

# Department of Environment and Heritage Protection

## Financial Statements

for the year ended 30 June 2016

### Contents

	Page Number
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flow	5
Statement of Comprehensive Income by Major Departmental Services	6
Statement of Assets and Liabilities by Major Departmental Services	7
Notes to and forming part of the Financial Statements	8
Management Certificate	47

#### **General information**

These financial statements report on the financial results for the Department of Environment and Heritage Protection for the financial year 1 July 2015 to 30 June 2016.

The Department of Environment and Heritage Protection is a Queensland Government department established under the Public Service Act 2008. It is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the department is:

Level 13  
400 George Street  
Brisbane Qld 4000

A description of the nature of the operations and principal activities of this department is included in the notes to these financial statements.

For information in relation to these financial statements please call (07) 33305029, email [info@ehp.qld.gov.au](mailto:info@ehp.qld.gov.au) or visit the departmental internet site <http://www.ehp.qld.gov.au/>.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

**Department of Environment and Heritage Protection**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Income from continuing operations</b>			
<i>Revenue</i>			
Appropriation revenue	4	148,124	121,936
User charges and fees	5	49,248	45,528
Grants and other contributions	6	7,078	9,575
Interest		91	24
Other revenue	7	1,650	2,025
<i>Total revenue</i>		206,191	179,088
<i>Gains</i>			
Gain on sale/revaluation of assets		3	212
<b>Total income from continuing operations</b>		206,194	179,300
<b>Expenses from continuing operations</b>			
Employee expenses	8	108,090	99,817
Supplies and services	10	59,610	50,630
Grants and subsidies	11	26,243	22,202
Depreciation and amortisation		2,712	2,911
Revaluation decrements	12	4,642	-
Losses		316	743
Other expenses	13	9,187	1,975
<b>Total expenses from continuing operations</b>		210,800	178,278
<b>Total comprehensive income</b>		(4,606)	1,022

*The accompanying notes form part of these statements.*

**Department of Environment and Heritage Protection**  
**Statement of Financial Position**  
**as at 30 June 2016**

	Notes	<b>2016</b>	<b>2015</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	14	23,932	11,786
Receivables	15	11,863	13,238
Prepayments		1,377	2,082
<b>Total current assets</b>		<u>37,172</u>	<u>27,106</u>
<b>Non-current assets</b>			
Property, plant and equipment	17	45,555	43,579
Intangibles	18	8,254	5,222
<b>Total non-current assets</b>		<u>53,809</u>	<u>48,801</u>
<b>Total assets</b>		<u>90,981</u>	<u>75,907</u>
<b>Current liabilities</b>			
Payables	19	16,223	6,902
Accrued employee benefits	20	4,448	3,625
Unearned revenue		2,851	60
Provision - onerous contract		212	212
<b>Total current liabilities</b>		<u>23,734</u>	<u>10,799</u>
<b>Non-current liabilities</b>			
Provision - onerous contract		477	689
<b>Total non-current liabilities</b>		<u>477</u>	<u>689</u>
<b>Total liabilities</b>		<u>24,211</u>	<u>11,488</u>
<b>Net assets</b>		<u>66,770</u>	<u>64,419</u>
<b>Equity</b>			
Contributed equity		85,215	78,258
Accumulated surplus/deficit		(18,445)	(13,839)
<b>Total equity</b>		<u>66,770</u>	<u>64,419</u>

*The accompanying notes form part of these statements.*

Department of Environment and Heritage Protection  
Statement of Changes in Equity  
for the year ended 30 June 2016

	Notes	Accumulated surplus		Contributed equity		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Balance at 1 July</b>		(13,839)	(14,861)	78,258	58,878	64,419	44,017
<i>Total comprehensive income for the year</i>		(4,606)	1,022	-	-	(4,606)	1,022
<i>Transactions with owners as owners</i>							
Equity injections	4	-	-	7,623	21,023	7,623	21,023
Equity withdrawals	4	-	-	(671)	(672)	(671)	(672)
Net transfer of assets/liabilities		-	-	5	(971)	5	(971)
<i>Net transactions with owners as owners</i>		-	-	6,957	19,380	6,957	19,380
<b>Equity balance at 30 June</b>		<b>(18,445)</b>	<b>(13,839)</b>	<b>85,215</b>	<b>78,258</b>	<b>66,770</b>	<b>64,419</b>

The accompanying notes form part of these statements.

**Department of Environment and Heritage Protection**  
**Statement of Cash Flows**  
**for the year ended 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Service appropriation receipts		149,961	121,225
User charges, fees and fines		50,965	54,452
Grants and other contributions		7,077	9,575
GST input tax credits received from ATO		8,182	7,440
Interest		91	24
Other		2,187	1,036
<i>Outflows:</i>			
Employee expenses		(106,710)	(96,969)
Supplies and services		(65,327)	(55,071)
Grants and subsidies		(26,253)	(22,662)
GST remitted to ATO		(361)	(600)
Other		(2,196)	(3,930)
<b>Net cash provided by (used in) operating activities</b>	21	<u>17,616</u>	<u>14,520</u>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of property, plant and equipment		1	6
<i>Outflows:</i>			
Advances		(65)	(106)
Payments for property, plant, and equipment		(12,364)	(24,273)
<b>Net cash (used in) investing activities</b>		<u>(12,428)</u>	<u>(24,373)</u>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Equity injections		7,623	21,023
<i>Outflows:</i>			
Equity withdrawals		(666)	(672)
<b>Net cash provided by (used in) financing activities</b>		<u>6,957</u>	<u>20,351</u>
<b>Net increase (decrease) in cash</b>		12,145	10,498
Cash at beginning of financial year		11,787	1,288
<b>Cash at end of financial year</b>		<u><u>23,932</u></u>	<u><u>11,786</u></u>

*The accompanying notes form part of these statements.*

**Department of Environment and Heritage Protection**  
**Statement of Comprehensive Income by Major Departmental Services**  
**for the year ended 30 June 2016**

	Environment Protection		Species & Ecosystem Protection		Heritage Protection		Corporate Partnership		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Income from continuing operations</b>										
Appropriation revenue	78,475	72,710	54,417	35,796	4,386	3,356	10,846	10,075	148,124	121,936
User charges and fees	47,690	43,743	1,226	1,542	116	117	217	126	49,248	45,528
Grants and other contributions	591	4,318	6,403	5,218	3	1	81	37	7,078	9,575
Interest	77	16	14	8	0	1	-	-	91	24
Other revenue	1,288	496	244	1,341	3	7	114	181	1,650	2,025
<i>Total revenue</i>	128,121	121,283	62,304	43,904	4,508	3,482	11,258	10,419	206,191	179,088
Gains										
Gain on sale/revaluation of assets	-	138	(1)	68	4	6	-	-	3	212
<b>Total income from continuing operations</b>	128,121	121,420	62,303	43,972	4,512	3,488	11,258	10,419	206,194	179,300
<b>Expenses from continuing operations</b>										
Employee expenses	65,048	59,072	31,048	29,958	2,500	2,360	9,494	8,427	108,090	99,817
Supplies and services	41,606	30,935	15,094	16,941	1,178	920	1,732	1,834	59,610	50,630
Grants and subsidies	13,011	6,936	13,117	15,141	115	125	-	-	26,243	22,202
Depreciation and amortisation	1,956	1,896	452	573	299	441	5	-	2,712	2,911
Revaluation decrement	-	-	4,637	-	5	-	-	-	4,642	-
Losses	292	659	17	82	0	2	7	-	316	743
Other expenses	6,012	1,181	2,848	575	307	60	20	158	9,187	1,975
<b>Total expenses from continuing operations</b>	127,925	100,679	67,213	63,270	4,404	3,909	11,258	10,419	210,800	178,278
<b>Total comprehensive income</b>	196	20,741	(4,910)	(19,298)	108	(421)	-	-	(4,606)	1,022

*The accompanying notes form part of these statements.*

**Department of Environment and Heritage Protection**  
**Statement of Assets and Liabilities by Major Departmental Services**  
as at ended 30 June 2016

