Department of Natural Resources,
Mines and Energy

ANNUAL REPORT

2017–2018

Queensland Government

CS8475 09/18
ISSN 2209-7759 (online)
ISSN 2209-7767 (print)

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This publication has been compiled by Business Planning and Achievement of Business and Corporate Partnership, Department of Natural Resources, Mines and Energy.

Interpreter statement

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Mines and Energy

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LETTER OF COMPLIANCE

19 September 2018

The Honourable Dr Anthony Lynham MP
Minister for Natural Resources, Mines and Energy
PO Box 15216
City East Qld 4002

Dear Minister Lynham

I am pleased to submit for presentation to the Parliament the *Annual report 2017–2018* and financial statements for the Department of Natural Resources, Mines and Energy.

The Queensland Government established the Department of Natural Resources, Mines and Energy on 12 December 2017 through machinery-of-government changes under the *Public Service Act 2008*. Following these changes, the former Department of Natural Resources and Mines was renamed as the Department of Natural Resources, Mines and Energy and gained all functions of the former Department of Energy and Water Supply.

This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2017–18 financial year. That is, it reflects the structure, operations and performance of the agency as it now exists.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on page 123 of this annual report.

Yours sincerely

James Purtill
Director-General
Department of Natural Resources, Mines and Energy

ABOUT THE DEPARTMENT

Machinery-of-government changes

The Queensland Government established the Department of Natural Resources, Mines and Energy on 12 December 2017 through machinery-of-government changes under the *Public Service Act 2008*.

Following these changes, the former Department of Natural Resources and Mines (DNRM) was renamed the Department of Natural Resources, Mines and Energy (DNRME) and gained all functions of the former Department of Energy and Water Supply (DEWS).

This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2017–18 financial year. That is, it reflects the structure, operations and performance of the agency as it now exists.

Related annual reports

The non-financial performance information and financial statements for the incoming energy and water supply functions can be located in the *Department of Energy and Water Supply final report 2017*. The period of reporting is from 1 July to 12 December 2017.

Who we are

Our vision is the responsible use of our natural resources—water, land, minerals and energy—to sustainably generate prosperity for current and future generations of Queenslanders.

Our strategic objectives are:

- sustainable management of Queensland's land and water resources
- responsible use of our minerals and energy resources
- accurate, timely knowledge of our property and spatial information resources
- great services, great place to work.

Queensland has a rich endowment of natural resources. The department's performance as a manager of land, water, minerals and energy resources is critical to the state's prosperity.

The department's use of broad consultation, collaboration, evidence-based decision-making and compliance monitoring helps to ensure resource access policies have the support of the community, our customers and our stakeholders.

Operating environment

The department's work is subject to changes in the external environment, which brings new challenges. Changing expectations about the protection and allocation of our natural resources are leading to conflicting aspirations in the community and decision-making challenges in the department.

Strategic risks and opportunities

The department manages challenges and leverages opportunities by being risk-aware, not risk-averse.

Our key strategic challenges include:

- failure of mission critical information and communications technology systems
- ineffective management of significant business change
- loss of staff capability in key areas
- failure of major programs to deliver anticipated benefits
- ineffective policy design
- failure to effectively regulate industry
- inadequate safety systems for our people
- failure to deliver responsive and integrated services
- ineffective contract management.

The department also leverages opportunities to:

- ensure the sustainable management of our land and water resources
- deliver the essential minerals we need for technology and a low emissions future
- increase the Queensland community's access to quality data
- remain a major contributor to the prosperity of the state.

Government's objectives for the community

The department contributes to the Queensland Government's objectives for the community by:

- creating jobs and a diverse economy by stimulating economic growth through the responsible use of our natural resources—water, land, minerals and energy
- protecting the environment by ensuring sustainable management of our natural resources, supporting responsible development and protecting the Great Barrier Reef
- building safe, caring and connected communities by supporting regional development and securing tenure (i.e. property rights) for Queenslanders
- delivering quality frontline services by providing responsive and integrated services.

