	..
Cash at the end of financial year		5,297	3,245	3,943

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

1. The decrease relates to savings achieved by the Commission and unspent grant funds returned to government.
2. The decrease in employee expenses relates to the MoG change effective 1 July 2009 where the corporate and communication functions were transferred to DERM.
3. The decrease primarily relates to operating savings achieved by the Commission over the 2009-10 financial year.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

4. From 1 July 2010, the Commission will be funded via a levy. The Government will contribute a \$2.2 million grant for the management of the cumulative impacts of Coal Seam Gas extraction on groundwater.
5. The decrease relates to reduced FTE's associated with the transfer of corporate and communication staff to DERM. This has been offset by incorporating an allowance for additional funding required for Enterprise Bargaining and additional staff associated with the Coal Seam Gas stream.
6. The decrease relates to operating savings achieved by the Commission over the 2009-10 financial year including reduced expenditure associated with the corporate and communications staff transferred to DERM, offset by additional expenditure associated with the management of the cumulative impacts of Coal Seam Gas extraction on groundwater.
7. The increase relates to additional amortisation associated with the commissioning of additional modules of the WaterHub modular information management system.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

8. From 1 July 2010, the Commission will be funded via a levy. The Government will contribute a \$2.2 million grant for the management of the cumulative impacts of Coal Seam Gas extraction on groundwater.
9. The increase in employee expenses primarily relates to additional funding required for Enterprise Bargaining and additional staff associated with the Coal Seam Gas stream, which is included in the \$2.2 million grant.
10. The increase relates to additional amortisation associated with the commissioning of additional modules of the WaterHub modular information management system.

Balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

11. The decrease in cash relates to the return of unspent grant funding to the government.
12. The increase in intangibles relates to the commissioning of additional modules to the WaterHub modular information management system. This will be funded via an equity injection as reflected in the Statement of Changes in Equity.
13. The decrease in payables reflects anticipated improvement in processing of suppliers invoices in a timely manner.
14. The decrease in employee benefits obligations is related to the MoG change effective 1 July 2009 where the corporate and communication functions were transferred to DERM.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

15. The decrease in cash relates to a lower opening cash balance due to the return of unspent grant funding to the government in 2009-10.
16. The decrease in payables reflects anticipated improvement in processing of suppliers invoices in a timely manner.
17. The decrease in employee benefits obligations is related to the MoG change effective 1 July 2009 where the corporate and communication functions were transferred to DERM, offset by an allowance for additional staff associated with the Coal Seam Gas stream.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

18. The decrease in intangibles relates to amortisation expense and no further capitalised development.

Cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

19. The decrease in grants relates to savings achieved by the commission and unspent grant funds returned to government.
20. The decrease in employee expenses relates to the MoG change effective 1 July 2009 where the corporate and communication functions were transferred to DERM.
21. The decrease relates to operating savings achieved by the Commission over the 2009-10 financial year.
22. The increase relates to capital expenditure associated with the WaterHub modular information management system. Funding for this purpose is reflected in the Statement of Changes in Equity as an equity injection, increasing contributed equity.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

23. From 1 July 2010, the Commission will be funded via a levy. The Government will contribute a \$2.2 million grant for the Coal Seam Gas stream.
24. The decrease relates to the return of accumulated surplus to consolidated revenue only occurring in the 2009-10 financial year.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

25. From 1 July 2010, the Commission will be funded via a levy. The Queensland Government will contribute a \$2.2 million grant for the management of the cumulative impacts of Coal Seam Gas extraction on groundwater.
26. The decrease occurs as it is not expected to capitalise any expenditure associated with the WaterHub modular information management system during 2010-11.