	Environment Protection		Species & Ecosystem Protection		Heritage Protection		Corporate Partnership		General not attributable		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current assets</b>												
Cash and cash equivalents	-	-	-	-	-	-	-	-	23,932	11,786	23,932	11,786
Receivables	9,742	10,619	1,800	2,266	321	353	-	-	-	-	11,863	13,238
Other assets	1,196	116	166	1,960	15	6	-	-	-	-	1,377	2,082
<b>Total current assets</b>	<b>10,939</b>	<b>10,735</b>	<b>1,966</b>	<b>4,226</b>	<b>335</b>	<b>359</b>	<b>-</b>	<b>-</b>	<b>23,932</b>	<b>11,786</b>	<b>37,172</b>	<b>27,106</b>
<b>Non-current assets</b>												
Property, plant and equipment	3,785	4,362	40,559	37,879	229	254	982	1,084	-	-	45,555	43,579
Intangible assets	7,538	4,247	-	-	716	975	-	-	-	-	8,254	5,222
<b>Total non-current assets</b>	<b>11,323</b>	<b>8,609</b>	<b>40,559</b>	<b>37,879</b>	<b>945</b>	<b>1,229</b>	<b>982</b>	<b>1,084</b>	<b>-</b>	<b>-</b>	<b>53,809</b>	<b>48,801</b>
<b>Total assets</b>	<b>22,262</b>	<b>19,344</b>	<b>42,525</b>	<b>42,105</b>	<b>1,280</b>	<b>1,588</b>	<b>982</b>	<b>1,084</b>	<b>23,932</b>	<b>11,786</b>	<b>90,981</b>	<b>75,907</b>
<b>Current liabilities</b>												
Payables	10,396	5,213	5,467	1,738	360	(49)	-	-	-	-	16,223	6,902
Accrued employee benefits	2,949	2,260	1,393	1,314	106	51	-	-	-	-	4,448	3,625
Unearned revenue	2,847	52	3	8	-	-	-	-	-	-	2,851	60
Provision - onerous contract	139	138	66	68	7	6	-	-	-	-	212	212
<b>Total current liabilities</b>	<b>16,330</b>	<b>7,662</b>	<b>6,930</b>	<b>3,129</b>	<b>474</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,734</b>	<b>10,799</b>
<b>Non-current liabilities</b>												
Provision - onerous contract	313	448	148	220	16	21	-	-	-	-	477	689
<b>Total non-current liabilities</b>	<b>313</b>	<b>448</b>	<b>148</b>	<b>220</b>	<b>16</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>477</b>	<b>689</b>
<b>Total liabilities</b>	<b>16,643</b>	<b>8,110</b>	<b>7,078</b>	<b>3,349</b>	<b>489</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,211</b>	<b>11,488</b>
<b>Net assets</b>	<b>5,618</b>	<b>11,234</b>	<b>35,447</b>	<b>38,756</b>	<b>791</b>	<b>1,559</b>	<b>982</b>	<b>1,084</b>	<b>23,932</b>	<b>11,786</b>	<b>66,770</b>	<b>64,419</b>

*The accompanying notes form part of these statements.*

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

<b>Note</b>	<b>Note title</b>
1	Objectives and principal activities of the department
2	Major departmental services
3	Summary of significant accounting policies
4	Appropriation revenue
5	User charges and fees
6	Grants and other contributions
7	Other revenue
8	Employee expenses
9	Key executive management personnel and remuneration
10	Supplies and services
11	Grants and subsidies
12	Revaluation decrements
13	Other expenses
14	Cash and cash equivalents
15	Receivables
16	Property, plant and equipment and intangibles significant policies
17	Property, plant and equipment
18	Intangibles
19	Payables
20	Accrued employee benefits
21	Reconciliation of operating result to net cash from operating activities
22	Commitments for expenditure
23	Contingencies
24	Related party disclosure
25	Financial instruments
26	Schedule of administered items
27	Trust transactions and balances
28	Budget to actual comparison
29	Events after the balance date



## Department of Environment and Heritage Protection Notes to and forming part of the financial statements 2015-16

### 1. Objectives and principal activities of the department

The department is responsible for managing the health of the environment to protect Queensland's unique ecosystems, including its landscapes and waterways, as well as its native plants and animals and biodiversity, acting as a strong environmental regulator by supporting sustainable long-term economic development and identifying and conserving the State's built heritage places.

The department's key priorities are:

- Protecting the Great Barrier Reef
- Conserving nature and heritage
- Ensuring sustainable management of natural resources; and
- Enabling responsible development.

To support the achievement of the Government's objectives for the community and address the State's environmental challenges, the department has identified four key goals and two complementary goals, each with a number of strategies:

- Enhance Queensland's ecosystems;
- Protect the Great Barrier Reef;
- Protect the State's significant heritage places;
- Avoid, minimise or mitigate impacts on the environment;
- Work productively with industry, business and community; and
- Invest in our people to deliver quality and innovative service.

### Sources of departmental funding

The department is principally funded for the services it delivers by parliamentary appropriations, and the significant revenue collected from licencing of environmental activities.

### 2. Major departmental services

During 2015-16 the department conducted its business through the Environment and Heritage Protection service. This service has three service areas:

- **Environmental Protection Services** – with a focus on avoiding, minimising or mitigating impacts to the environment through the design, application, standards and regulations that guide the operation and control the activities of business and individuals that have or can have significant environmental impacts;
- **Species and Ecosystem Protection Services** - provides focus on protecting Queensland's ecosystems by ensuring the diversity and integrity of Queensland's natural ecosystems are preserved and conservation status of native species are maintained or enhanced; and
- **Heritage Protection Services** - focuses on protecting Queensland's heritage by recognising its value and ensuring it is conserved, adaptively re-used and its value is promoted for present and future generations.

In addition to the corporate services provided to the Department of Environment and Heritage Protection, the department also participates in a corporate partnership arrangement whereby some departments "host" a number of strategic and operational corporate services provided to a number of other "recipient" departments. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability, and responsiveness.

The "host" department of each corporate service function receives the appropriation of funds and reports full time equivalent positions in the respective department. The model is multi-layered for different corporate services functions. That is, some functions are provided to two departments, and some provided to six departments with any combination in between.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**2. Major departmental services (continued)**

As a “host”, this department provides defined services to the following departments for which no charges are levied:

<b><i>Recipient Department</i></b>	<b><i>Services provided by Department of Environment and Heritage Protection</i></b>
Department of Agriculture and Fisheries	Internal Audit; Procurement; Right to Information
Department of Tourism, Major Events, Small Business and the Commonwealth Games	Internal Audit; Procurement; Right to Information
Department of Natural Resources and Mines	Internal Audit; Procurement; Right to Information
Department of Energy and Water Supply	Internal Audit; Procurement; Right to Information
Department of National Parks, Sport and Racing	Finance; Human Resources; Corporate Communications; Governance Oversight; Performance Management; Privacy and Ethics; Procurement; Right to Information.

Corporate services income and expenses attributable solely to the Department of Environment and Heritage Protection are apportioned across the major departmental services while corporate services income and expenses attributable under the corporate partnership arrangements are outlined in the Statement of Comprehensive Income by Major Departmental Services.

Functions (and allocation of revenue and expenses) hosted by other departments in the corporate partnership are disclosed in the relevant department’s financial statements.

The Department of Environment and Heritage Protection receives defined services from the following departments for which no charges are levied:

<b><i>Provider Department</i></b>	<b><i>Services received by Department of Environment and Heritage Protection</i></b>
Department of Agriculture and Fisheries	Fleet Management; Information and Communications Technology (ICT)
Department of Natural Resources and Mines	Property and Facilities Management; Legal Services

The department receives information technology services from the Department of Agriculture and Fisheries as a fee for service within the corporate partnership.

**3. Summary of significant accounting policies**

**a) Statement of compliance**

The Department of Environment and Heritage Protection has prepared these financial statements in compliance with section 42 of the Financial and Performance Management Standard 2009.

These general purpose financial statements have been prepared on an accrual basis, in accordance with Australian Accounting Standards and Interpretations. In addition, these financial statements comply with Queensland Treasury’s Minimum Reporting Requirements for the period ending 30 June 2016 and other authoritative pronouncements.

Being a not for profit entity, the department has applied the requirements of Australian Accounting Standards and interpretations applicable to not-for-profit entities.

Except where stated, the historical cost convention is used.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**b) Administered transactions and balances**

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it is responsible and accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are disclosed in note 26. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

**c) Trust and agency transactions and balances**

The department holds cash and bank guarantees on behalf of companies and individuals.

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in note 27. Applicable audit arrangements are also shown.

**d) Appropriation revenue for services revenue/administered revenue**

Appropriations provided under the annual Appropriation Act are recognised as revenue when received. Approval has been obtained from Queensland Treasury to recognise specific adjustments to appropriation revenue for services. Refer to note 4.

**e) User charges, fees and fines**

User charges and fees controlled by the department are recognised as revenues when revenue has been earned and can be measured reliably with a sufficient degree of certainty through invoicing or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives. Refer to note 5.

Fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer to note 26.

**f) Grants and other contributions**

Grants, contributions, donations and gifts, non-reciprocal in nature, are recognised as revenue in the year in which the department obtains control over them. Where monies are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding agreements.

Contributed assets are recognised at their fair value. Contributions of services are recognised as an expense and revenue at equal amount, only where the services would have been purchased, had they not been donated.

**g) Cash and cash equivalents**

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash on hand, cash at bank and cash and cheques receipted but not banked at 30 June 2016.

**h) Contributed equity**

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to 'Contributed equity' in accordance with Interpretation 1038 Contributions by Owners Made to Wholly Owned Public Sector Entities. Appropriations for equity adjustments are similarly designated.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**i) Taxation**

The department is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Department of Environment and Heritage Protection. As such, GST credits receivable from/payable to the Australian Taxation Office are recognised. Refer note 15.

**j) Issuance of financial statements**

These financial statements are authorised for issue by the Director-General and the Chief Finance Officer at the date of signing the Management Certificate.

**k) Accounting estimates and judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions made that have a potential significant effect are outlined in the following notes to the financial statements:

- Property, plant and equipment: Note 16 and 17
- Contingencies: Note 23

Further, the matters covered in each of those notes (except for depreciation and amortisation) necessarily involve estimation uncertainty with the potential to materially impact on the carrying amount of the department's assets and liabilities in the next reporting period. Reference should be made to the respective notes for more information.