OUR PERFORMANCE

In 2017–18, DNRME continued to work toward achieving the Queensland Government's objectives for the community.

This section highlights the department's achievements against the relevant objectives outlined in the 2017–21 strategic plan of the former DNRM.

Following the establishment of DNRME on 12 December 2017, the work programs to achieve the former DNRM strategic objectives were expanded to include the former DEWS functions. Key performance stories (including whole-of-government initiatives and plans) reported in this section are aligned to the relevant strategic objective.

Our objectives and performance indicators

Strategic objective 1: Sustainable management of Queensland's land and water resources

Vegetation management reforms (whole-of-government initiative)

The *Vegetation Management and Other Legislation Amendment Act 2018* was passed in Parliament on 3 May 2018. The reforms reinstated a responsible vegetation management framework that ceased broadscale clearing of remnant vegetation, and restored the pre-2013 mapping of high-value regrowth to protect approximately 630 000 hectares of freehold and Indigenous land.

The definition of high-value regrowth was amended in the legislation to apply to vegetation that has not been cleared for at least 15 years (rather than vegetation that had not been cleared since the beginning of 1990). This reform protected an extra 450 000 hectares of native vegetation.

The Act gave compliance officers more powers and boosted monitoring to support landholders in meeting their obligations. There were also significant reforms introduced for statutory codes, based on independent scientific advice provided by the Queensland Herbarium and CSIRO. For example, given the risks associated with the thinning of native vegetation, landholders now require a development approval to manage thickened vegetation.

Further reforms included better mapping to protect endangered, vulnerable and near-threatened species through essential habitat mapping, and legislative amendments that will protect habitat for near-threatened species. The reforms also included reinstatement of a permit to clear native vegetation in a watercourse, and extension of riparian regrowth vegetation protection in all Great Barrier Reef catchments.

During the reform process, the State Development, Natural Resources and Agricultural Industry Development

Parliamentary Committee held nine public hearings and examined over 13 000 submissions. The department assisted with submission responses to help the committee complete their final report for deliberation in Parliament.

Since the introduction of the vegetation management reforms, the department has focused on delivering a comprehensive education campaign, stakeholder engagement and high quality customer services to help landholders understand the changes. This includes the establishment of a vegetation management hotline, to provide landholders with information and advice regarding the new laws.

After successfully piloting the hotline in Brisbane, the vegetation management hotline (or 'Veg Hub') commenced in Charleville on 29 January 2018. Technical vegetation management enquiries are now answered by hotline officers immediately, allowing landholders to quickly and effectively receive information. Today, 99 per cent of vegetation management enquiries are answered by Veg Hub, allowing regional staff to undertake other vegetation management tasks.

Natural Resource Management officers from across the state contribute to the success of the hotline by providing support to primary hotline officers and responding to enquiries.

Since the hotline commenced, Veg Hub has received almost 4000 calls and over 160 email enquiries. While the vegetation management legislation navigated its way through Parliament, the hotline peaked at one call every three minutes.

Hotline staff also provide landholder advice through social media channels and stakeholder workshops. Veg Hub and its strong support network have successfully created a culture of excellence in customer service.

Indigenous Land Use Agreement Register

The department's Land and Native Title Services team completed an audit of all Indigenous land use agreements that the state is a party to since commencement of the *Native Title Act 1993*. Following the audit, the State Indigenous Land Use Agreement Register was developed.

This comprehensive database is a first for Queensland and currently records 239 registered agreements. Prior to the creation of the register, no central recordkeeping occurred to track agreed actions or outcomes from state agreements.

One of the key deliverables of the register was the development of implementation plans for agreement actions. This allows the state to not only closely monitor and meet its commitments, but provide prescribed body corporates (that are also party to such agreements) the assurance that their expectations will be met by the state.

Information on the agreed actions has also been made available to other state government agencies who are party to agreements. This is an important part of the overall status of an agreement, as often multiple agencies have responsibilities that interact or, in some cases, rely on an action to be complete before another can commence.

The register will continue to be used to identify and monitor associated commitments to create a greater understanding of actions taken by the state to satisfy responsibilities in line with the *Native Title Act 1993*.

Great Barrier Reef protection programs (whole-of-government initiative)

The department managed approximately $14.4 million of state funds to deliver natural resource management programs during the 2017–18 financial year. This included funding for projects designed to improve Great Barrier Reef water quality outcomes, such as delivery of water quality monitoring and modelling projects, and additional investment in strategic, regionally based reef-related projects.

Six regional natural resource management bodies—Burnett Mary Regional Group, Fitzroy Basin Association, Reef Catchments, North Queensland Dry Tropics, Cape York Natural Resource Management and Terrain—delivered projects to support the *Reef 2050 long-term sustainability plan* (Reef 2050 Plan), including the Paddock to Reef Program.

The amendments to the *Vegetation Management Act 1999 and the Water Act 2000* (which commenced on 9 May 2018) will strengthen Queensland's vegetation management laws, as well as support commitments under the Reef 2050 Plan and reduce carbon emissions. These amendments will specifically protect waterways leading into the Great Barrier Reef by:

- protecting regrowth vegetation along waterways in all reef catchments
- regulating the removal of vegetation in a watercourse under a riverine protection permit

- updating the accepted development vegetation clearing codes dealing with fodder and category C (high-value regrowth) and R (regrowth watercourse) areas
- requiring a development approval for clearing to manage thickened vegetation
- reinstating the requirement in the *Water Act 2000* to obtain a riverine protection permit for the destruction of vegetation in watercourse, lake or spring.

Murray–Darling Basin programs (whole-of-government initiative)

The Queensland Government committed to implementing the federal Basin Plan 2012, including having accredited water resource plans in place by 30 June 2019. Queensland remains the only Murray–Darling Basin state to have an accredited water resource plan in place (the *Warrego-Paroo-Nebine water resource plan* was accredited by the federal government in 2016).

The draft water plans and supporting documents for the remaining Queensland Murray–Darling Basin catchments (including Condamine and Balonne, and Border Rivers and Moonie) were released in April 2018 for public comment. Queensland remains on track to deliver these plans for accreditation in early 2019.

The Healthy HeadWaters Water Use Efficiency Project, delivered by Queensland on behalf of the Australian Government, helps communities deal with climate change and reduced water availability. More than 75 on-farm infrastructure projects will achieve an estimated 41 gigalitres of water savings per year, of which 25 gigalitres per year is being transferred to the Australian Government for the environment. Water savings are realised by improvements to irrigation storage, delivery and in-field application methods. All individual projects and Healthy HeadWaters will conclude in the coming financial year.

The Great Artesian Basin Sustainability Initiative—Phase 4 2017/18 has improved the condition of the basin water resource, repairing uncontrolled artesian bores and replacing inefficient open bore drains with pipe. Under a shared funding agreement between the Queensland and Australian governments, the final three of 32 projects were completed. Phase 4 piped over 270 kilometres of open bore drain and saves an estimated 5200 megalitres per year. A final report was submitted to the Australian Government in April 2018.

Interim Great Artesian Basin Infrastructure Investment Program (whole of government initiative)

The Queensland Government has committed up to $4 million of new funding to the Interim Great Artesian Basin Infrastructure Investment Program to reduce water loss across the Great Artesian Basin. This was in response to the Australian Government's announcement of $8 million to continue water infrastructure projects in the Great Artesian Basin for two years to 30 June 2019.

In early February 2018, the Honourable Dr Anthony Lynham MP, Minister for Natural Resources, Mines and Energy, signed the new project agreement, confirming the state's involvement in the program.

The program provides funding to repair uncontrolled bores and replace bore drains with pipeline reticulation systems in the Great Artesian Basin. This program builds on 18 years of the iconic Great Artesian Basin Sustainability Initiative, a whole-of-basin partnership program between the federal government, state governments and landholders, which addressed declining pressure in the Great Artesian Basin. The program will enable a seamless transition to a new, long-term funding model that encourages greater private investment in water infrastructure.