**l) Other presentation matters**

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

In addition, the classification of all expenses was reviewed during 2015-16, with the comparative figures being restated where appropriate.

**m) First year application of new accounting standards or change in policy**

**Changes in Accounting Policy**

The department did not voluntarily change any of its accounting policies during 2015-16.

**Accounting Standards Early Adopted for 2015-16**

Two Australian Accounting Standards have been early adopted for the 2015-16 year as required by Queensland Treasury. These are:

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]

The amendments arising from this standard seek to improve financial reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies and the presentation of sub-totals, and provides clarity on aggregating line items. It also emphasises only including material disclosures in the notes. The department has applied this flexibility in preparing the 2015-16 financial statements.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**m) First year application of new accounting standards or change in policy (continued)**

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]

This standard amends AASB 13 Fair Value Measurement and provides relief to not-for-profit public sector entities from certain disclosures about property, plant and equipment that is primarily held for its current service potential rather than to generate future net cash inflows. The relief applies to assets under AASB 116 Property, Plant and Equipment which are measured at fair value and categorised within Level 3 of the fair value hierarchy (refer to note 16). As a result, the following disclosures are no longer required for those assets. In early adopting the amendments, the following disclosures have been removed from the 2015-16 financial statements:

- disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

**Accounting Standards Applied for the First Time in 2015-16**

No new Australian Accounting Standards effective for the first time in 2015-16 had any material impact on this financial report.

**n) Future impacts of accounting standards not yet effective**

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future commencement dates are set out below:

**AASB 124 Related Party Disclosures**

Effective from reporting periods beginning on or after 1 July 2016, a revised version of AASB 124 will apply to the department. AASB 124 requires disclosures about the remuneration of key management personnel (KMP), transactions with related parties, and relationships between parent and controlled entities.

The department already discloses detailed information about remuneration of its KMP, based on Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies. Due to the additional guidance about the KMP definition in the revised AASB 124, the department will disclose its responsible Minister as part of its KMP from 2016-17. The department does not provide remuneration to Ministers, so figures for ministerial remuneration will not be disclosed by the department. Comparative information will continue to be disclosed in respect of KMP remuneration.

The most significant implications of AASB 124 for the department are the required disclosures about transactions between the department and its related parties (as defined in AASB 124). For any such transactions, from 2016-17, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful. In respect of related party transactions with other Queensland Government controlled entities, the information disclosed will be more high level, unless a transaction is individually significant. No comparative information is required in respect of related party transactions in the 2016-17 financial statements.

**AASB 15 Revenue from Contracts with Customers**

This standard will become effective from reporting periods beginning on or after 1 January 2018 and contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the department's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the department has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The department is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**n) Future impacts of accounting standards not yet effective (*continued*)**

AASB 9 Financial Instruments  
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

These standards will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the department's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The department has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, all of the department's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in note 25). In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the department's operating result.

An impact of AASB 9 relates to calculating impairment losses for the department's receivables. Assuming no substantial change in the nature of the department's receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the department will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

The department will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the department enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment, and investments in unquoted equity instruments measured at fair value through other comprehensive income and de-recognition of these items.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the department's activities, or have no material impact on the department.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>

**4. Appropriation revenue**

**Reconciliation of payments from Consolidated Fund to appropriation revenue for services recognised in the Statement of Comprehensive Income**

Budgeted appropriation revenue for services	152,818	128,436
Transfers to other headings	(1,664)	-
Less lapsed appropriations *	(1,193)	(7,211)
Total appropriation receipts (cash)	<u>149,961</u>	<u>121,225</u>
Plus: Closing balance of output revenue receivable	-	1,837
Less: Opening balance of output revenue receivable	(1,837)	(1,126)
Less: Closing balance of deferred appropriation payable	(7,141)	-
Net appropriation revenue	<u>140,983</u>	<u>121,936</u>
Plus: Deferred appropriation payable to Consolidated Fund (expense)	7,141	-
Appropriation revenue for services recognised in the Statement of Comprehensive Income	<u>148,124</u>	<u>121,936</u>

\* Reflects lapse of appropriation funding in excess of requirements.

**Reconciliation of payments from Consolidated Fund to equity adjustment recognised in Contributed Equity**

Budgeted equity adjustment appropriation	5,288	26,310
Transfer from other headings	1,664	-
Less lapsed equity adjustment	-	(5,959)
Total equity adjustment receipts/(payments)	<u>6,952</u>	<u>20,351</u>
<b>Equity adjustment recognised in Contributed Equity</b>	<u><u>6,952</u></u>	<u><u>20,351</u></u>

**5. User charges and fees**

Environmental licence fees	46,300	42,367
Licences and permits	1,176	1,241
Sales of goods and services	428	973
Rent revenue	36	170
Other fees	1,308	777
	<u>49,248</u>	<u>45,528</u>

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

<b>2016</b>	<b>2015</b>
<b>\$'000</b>	<b>\$'000</b>

**6. Grants and other contributions**

Grants from the Commonwealth	3,544	7,239
Grants from external bodies, state and local governments	3,040	1,763
Donations, gifts and services	276	68
Industry/community contributions	218	505
	<u>7,078</u>	<u>9,575</u>

Included in the 2016 figure for grants and other contributions are non-reciprocal grants funded by the Commonwealth and State Government, and other external bodies for a range of grant programs. These monies have been recognised as revenue in their entirety upon receipt as the agreements do not specify sufficient conditions to qualify as reciprocal. As at 30 June 2016, \$11.423 million (2015: \$14.261 million) of all grant funding remain unspent. The department expects to fully comply with the conditions of the grants and does not expect to recognise a future liability relating to the refund of unspent grant monies.

**7. Other revenue**

Recovery of professional legal costs	637	298
Deposits forfeited	528	-
Restitution	199	1,251
Sundry revenue	286	476
	<u>1,650</u>	<u>2,025</u>

**8. Employee expenses**

*Employee benefits*

Salaries and wages	85,379	78,092
Employer superannuation contributions	10,953	10,459
Annual leave levy	8,806	8,254
Long service leave levy	1,919	1,812
Redundancy payments	224	265
Capitalised salary expenses	(907)	(798)

*Employee related expenses*

Training and development	753	535
Workers compensation expense	403	407
Employee housing expense	219	301
Other employee expenses	341	490
	<u>108,090</u>	<u>99,817</u>



**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**8. Employee expenses (continued)**

***Wages, salaries and sick leave***

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

***Annual and long service leave***

The Queensland Government's Annual Leave Central Scheme became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Under the Queensland Government's long service leave scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

***Superannuation***

Employer superannuation contributions are principally paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

***Workers' compensation***

Workers' compensation insurance is a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

***Corporate Partnership***

Corporate Partnership employee expenses aligned to this department associated with the provision of services to other departments are included in the above figures, refer note 2. The number of employees providing services to other departments at balance date is set out below.

	<b>2016</b>	<b>2015</b>
<i>Number of employees:</i>		
Department of Environment and Heritage Protection *	1,097	1,038
Corporate partnership arrangement	87	81

\* Include corporate partnership employees.

The number of employees, including both full time and part time employees, is measured on a full time equivalent basis, reflecting Minimum Obligatory Human Resource Information (MOHRI) at 30 June of the respective years. This data is published by the Public Service Commission.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**9. Key executive management personnel and remuneration**

**Details of Key Management Personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2015-16 and 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

**Director-General**

The Director-General directs the overall efficient, effective and economical administration of the department. The position also sets the department's strategic direction and priorities.			
<b>Incumbent</b>	<b>Contract classification and appointment authority</b>	<b>Date of initial appointment</b>	<b>Date of resignation or cessation</b>
Current	CEO3, <i>Public Service Act 2008</i>	26 February 2016	-
Temporary relieving *	CEO3, <i>Public Service Act 2008</i>	16 November 2015	25 February 2016
Former	CEO3, <i>Public Service Act 2008</i>	23 September 2013	13 November 2015

\* Relieving held by incumbent

**Deputy Director-General, Conservation and Sustainability Services**

The Deputy Director-General provides strategic leadership and direction of the department's conservation and sustainability services. The position is responsible for the implementation of programs to conserve and enhance the health of the state's natural environment.			
<b>Incumbent</b>	<b>Contract classification and appointment authority</b>	<b>Date of initial appointment</b>	<b>Date of resignation or cessation</b>
Current	SES3, <i>Public Service Act 2008</i>	23 May 2016	-
Temporary relieving	SES3, <i>Public Service Act 2008</i>	20 July 2015	15 October 2015
Temporary relieving	SES3, <i>Public Service Act 2008</i>	8 December 2015	22 May 2016
Former	SES3, <i>Public Service Act 2008</i>	1 July 2003	18 August 2015

**Deputy Director-General, Environmental Policy and Planning**

The Deputy Director-General provides strategic leadership and direction of the department's environmental policy and planning. The position is responsible for developing strategy, policy and legislation to support Queensland Governments environment and heritage agenda.			
<b>Incumbent</b>	<b>Contract classification and appointment authority</b>	<b>Date of initial appointment</b>	<b>Date of resignation or cessation</b>
Current	SES3, <i>Public Service Act 2008</i>	1 May 2012	-