Eligible landholders were invited by the department to participate in the new program between late February and 30 April 2018. The department received, and by 30 June 2018 had vetted and ranked, 77 funding applications. In July 2019, the department will recommend a list of high priority projects to the federal government for funding approval.

Rural Water Management Program (whole-of-government initiative)

In August 2017, the Honourable Dr Anthony Lynham MP (then Minister for State Development and Minister for Natural Resources and Mines) appointed an independent panel to undertake a statewide audit of Queensland non-urban water measurement and compliance.

This independent audit made eight key recommendations for priority actions, including measurement and monitoring, information systems, governance, transparency, compliance and regulatory frameworks, and compliance culture. The findings are consistent with the Murray–Darling Basin Compliance Review completed in November 2017.

The Queensland Government accepted, or accepted in principle, all of the findings and recommendation of the independent audit.

The government has approved the Rural Water Management Program to deliver the Queensland Government responses to the findings of the audit and our commitments to the Murray–Darling Basin Compliance Compact. The program will deliver:

- transparent water information
- strengthened metering
- appropriate regulatory frameworks
- robust compliance that builds community confidence.

The department has commenced delivery of the program, which includes proposed regulatory amendments to compliance provisions, on-ground delivery for metering, and investment in water information systems for Queensland Government consideration during 2018 and 2019.

Water planning in Queensland (whole-of-government initiative)

Our water resources are essential for the economic, physical and social wellbeing of our communities. To ensure these resources are developed and managed sustainably, along with the health of the ecosystems, catchment water plans are legislated under the *Water Act 2000*. The recent release of the draft Cape York water plan completes the planning framework that covers 99 per cent of Queensland.

The department released a draft water plan for the Cape York area on 4 June 2018 for public review and submissions. The water plan covers 15 catchments across the region—Archer, Coleman, Ducie, Embley, Endeavour, Holroyd, Jacky Jacky, Jardine River, Jeannie, Lockhart, Normanby, Olive Pascoe, Stewart, Watson and the Wenlock.

The draft plan proposes strong levels of protection for environmental flows, aiming to maintain natural flow patterns, protect environmental values and deliver Great Barrier Reef outcomes. The total volume of water able to be used is capped at 2.5 per cent of the median annual flow for Cape York catchments. This is a precautionary approach to ensure significant cultural and environmental values are protected.

The draft water plan proposes to grant unallocated water to Aboriginal peoples and Torres Strait Islanders to provide real decision-making and economic opportunities consistent with the objectives of the *Cape York Peninsula Heritage Act 2007*. Tradeable water allocations are proposed in the Endeavour catchment and opportunities for relocatable water licences in other catchments will be provided.

Extensive community engagement was undertaken during development of the draft water plan to gather local knowledge of the water-related values and issues of importance to all communities in the plan area.

Rookwood Weir (whole-of-government initiative)

In late January 2018, the Honourable Anthony Lynham MP, Minister for Natural Resources, Mines and Energy, provided the detailed business case for the Rookwood Weir proposal to the federal Minister for Agriculture and Water Resources, and a public version of the business case was released by Building Queensland.

The Queensland and Australian governments have committed to jointly fund the construction of Rookwood Weir, with each government contributing $176 million towards the project.

SunWater has been appointed as the proponent to construct the weir and is progressing planning, design and early works on the project. At the request of the Premier and Prime Minister, senior officials from both levels of government have been considering partnership models to deliver and operate Rookwood Weir—these discussions are ongoing.

Once constructed, Rookwood Weir will provide up to 76 000 megalitres of water to the Capricorn Coast and Gladstone regions. This includes 30 000 megalitres of water for urban and industrial customers in Gladstone, 4000 megalitres for Livingstone Shire Council and 42 000 megalitres for agricultural customers. This will provide long-term economic development opportunities for the region and improve its water security.

National Water Infrastructure Development Fund (whole-of-government initiative)

Queensland is a signatory to part 1 of the national project agreement and part 2 of the national partnership agreement for the Australian Government's National Water Infrastructure Development Fund. The department is facilitating 15 feasibility studies, including provision of federal funding to project proponents.