**Deputy Director-General, Environmental Services and Regulation**

The Deputy Director-General provides strategic leadership and direction of the department's environmental services and regulation. The position leads the department's regulatory program, ensuring that it is targeted, consistent and transparent in its facilitation of sustainable development and strong environmental performance.			
<b>Incumbent</b>	<b>Contract classification and appointment authority</b>	<b>Date of initial appointment</b>	<b>Date of resignation or cessation</b>
Current	SES4, <i>Public Service Act 2008</i>	1 May 2012	-

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**9. Key executive management personnel and remuneration (continued)**

**Details of Key Management Personnel (continued)**

**Deputy Director-General, Corporate Services**

The position is responsible for leading the delivery and strategic direction of corporate services within the department under the Business and Corporate Partnership model. The department bears 100% of the costs of this position, as per the Corporate Partnership Agreement between the departments. Refer to note 2.			
<b>Incumbent</b>	<b>Contract classification and appointment authority</b>	<b>Date of initial appointment</b>	<b>Date of resignation or cessation</b>
Current	SES3, <i>Public Service Act 2008</i>	11 August 2014	-

**Executive Director, Office of the Great Barrier Reef**

The Executive Director is responsible for coordinating, monitoring and reporting on the delivery of all reef-associated activities across Queensland Government.			
<b>Incumbent</b>	<b>Contract classification and appointment authority</b>	<b>Date of initial appointment</b>	<b>Date of resignation or cessation</b>
Current	SES3, <i>Public Service Act 2008</i>	17 December 2015	-
Former *	SES2, <i>Public Service Act 2008</i>	27 May 2015	16 December 2015

\* The position was held by the incumbent and reclassified.

**Executive Director, Governance and Strategy**

The Executive Director is responsible for leading the delivery of corporate performance and reporting, integrity and governance frameworks and Cabinet and Parliamentary Services.			
<b>Incumbent</b>	<b>Contract classification and appointment authority</b>	<b>Date of initial appointment</b>	<b>Date of resignation or cessation</b>
Current	SES2, <i>Public Service Act 2008</i>	1 May 2012	-

**Remuneration Policies**

The remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission (PSC) as provided for under the Public Service Act 2008. The remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for key management personnel comprise the following components:

- Short term employee benefits which include:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a key management person;
  - performance payments recognised as an expense during the year;
  - non-monetary benefits consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- Post-employment benefits expensed include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**9. Key executive management personnel and remuneration (continued)**

**KMP Remuneration Expense**

The following disclosures focus on the expenses incurred by the department that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

**2015-16**

Position (Date resigned if applicable)	Short term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000
Director-General – current	194	4	3	12	213
Director-General – former	135	7	3	14	159
Deputy Director-General, Conservation and Sustainability Services – Current	72	4	3	7	86
Deputy Director-General, Conservation and Sustainability Services – temporary relieving	159	10	(11)	16	174
Deputy Director-General, Conservation and Sustainability Services – former	15	1	-	2	18
Deputy Director-General, Environmental Policy and Planning	215	12	5	24	256
Deputy Director-General, Environmental Services and Regulation	245	12	(14)	26	269
Deputy Director-General, Corporate Services	163	10	5	17	195
Executive Director, Office of the Great Barrier Reef	184	11	5	21	221
Executive Director, Governance and Strategy	180	12	4	19	215

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**9. Key executive management personnel and remuneration (continued)**

**KMP Remuneration Expense (continued)**

**2014-15**

Position (Date resigned if applicable)	Short term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000
Director-General	411	12	9	35	467
Deputy Director-General, Conservation and Sustainability Services	205	12	4	22	243
Deputy Director-General, Environmental Policy and Planning	216	11	5	24	256
Deputy Director-General, Environmental Services and Regulation	227	12	10	25	274
Assistant Director-General, Corporate Services - current	185	10	4	19	218
Assistant Director-General, Corporate Services – temporary relieving	23	-	-	2	25
Executive Director, Governance and Strategy	186	13	4	19	222
Executive Director, Office of the Great Barrier Reef	21	1	-	2	24

**Performance payments**

The remuneration packages for the Executive Management Personnel do not provide for any performance or bonus payments.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>10. Supplies and services</b>		
Computer expenses	3,734	3,331
Consultancies and contractors	8,700	8,486
Legal expenses	2,763	1,630
Minor plant and equipment	454	889
Office accommodation	1,347	1,451
Operating lease rentals	11,023	10,737
Outsourced service delivery	16,223	8,664
Shared service provider expenses	4,098	5,235
Telephones	878	1,331
Travel	2,473	2,333
Repairs and Maintenance	1,601	1,367
Other Supplies and Services *	6,316	5,176
	<u>59,610</u>	<u>50,630</u>

\* Includes supplies and services of \$3.685 million in 2016 (2015: \$2.164 million) which has subsequently been capitalised.

**11. Grants and subsidies**

Contribution to koala conservation	510	933
Climate change coastal adaptation program	4,000	-
eReefs project	1,011	1,000
Everyone's environment grant	1,438	4,303
Expansion of regional waterway health report cards	1,060	1,551
Great Barrier Reef protection package	4,642	2,180
Healthy waterways	1,670	1,590
Land and sea grants program	475	487
Queensland indigenous land and sea ranger program	7,242	7,772
National packaging covenant	328	408
Nature refuges program	272	16
Non-Government conservation funding program	415	565
NRS-Bramwell -Richardson Acquisition	1,900	-
Other	1,280	1,397
	<u>26,243</u>	<u>22,202</u>

**12. Revaluation decrements**

Land	4,637	-
Buildings	5	-
	<u>4,642</u>	<u>-</u>

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

	<u>\$'000</u>	<u>\$'000</u>
<b>13. Other expenses</b>		
Deferred appropriation payable to Consolidatd Fund	7,141	-
Queensland Government Insurance Fund (QGIF) insurance premiums	1,567	1,577
External audit fees *	258	201
Sponsorships	80	125
Bank and statutory fees	42	53
Special payments **		
Ex-gratia payments - payments to former core agreement employees	21	-
Ex-gratia payments - other	37	15
Sundry expenses	41	4
	<u>9,187</u>	<u>1,975</u>

\* Total audit fees payable to the Queensland Audit Office relating to the 2015-16 financial statements are quoted to be \$0.189 million (2015: \$0.189 million).

\*\* Special payments represents expenditure that the department is not contractually or legally obliged to make to other parties. Special payments during 2015-16 below \$5,000 include the following:

- As part of the settlement offer to finalise negotiations for the State Government Entities Certified Agreement 2015, an undertaking was made that a Section 831 one-off payment of \$1,300 (or pro-rata) would be extended to those employees who resigned, retired or otherwise moved to other employment arrangements after 1 April 2016, but before the agreement was certified on 1 June 2016. These payments attracted applicable salary on-costs.

Special payments during 2015-16 include the following payments over \$5,000:

- The department made ex-gratia payments relating to environmental relevant activities no longer being undertaken.

**14. Cash and cash equivalents**

Cash at bank	19,594	8,649
Cash with QTC cash fund	4,333	3,132
Cash on hand	5	5
	<u>23,932</u>	<u>11,786</u>

Departmental bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

The department has an overdraft facility of \$10 million and a business card facility of \$3.5 million with its balance cleared monthly.

The department holds two Capital Guaranteed Cash Funds with QTC which earn interest and are used to hold specific funds as outlined below.

As at 30 June 2016 an amount of \$2.07 million (Effective Rate 2.89%) (2015: \$0.139 million) was held as a result of financial offset payments in accordance with the *Environmental Offset Act 2014*. The use of these funds is restricted under the Act and can only be used for Conservation purposes or as otherwise permitted under section 86 of the Act.

As at 30 June 2016, an amount of \$2.263 million (Effective Rate 2.85%) (2015: \$2.993 million) was held for the Commonwealth Reef Trust grant. The use of these funds is restricted and can only be used for reef protection as permitted under the agreement.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

	<u>\$'000</u>	<u>\$'000</u>
<b>15. Receivables</b>		
<i>Current</i>		
Receivables of operating nature	9,398	8,476
Less: Allowance for impairment	(574)	(738)
	<u>8,824</u>	<u>7,738</u>
 GST input tax credits receivable	 888	 1,255
	<u>888</u>	<u>1,255</u>
 Annual leave claims receivable	 1,370	 1,763
Appropriation for departmental services receivable - state funded	-	1,837
Long service leave claims receivable	439	384
Other advances	331	254
Sundry receivable	11	7
	<u>11,863</u>	<u>13,238</u>

Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed sales/contract price. Settlement of these amounts is required within ranged trading terms of 14 days to 30 days from invoice date depending on the service provided.



**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**16. Property plant and equipment and intangibles significant policies**

**Assets under construction**

Assets under construction are recognised at cost. All costs relating to items of property, plant and equipment and intangibles constructed in-house are recorded as assets under construction until completion of the project using all direct costs and, where reliably attributable, indirect costs. Assets under construction performed under external contracts are recorded using the invoice amount supplied by the contractor.

**Acquisitions of assets**

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government department, are recognised at their fair value at date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

**Property, plant and equipment**

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

<b>Asset Class</b>	<b>Threshold</b>
Land	\$1
Buildings and Infrastructure	\$10,000
Other (including heritage and cultural)	\$5,000

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the department are included with Buildings or Infrastructure based on the proximity of the asset to which they relate.

**Revaluations of non-current physical and intangible assets**

Land, buildings, infrastructure, and heritage and cultural assets are measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management of the department to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Intangible assets are measured at their historical cost, unless there is an active market for the assets concerned (in which case they are measured at fair value).

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**16. Property plant and equipment and intangibles significant policies (continued)**

Property, plant and equipment classes measured at fair value (refer above) are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the department's Finance and Asset Management branch, who determine the specific revaluation practices and procedures.

Revaluations using independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Materiality concepts (according to the Framework for the Preparation and Presentation of Financial Statements) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on the departments' own particular circumstances.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation:

- for assets revalued using a cost valuation approach (e.g. depreciated replacement cost) – accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'; and
- for assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

**Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department assets/liabilities, internal records of recent construction costs (and/or estimates

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**16. Property plant and equipment and intangibles significant policies (*continued*)**

of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Note 17 further explains the inputs and assumptions used in assessing fair value.

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

**Intangibles**

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life to the department, less any anticipated residual value. The residual value is zero for all the department's intangible assets.

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form a part of a disposal group held for sale.

*Internally generated software*

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the department, namely 3 – 10 years.

*Purchased software*

The purchase cost of this software has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to the department, namely 13 – 17 years.

**Amortisation of intangibles and depreciation of property, plant and equipment**

Land is not depreciated as it has an unlimited useful life.

All intangible assets of the department have finite useful lives and are amortised on a straight line basis.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department.

Assets under construction (work in progress) are not depreciated or amortised until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**16. Property plant and equipment and intangibles significant policies (continued)**

installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes with property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

For each class of depreciable asset the following depreciation and amortisation rates are used:

<b>Physical asset class</b>	<b>Rate %</b>
Buildings	3.3 – 5.0
Heritage and cultural assets	1.0 - 1.0
Infrastructure	2.0 - 6.7
<i>Plant and equipment</i>	
Vehicles	10.0 - 20.0
Scientific and technical equipment	6.7 - 33.3
Office equipment	7.1 – 33.3
Computer equipment	14.3 - 33.3
Leasehold improvements	3.0 - 25.0
Boats and boating equipment	5.6 - 33.3
<b>Intangible asset class</b>	
Internally generated software	10.0 - 33.3
Purchased software	5.9 – 7.7

**Impairment of non-current assets**

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Department of Environment and Heritage Protection  
Notes to and forming part of the financial statements 2015-16

17. Property, plant and equipment

	Land		Buildings		Heritage and cultural		Infrastructure		Plant and equipment		Assets under construction		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Carrying value at 1 July</b>	35,154	16,254	2,427	1,370	4	4	276	296	5,705	6,721	12	32	43,578	24,677
Acquisitions	5,960	19,660	1,260	1,216	-	-	-	-	547	441	279	27	8,046	21,344
Depreciation	-	-	(155)	(127)	-	-	(23)	(23)	(1,252)	(1,460)	-	-	(1,430)	(1,610)
External transfers in from other Queensland Government entities	-	-	-	-	-	-	-	-	5	24	-	-	5	24
External transfers out to other Queensland Government entities	-	(885)	-	(110)	-	-	-	-	-	-	-	-	-	(995)
Transfers between classes	(427)	-	465	47	-	-	-	-	155	-	(193)	(47)	-	-
Revaluation	(4,637)	125	(5)	84	-	-	2	3	-	-	-	-	(4,640)	212
Disposals	-	-	-	(52)	-	-	-	-	(4)	(21)	-	-	(4)	(73)
<b>Balance at 30 June</b>	<b>36,050</b>	<b>35,154</b>	<b>3,992</b>	<b>2,428</b>	<b>4</b>	<b>4</b>	<b>255</b>	<b>276</b>	<b>5,156</b>	<b>5,705</b>	<b>98</b>	<b>12</b>	<b>45,555</b>	<b>43,579</b>
Gross	36,050	35,154	4,999	3,087	5	5	677	662	12,481	12,395	98	12	54,310	51,315
Less: Accumulated depreciation	-	-	(1,007)	(659)	(1)	(1)	(422)	(386)	(7,325)	(6,690)	-	-	(8,755)	(7,736)
<b>Balance at 30 June</b>	<b>36,050</b>	<b>35,154</b>	<b>3,992</b>	<b>2,428</b>	<b>4</b>	<b>4</b>	<b>255</b>	<b>276</b>	<b>5,156</b>	<b>5,705</b>	<b>98</b>	<b>12</b>	<b>45,555</b>	<b>43,579</b>

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**17. Property, plant and equipment (continued)**

In 2016 the department applied a market based index for land, building and infrastructure assets as the majority of the property, plant and equipment asset base had been comprehensively acquired or valued in the last four years. This is in accordance with Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector.

Plant and equipment is valued at cost as prescribed in Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector.

**Land**

The department has a number of different land tenures, containing different levels of restrictions, which impact the valuation methodology for the class. This class is comprised of land that is categorised as Freehold and Reserves administered under the Land Act 1994. Land values are determined using level 2 or level 3 inputs. The principal market is land of similar topography and location observable from readily available and reliable market data (recent land sales). Where there is insufficient market evidence and/or significant adjustments are necessary to available sales data, the valuation will be categorised within level 3 of the fair value hierarchy. For land that has restrictions, this market data is then adjusted by the valuer to reflect the nature of these restrictions and this land is categorised as being level 3 fair value. This approach reflects fair market value given the restrictive nature of relevant land. Land that has no restrictions, including those part of the land acquisition programs for future national park estate and koala refuge land, is categorised as being level 2 fair value. In the years an assessment is not made by an independent valuer, an index is supplied by valuers based on market movements.

**Buildings and Infrastructure**

Buildings purchased as part of land acquisition programs for future national park estate and koala refuge land are valued with market data (recent land sales in area). A portion of the value of the building class and all of the infrastructure class is comprised of assets that are on restricted land which would not allow these assets to be sold. These assets are valued using depreciated replacement costs and are classified as level 3. Depreciated replacement cost is the cost of replacing the asset with a modern equivalent and taking into account the condition and therefore the remaining useful life of the asset.

**Categorisation of fair values recognised as at 30 June 2016 (refer to note 16)**

	Level 2		Level 3		Total	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	34,071	33,175	1,979	1,979	36,050	35,154
Buildings	3,226	1,686	766	742	3,992	2,428
Infrastructure	-	-	255	276	255	276
Heritage and cultural	-	-	4	4	4	4

Department of Environment and Heritage Protection  
Notes to and forming part of the financial statements 2015-16

18. Intangibles

	Internally generated software		Purchased software		Software development in progress		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying value at 1 July</b>	4,280	3,046	81	404	861	138	5,222	3,588
Acquisitions	-	-	-	-	4,314	2,935	4,314	2,935
Amortisation	(1,201)	(978)	(81)	(323)	-	-	(1,282)	(1,301)
Transfers between classes	4	2,212	-	-	(4)	(2,212)	-	-
<b>Balance at 30 June</b>	<b>3,083</b>	<b>4,280</b>	<b>-</b>	<b>81</b>	<b>5,171</b>	<b>861</b>	<b>8,254</b>	<b>5,222</b>
Gross	10,014	10,284	3,419	5,033	5,171	861	18,604	16,178
Less: Accumulated amortisation	(6,069)	(5,142)	(3,419)	(4,952)	-	-	(9,488)	(10,094)
Less: Accumulated impairment	(862)	(862)	-	-	-	-	(862)	(862)
<b>Balance at 30 June</b>	<b>3,083</b>	<b>4,280</b>	<b>-</b>	<b>81</b>	<b>5,171</b>	<b>861</b>	<b>8,254</b>	<b>5,222</b>

Amortisation of intangibles is included in the line item depreciation and amortisation in the Statement of Comprehensive Income.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>19. Payables</b>		
<i>Current</i>		
Payables of operating nature	9,015	6,652
Appropriation payable	7,141	-
Grants payable	-	10
Taxes payable	31	180
Sundry payables	36	60
	<u>16,223</u>	<u>6,902</u>

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**20. Accrued employee benefits**

<i>Current</i>		
Annual leave levy payable	2,382	2,373
Salary and wages payable	1,536	707
Long service leave levy payable	530	545
	<u>4,448</u>	<u>3,625</u>

No provision for annual or long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

**21. Reconciliation of operating result to net cash from operating activities**

<b>Operating result from continuing operations</b>	(4,606)	1,022
Depreciation and amortisation expense	2,712	2,911
Net asset revaluation (increments)/decrements	4,640	(211)
Net (gain)/loss on disposal of property, plant and equipment	4	68
<b>Change in assets and liabilities</b>		
(Increase) decrease in net receivables	(23)	10,908
(Increase) decrease in appropriation revenue receivable	1,837	(711)
(Increase) decrease in long service leave reimbursement receivables	(55)	133
(Increase) decrease in annual leave claim receivable	393	(260)
(Increase) decrease in GST input tax credits receivable	368	(304)
(Increase) decrease in prepayments	705	90
Increase (decrease) in appropriation payable	7,141	-
Increase (decrease) in accounts payable	1,234	1,170
Increase (decrease) in provision for tax	(149)	139
Increase (decrease) in accrued employee benefits	836	(164)
Increase (decrease) in other liabilities	2,579	(271)
<b>Net cash from operating activities</b>	<u>17,616</u>	<u>14,520</u>



**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

<b>2016</b>	<b>2015</b>
<b>\$'000</b>	<b>\$'000</b>

**22. Commitments for expenditure**

**a) Non-cancellable operating lease commitments**

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

Not later than one year	10,488	10,297
Later than one year and not later than five years	27,383	31,117
Later than five years	5,848	5,839
	<u>43,719</u>	<u>47,253</u>

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses and periodic market reviews.

Some of the operating leases contain renewal and extension options. No operating lease contains restrictions on financing or other leasing activities.

**b) Other expenditure commitments**

Other expenditure committed at the end of the period but not recognised in the accounts are as follows:

Not later than one year	15,661	5,161
Later than 1 year and not later than 5 years	3,504	1,132
	<u>19,165</u>	<u>6,293</u>

**c) Capital expenditure commitments**

Material classes of capital expenditure commitments (inclusive of non-recoverable GST input tax credits), contracted for at reporting date but not recognised in the accounts are payable as follows:

Plant and equipment	140	19
Intangibles	918	1,480
	<u>1,058</u>	<u>1,499</u>
Payable:		
Not later than one year	<u>1,058</u>	<u>1,499</u>
	<u>1,058</u>	<u>1,499</u>

**d) Grant commitments**

Grant commitments (inclusive of non-recoverable GST input tax credits), committed to provide at reporting date, but not recognised in the accounts as payable as follows:

Not later than one year	17,702	7,846
Later than one year and not later than five years	15,051	26,142
	<u>32,753</u>	<u>33,988</u>

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**23. Contingencies**

***Litigation in progress***

At 30 June 2016 the following claims against the department were filed in the courts or lodged with the department:

	<b>2016</b>	<b>2015</b>
High Court	1	1
Federal Court	-	3
Supreme Court	3	3
Magistrate Court	-	1
	<hr/> 4	<hr/> 8

At reporting date it is not possible to make an estimate of any probable outcomes of these claims, or any financial effect. Depending on the outcome of the litigation process, indemnity for the department may be sought in respect of some of the above matters through the Queensland Government Insurance Fund (QGIF).

***Guarantees and undertakings***

During 2015-16 the department has been a party to numerous indemnity capped procurement arrangements. These contracts were with suppliers for the provision of services. Liability and indemnity caps of various levels of \$10.0 million limited at \$1.0 million per occurrence and \$10.0 million limit on general liability and \$1.0 million on professional liability exist over the life of the contracts. The contracts are short term in nature.

***Land acquisitions***

The department is currently engaged in a program of land acquisitions to be used to further its environmental management and protection objectives.

**24. Related party disclosure**

***Balance the Earth Trust***

This trust was originally established, to support environmental purposes, on 9 October 2009 with Ecofund Queensland Pty Ltd being assigned trustee responsibilities. On 4 March 2013, Ecofund Queensland Pty Ltd was sold to a third party which resulted in two departmental officers Tamara O'Shea, Deputy Director-General, Conservation and Sustainability Services and Geoff Clare, Executive Director, Nature Conservation Services assuming the trustee roles of the Balance the Earth Trust in their private capacities. This was an interim measure until appropriate longer term arrangements were determined.

Mr Clare and Ms O'Shea, as Trustees, had taken a conservative approach to the management and expenditure of these funds whilst considering options for Balance the Earth Trust's operation. As a result of a governance review undertaken by the former Trustees, Ms O'Shea and Mr Clare agreed that the most appropriate course of action and to ensure that the Trust's objects are pursued into the future, was to resign as Trustees and transition the trusteeship to Qld Trust for Nature Limited.

On 9 February 2016, the roles of Trustees of Balance the Earth Trust transitioned from Mr Geoff Clare and Ms Tamara O'Shea (as individuals and not in their role as public servants) to the corporate Trustees, Qld Trust for Nature Limited. The Balance the Earth Trust will continue to exist as a separate entity.

From the date of transfer, the department no longer provides any services to the trust.

The Director-General of EHP fulfils the role of "Founder" of both the Balance the Earth Trust and Queensland Trust for Nature.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**25. Financial instruments**

**Recognition**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument.

**Classification**

Financial instruments are classified and measured as follows:

- Receivables – held at amortised cost; and
- Payables – held at amortised cost.

The department does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are disclosed in this note.

**a) Categorisation of financial instruments**

The department has the following categories of financial assets and financial liabilities:

Category	Note	2016 \$'000	2015 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	14	23,932	11,786
Receivables	15	11,863	13,238
<b>Total</b>		<b>35,795</b>	<b>25,024</b>
<b>Financial liabilities</b>			
Payables	19	16,223	6,902
Provision – onerous contract		689	901
		<b>16,912</b>	<b>7,803</b>

**b) Financial risk management**

Financial risk management is implemented pursuant to policies of the Government and the department. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under approved departmental financial management policies. The department utilises written principles for overall risk management, as well as policies covering specific areas.

The department measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**25. Financial instruments (continued)**

**c) Credit risk exposure**

Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The carrying amount of receivables, disclosed in note 15, represents the maximum exposure to credit risk.

No collateral is held as security and no credit enhancements relate to financial assets held by the department. The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department according to the due date. Economic changes impacting the department's debtors and relevant industry data also form part of the department's documented risk analysis.

Where no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the department determines that an amount owing by a debtor does become uncollectible (after appropriate debt recovery actions having been undertaken) that amount is recognised as a bad debt expense and written off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written off directly against receivables.

The department's current year receivable impairment loss is \$0.574 million (2015: \$0.738 million). This is a decrease of \$0.164 million from 2015.

Ageing of past due but not impaired are disclosed in the following tables:

**2016 Financial assets past due but not impaired**

	<u>Overdue</u>				<b>Total \$'000</b>
	<b>Less than 30 days \$'000</b>	<b>30-60 days \$'000</b>	<b>61-90 days \$'000</b>	<b>More than 90 days \$'000</b>	
Receivables	626	327	166	1,073	2,192
	626	327	166	1,072	2,192

**2015 Financial assets past due but not impaired**

	<u>Overdue</u>				<b>Total \$'000</b>
	<b>Less than 30 days \$'000</b>	<b>30-60 days \$'000</b>	<b>61-90 days \$'000</b>	<b>More than 90 days \$'000</b>	
Receivables	556	908	247	1,178	2,889
	556	908	247	1,178	2,889

**Financial liabilities**

The department holds no financial guarantee contracts in 2016.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**25. Financial instruments (continued)**

**d) Liquidity risk**

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The department is exposed to liquidity risk through its trading in the normal course of business.

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

		<b>2016 Payable in:</b>			
<b>Note</b>	<b>&lt;1 Year \$'000</b>	<b>1-5 Years \$'000</b>	<b>&gt;5 Years \$'000</b>	<b>Total \$'000</b>	
<b>Financial liabilities</b>					
Payables	19	16,223	-	-	16,223
Provision – onerous contract		212	477	-	689
<b>Total</b>		<b>16,435</b>	<b>477</b>	<b>-</b>	<b>16,912</b>

		<b>2015 Payable in:</b>			
<b>Note</b>	<b>&lt;1 Year \$'000</b>	<b>1-5 Years \$'000</b>	<b>&gt;5 Years \$'000</b>	<b>Total \$'000</b>	
<b>Financial liabilities</b>					
Payables	19	6,902	-	-	6,902
Provision – onerous contract		212	689	-	901
<b>Total</b>		<b>7,114</b>	<b>689</b>	<b>-</b>	<b>7,803</b>

**e) Interest rate sensitivity analysis**

The department does not have any financial liabilities, however it does have interest bearing financial assets of cash held with Queensland Treasury Corporation (QTC). The impact on the departments profit and equity would be attributable to the exposure to variable interest rates on its deposits with QTC.

**f) Fair value**

The department does not recognise any financial assets or financial liabilities at fair value.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>26. Schedule of administered items</b>		
<b>Administered revenue</b>		
Fees and fines	5,970	4,550
Other revenues *	3,629	23,507
<b>Total administered revenue</b>	<b>9,599</b>	<b>28,057</b>
<b>Administered expenses</b>		
Supplies and services	5	-
Other expenses	-	3
Losses and revaluations **	(301)	(1,185)
Transfers of administered item revenue to government	9,895	29,149
<b>Total administered expenses</b>	<b>9,599</b>	<b>27,967</b>
<b>Operating surplus/(deficit)</b>	<b>-</b>	<b>90</b>
<b>Administered assets</b>		
<i>Current</i>		
Cash	1,069	96
Receivables	207	204
<b>Total current assets</b>	<b>1,276</b>	<b>300</b>
<b>Administered liabilities</b>		
<i>Current</i>		
Payables	976	-
<b>Total administered liabilities</b>	<b>976</b>	<b>-</b>
<b>Net administered assets</b>	<b>300</b>	<b>300</b>
Accumulated Surplus	300	300
<b>Total administered equity</b>	<b>300</b>	<b>300</b>

\* Other revenues includes royalties of \$2.254 million (2015: \$22.998 million). 2015 royalties includes \$20.622 million for the sand extraction from Moreton Bay for the construction of the second runway at the Brisbane Airport. Royalties are recognised as revenues when revenue can be measured reliably with a sufficient degree of certainty through a notice of extraction.

\*\* Losses and revaluations includes the provision for impaired debts of \$0.667 million (2015: \$3.492 million). This is due to the decrease in principal environmentally relevant activity debt between years either through recovery or write off. From 1 July 2013 environmentally relevant activity licencing is recorded as controlled debt. As no new debt is being raised the current year assessment of impaired debt is less than the previous year causing a contra balance from the decreasing movement.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**27. Trust transactions and balances**

The department holds cash and bank guarantees on behalf of companies and individuals for the following:

- As a condition of the environmental authority for petroleum and gas leases under the Environmental Protection Act 1994, applicants are required to provide financial security in the form of cash or bank guarantee to ensure compliance with specific requirements set by the State of petroleum and gas activities, to prevent or minimise any environmental harm, or to rehabilitate or restore the environment. The security is held to protect the State should the lessee not meet the conditions set out in the environmental authority.
- As a condition of other miscellaneous environment management sections of the Environmental Protection Act 1994 and other relevant Acts, financial assurances are held in the form of cash or bank guarantee to ensure compliance with specific environmental requirements as determined.

As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in the notes for the information of users.

<b>Environmental trust collections and distributions</b>	<b>2016 \$'000</b>	<b>2015 \$'000</b>
Collections	14	403
Distributions	-	(25)
<b>Total</b>	<b>14</b>	<b>(25)</b>
<b>Environmental trust assets and liabilities</b>		
<i>Current assets</i>		
Cash	2,898	2,912
<b>Total trust assets</b>	<b>2,898</b>	<b>2,912</b>
<i>Non-current liabilities</i>		
Security deposits	2,898	2,912
<b>Total trust liabilities</b>	<b>2,898</b>	<b>2,912</b>

At 30 June 2016, the department held bank guarantees to the value of \$1.265 billion, and in relation to the following:

- \$1.148 billion relating to petroleum and gas in accordance with the lease conditions under the Environmental Protection Act 1994; and
- \$116.656 million relating to environmental management activities under the Environmental Protection Act 1994 and miscellaneous Environmental Management sections of relevant acts involved.

This represents the maximum value the department is potentially entitled to if agreed conditions are not fulfilled.

The Queensland Audit Office audits the transactions and balances held in trust. Audit fees are included as part of the external audit fees under note 13.

Department of Environment and Heritage Protection  
Notes to and forming part of the financial statements 2015-16

28. Budget to actual comparison

Statement of Comprehensive Income

	Variance	Original	Actual	Variance	Variance
	Notes	Budget	2016	\$'000	% of
		2016	\$'000	\$'000	Budget
		\$'000			
<b>Income from continuing operations</b>					
<i>Revenue</i>					
Appropriation revenue for services	1	152,818	148,124	(4,694)	-3%
User charges, fees and fines	2	47,487	49,248	1,761	4%
Grants and other contributions	3	4,534	7,078	2,544	56%
Interest	4	-	91	91	0%
Other revenue	5	180	1,650	1,470	817%
<b>Total revenue</b>		<b>205,019</b>	<b>206,191</b>	<b>1,172</b>	<b>1%</b>
<i>Gains</i>					
Gain on sale of property, plant and equipment		-	3	3	0%
<b>Total income from continuing operations</b>		<b>205,019</b>	<b>206,194</b>	<b>1,175</b>	<b>1%</b>
<b>Expenses from continuing operations</b>					
Employee expenses	6	102,742	108,090	5,348	5%
Supplies and services		59,846	59,610	(236)	0%
Grants and subsidies	7	37,552	26,243	(11,309)	-30%
Depreciation and amortisation	8	3,448	2,712	(736)	-21%
Revaluation decrements	9	-	4,642	4,642	0%
Losses	10	1,050	316	(734)	-70%
Other expenses	11	3,013	9,187	6,174	205%
<b>Total expenses from continuing operations</b>		<b>207,651</b>	<b>210,800</b>	<b>3,149</b>	<b>2%</b>
<b>Total comprehensive income</b>		<b>(2,632)</b>	<b>(4,606)</b>	<b>(1,974)</b>	<b>75%</b>



Department of Environment and Heritage Protection  
Notes to and forming part of the financial statements 2015-16

28. Budget to actual comparison (*continued*)

Statement of Financial Position

	Variance Notes	Original Budget 2016 \$'000	Actual 2016 \$'000	Variance \$'000	Variance % of Budget
<b>Current assets</b>					
Cash and cash equivalents	12	4,771	23,932	19,161	402%
Receivables	13	8,605	11,863	3,258	38%
Other assets	14	2,333	1,377	(956)	-41%
<b>Total current assets</b>		<b>15,709</b>	<b>37,172</b>	<b>21,463</b>	<b>137%</b>
<b>Non-current assets</b>					
Property, plant and equipment	15	50,356	45,555	(4,801)	-10%
Intangibles	16	6,614	8,254	1,640	25%
<b>Total non-current assets</b>		<b>56,970</b>	<b>53,809</b>	<b>(3,161)</b>	<b>-6%</b>
<b>Total assets</b>		<b>72,679</b>	<b>90,981</b>	<b>18,302</b>	<b>25%</b>
<b>Current liabilities</b>					
Payables	17	5,543	16,223	10,680	193%
Accrued employee benefits	18	2,830	4,448	1,618	57%
Other Liabilities	19	9	2,851	2,842	31578%
Provisions		207	212	5	2%
<b>Total current liabilities</b>		<b>8,589</b>	<b>23,734</b>	<b>15,145</b>	<b>176%</b>
<b>Non-current liabilities</b>					
Provisions		466	477	11	2%
<b>Total non-current liabilities</b>		<b>466</b>	<b>477</b>	<b>11</b>	<b>2%</b>
<b>Total liabilities</b>		<b>9,055</b>	<b>24,211</b>	<b>15,156</b>	<b>167%</b>
<b>Net assets</b>		<b>63,624</b>	<b>66,770</b>	<b>3,146</b>	<b>5%</b>
<b>Equity</b>					
Contributed equity		83,788	85,215	1,427	2%
Accumulated surplus/deficit		(20,164)	(18,445)	1,719	-9%
<b>Total equity</b>		<b>63,624</b>	<b>66,770</b>	<b>3,146</b>	<b>5%</b>

Department of Environment and Heritage Protection  
Notes to and forming part of the financial statements 2015-16

28. Budget to actual comparison (*continued*)

Statement of Cash Flows

	Variance Notes	Original Budget 2016 \$'000	Actual 2016 \$'000	Variance \$'000	Variance % of Budget
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Service appropriation receipts	20	152,818	149,961	(2,857)	-2%
User charges, fees and fines	21	46,732	50,965	4,233	9%
Grants and other contributions	22	4,534	7,077	2,543	56%
GST input tax credits received from ATO	23	-	8,182	8,182	0%
Interest		-	91	91	0%
Other	24	180	2,187	2,007	1115%
<i>Outflows:</i>					
Employee expenses	25	(102,742)	(106,710)	(3,968)	4%
Supplies and services	26	(60,053)	(65,327)	(5,274)	9%
Grants and subsidies	27	(37,552)	(26,253)	11,299	-30%
GST remitted to ATO		-	(361)	(361)	0%
Other	28	(3,013)	(2,196)	817	-27%
<b>Net cash provided by (used in) operating activities</b>		904	17,616	16,712	1849%
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment		20	1	(19)	-95%
<i>Outflows:</i>					
Advances		-	(65)	(65)	0%
Payments for property, plant, and equipment	29	(11,671)	(12,364)	(693)	6%
<b>Net cash (used in) investing activities</b>		(11,651)	(12,428)	(777)	7%
<b>Cash flows from financing activities</b>					
<i>Inflows:</i>					
Equity injections	30	5,959	7,623	1,664	28%
<i>Outflows:</i>					
Equity withdrawals		(671)	(666)	5	-1%
<b>Net cash provided by (used in) financing activities</b>		5,288	6,957	1,669	32%
<b>Net increase (decrease) in cash</b>		(5,459)	12,145	17,604	-322%
Cash at beginning of financial year		10,230	11,787	1,557	15%
<b>Cash at end of June</b>		4,771	23,932	19,161	402%

Department of Environment and Heritage Protection  
Notes to and forming part of the financial statements 2015-16

28. Budget to actual comparison (*continued*)

Administered Items

	Variance Notes	Original Budget 2016 \$'000	Actual 2016 \$'000	Variance \$'000	Variance % of Budget
<b>Administered income</b>					
User charges and fees	31	5,303	5,970	667	13%
Other revenue	32	1,820	3,629	1,809	99%
<b>Total administered income</b>		<b>7,123</b>	<b>9,599</b>	<b>2,476</b>	<b>35%</b>
<b>Administered expenses</b>					
Supplies and services		-	5	5	0%
Losses and revaluations	33	-	(301)	(301)	0%
Transfers of administered item revenue to Government	34	7,123	9,895	2,772	39%
<b>Total administered expenses</b>		<b>7,123</b>	<b>9,599</b>	<b>2,476</b>	<b>35%</b>
<b>Operating surplus/(deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Administered assets</b>					
<i>Current</i>					
Cash	35	655	1,069	414	63%
Receivables		243	207	(36)	-15%
<b>Total current assets</b>		<b>898</b>	<b>1,276</b>	<b>378</b>	<b>42%</b>
<b>Administered liabilities</b>					
<i>Current</i>					
Payables	36	688	976	288	42%
<b>Total administered liabilities</b>		<b>688</b>	<b>976</b>	<b>288</b>	<b>42%</b>
<b>Net administered assets</b>		<b>210</b>	<b>300</b>	<b>90</b>	<b>43%</b>
Accumulated surplus		210	300	90	43%
<b>Total administered equity</b>		<b>210</b>	<b>300</b>	<b>90</b>	<b>43%</b>

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**28. Budget to actual comparison (*continued*)**

**Explanations of major variances**

**Statement of Comprehensive Income**

1. The decrease in appropriation revenue is primarily due to deferral of \$13.4 million to future years for various programs and conversion of funding to capital. This is offset by increases of \$10.5 million for enterprise bargaining, inter-departmental transfers and new initiative funding; including Underground Coal Gasification (UCG) investigations and Cassowary Rehabilitation programs.
2. The increase in user charges, fees and fines relates to higher than anticipated income for environmental licence fees and lodgement fees for Environmental Impact Statement (EIS) assessments.
3. The increase in grants and other contributions relates to receipt of \$2.1 million unbudgeted revenue for environmental offsets and contributions received from other State and private entities for wildlife and Indigenous ranger programs.
4. The increase in interest is due to the Commonwealth Reef Trust and a new environmental offsets cash fund account which commenced in late 2015.
5. Increase in other revenue includes \$0.5 million in receipts of forfeited financial assurance securities related to mine site rehabilitation, and \$1 million in restitution and cost recoveries resulting from legal actions.
6. Increase in employee expenses is attributable to enterprise bargaining agreement outcomes and costs of additional Full Time Equivalents (FTE) for programs including UCG investigations, wildlife management, climate change and waste management.
7. The decrease is primarily due to a \$9.8 million payment to Department of Agriculture and Fisheries that has been reclassified from grants to supplies and services expenditure.
8. The variance in depreciation and amortisation is primarily due to timing of the property, plant and equipment acquisition program, where the majority of transactions were finalised in the last quarter of the financial year, and the delayed capitalisation of IT systems.
9. The variance relates to the revaluation decrement of land totalling \$4.6 million.
10. The variance in losses is primarily due to a \$0.9 million reduction in the provision for doubtful debt expense which is calculated as a percentage of outstanding receivables. This is offset by a \$0.2 million increase in bad debt expense reflecting increased retirement of debt.
11. The increase reflects the expense related to the deferral of appropriation of \$7.1 million and the reclassification of legal expenses to supplies and services.

**Statement of Financial Position**

12. The increase in cash and cash equivalents is primarily due to an increase of payables of \$10.7 million which includes \$7.1 million appropriation payable. An increase of \$2.1 million in the QTC cash fund relating to an increase in payments to the department for environmental offsets and an increase in financial assurances forfeited of \$2.7 million. The variance also includes a decrease in cash from prepayments of \$1.47 million.
13. The variance in receivables primarily corresponds to a \$3.7 million adjustment required to correct the opening balance of receivables of an operating nature. This is offset by a \$0.9 million decrease in allowance for impairment.

**Department of Environment and Heritage Protection**  
**Notes to and forming part of the financial statements 2015-16**

**28. Budget to actual comparison (*continued*)**

**Explanations of major variances (*continued*)**

**Statement of Financial Position (*continued*)**

14. The variance in other assets is primarily attributable to the timing of the Queensland Government Insurance Fund (QGIF) payment of \$1.47 million which was previously treated as a pre-payment.
15. The variance in property, plant and equipment is due to revaluation decrement of \$4.6 million for land.
16. The increase of \$1.6 million in intangible assets relates primarily to the development of Connect (IT system) which will replace the departments licensing, permitting and applications systems.
17. The increase of \$10.7 million in trade creditors is mainly attributed to a \$7.1 million increase to appropriation payable, which represents under expenditure in Government funded programs.
18. Employee benefits are primarily higher due to changes in the June salary accrual. Total costs have increased in line with movement in FTEs.
19. The variance in other liabilities primarily relates to \$2.7 million unearned revenue, being the unused balance of financial assurance securities for mine site rehabilitation.

**Statement of Cash flows**

20. The decrease in appropriation cash flow is due to a reduction of \$13.3 million from cash deferred for programs to future years, and conversion of operating funding to capital. This is offset by \$10.5 million cash increase for enterprise bargaining, inter-department transfers and new funding for UCG and cassowary initiatives.
21. The increase in receivables reflects in an increase in revenue, particularly for environmental licence fees.
22. The increased cash flow in relation to grants and other contributions relates primarily to the receipt of \$2.1 million unbudgeted revenue for environmental offsets and contributions received from other State and private entities for wildlife and Indigenous ranger programs.
23. The cash effect of GST input tax credits were not included in the original budget.
24. Increase in other revenue includes \$0.5 million in receipts of forfeited financial assurance securities related to mined land rehabilitation and \$1 million in restitution and cost recoveries resulting from legal actions.
25. Increase in employee expenses is attributable to enterprise bargaining agreement outcomes and costs of additional FTE's for programs including UCG investigations, wildlife management, climate change and waste management.
26. The increase primarily reflects the effect of grossing up payments for Supplies and Services to include GST, offset by the deferral of payments for a number of programs to future years.
27. The decrease is primarily due to a \$9.8 million payment to Department of Agriculture and Fisheries that has been reclassified from grants to supplies and services expenditure.
28. The variance is primarily due to reclassification of legal expenses from other to supplies and services.
29. The variance in outflows of property, plant and equipment reflects an increased plant and equipment acquisition program undertaken using funding converted from operating.
30. The increase in equity is due to conversion of operating funding to capital to progress additional capital programs.

**28. Budget to actual comparison (*continued*)**

**Administered**

31. The variation in user charges primarily relates to increased revenue received from coastal development application fees.
32. The variance is due to higher than expected income for quarry and resource extraction royalties, and fines and forfeitures.
33. Losses include \$0.4 million bad debts offset by a reduction \$0.7 million in impairment of receivables.
34. The increase in transfers is due to increased revenue collected on behalf of government for coastal development.
35. The increase in cash primarily relates to the revenue transferred to government payable.
36. The variance in payables is due to general timing of invoices. No invoices were outstanding at 30 June 2016.

**29. Events after the balance date**

**Financial Assurance on mining projects transfer to Department of Environment and Heritage Protection**

The department is working towards transferring financial assurances on mining projects from the Department of Natural Resources and Mines (NRM) to the Department of Environment and Heritage Protection (EHP). This will address recommendations raised in the Queensland Audit Office report to Parliament, Report 15: 2013-14 Environmental regulation of the resources and waste industries (Financial Assurances).

Under the Environmental Protection Act 1994, financial assurances (security deposits and bank guarantees) are required for mining projects, to cover the rehabilitation liability should a mining leaseholder fail to undertake rehabilitation. The liability to undertake rehabilitation work remains the responsibility of the mining leaseholder. The State's responsibility in regards to rehabilitation is limited to managing any potential public safety and health risks only.

At reporting date, it is not possible to determine the extent or timing of any potential financial effect of this responsibility. At 30 June 2016, NRM, on behalf of the State of Queensland, held bank guarantees totalling \$5.665 billion (2015: \$5.849 billion) and cash held in trust of \$43.779 million (2015: \$31.570 million).

The department has been working with NRM throughout 2015-16 on the options and timing of this transfer and envisage it will begin in 2016-17.

## Management Certificate

### Department of Environment and Heritage Protection

These general purpose financial statements have been prepared pursuant to section 62(1) of the Financial Accountability Act 2009 (the Act), section 42 of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with section 62(1) (b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Environment and Heritage Protection for the financial year ended 30 June 2016 and of the financial position of the department at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Brad Lang, B.Bus(Acc), BA, CPA  
Executive Director, Finance and Asset Management  
**Chief Finance Officer**

Department of Environment and Heritage  
Protection  
August 2016

Jim Reeves  
**Director-General**

Department of Environment and Heritage  
Protection  
August 2016

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Environment and Heritage Protection

### Report on the Financial Report

I have audited the accompanying financial report of the Department of Environment and Heritage Protection, which comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificates given by the Director-General and the Executive Director, Finance and Asset Management, Chief Finance Officer.

#### *The Accountable Officer's Responsibility for the Financial Report*

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.



*Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Environment and Heritage Protection for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

**Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

A M GREAVES FCA FCPA

Auditor-General of Queensland

Queensland Audit Office

Brisbane