The department, on behalf of the Queensland Government, submitted seven applications for the capital component of the fund. Two of these applications were successful, securing a total of $14.6 million in grant funding.

Wet tropic water auction

The first ever wet tropic water auction, held on 14 March 2018, was a great success for the department, with 950 megalitres of unallocated water auctioned to six bidders at an average price of $652 per megalitre. The release of the water has provided an economic boost for local businesses, with bidders quickly meeting the reserve price. It was the first time a water auction was used to sell water directly for a statutory water plan.

The success of the auction was due to good planning and market research, underpinned by our sound understanding of the local hydrological cycle. This ensured that an additional volume of water allocations would be sustainable and consistent with the local water plan and the *Water Act 2000*.

Water auctions are ideal to manage high demands efficiently while maintaining the framework for sustainable resource management. The success of this project was due to collaboration between lands service staff, operations support, in-house legal and external lawyers to develop an eligibility test, a terms of sale contract and auction rules. The auction demonstrated the value of local water entitlements and the success of this initiative.

Queensland bulk water opportunities statement (whole-of-government initiative)

The *Queensland bulk water opportunities statement*, released in July 2017, outlines the future water security strategy for the state.

As part of the State Infrastructure Plan, the statement outlines objectives for bulk water supply and principles to guide investment. It also:

- highlights the significant volumes of uncommitted and under-utilised water available from existing infrastructure that could be used for economic development without construction of new bulk water storages
- reports on progress of feasibility assessments into water supply proposals and other water project activities currently underway
- describes the circumstances that could trigger state government involvement in bulk water supply proposals, including the associated objectives and principles for state government investment in water projects
- outlines initiatives being undertaken to improve the use of available water in Queensland.

In addition, the statement identifies key issues relevant to how new water projects are assessed (including economic benefits) and outlines important context and considerations (including budget constraints and the need to protect the Great Barrier Reef).

An interactive ‘story map’ published on Queensland Globe provides a graphical representation of existing water availability within bulk water supply infrastructure. This complements the comprehensive information about water entitlements and water availability across Queensland included in the statement.

The statement will be updated periodically to reflect changing water security priorities, the progress of initiatives, new knowledge and community feedback.

Queensland’s bulk water entities will spend approximately $1.5 billion before 2027 on dam safety upgrades. The department will continue to help local governments plan for urban water security in communities across Queensland.

Strategic objective 2: Responsible use of our minerals and energy resources

Queensland Exploration Program (whole-of-government initiative)

The Queensland Exploration Program for 2018 was announced in June and builds on the success of previous exploration programs. The program helps resource companies plan their exploration programs and gives landholders advance notice of potential activity in their areas.

The 2018 program will provide a release schedule for exploration opportunities for coal and petroleum and gas over the next 18 months. This will include 29 areas for petroleum and gas exploration across seven geological basins to support both domestic gas supply and the gas export industry. Some areas will be released subject to an Australian market supply condition to ensure any gas produced from those areas will be supplied exclusively to the domestic market. There will also be 10 areas released for coal exploration in the Bowen and Eromanga basins.

All areas included in the program are in response to expressions of interest received from industry. Areas will be released through regular competitive tender processes and assessed against published criteria to ensure a fair and transparent process for the award of exploration authorities.

As part of program implementation, departmental officers around the state conduct engagement activities—providing important communication about the competitive tender process and the rights and obligations of stakeholders and explorers. The information provided through this engagement enables directly affected stakeholders to be better prepared for participation in future exploration processes and negotiations.

During 2017–18, program highlights included:

- awarding the first domestic gas supply release to Senex in September 2017
- •awarding the second domestic gas supply release to Armour Energy and Central Petroleum in March 2018
- opening a petroleum and gas tender comprising 10 areas in the Adavale, Bowen, Eromanga and Surat basins in March 2018 (this tender includes three areas subject to a 'domestic supply only' condition)
- opening a minerals tender for exploration in the North West Minerals Province in March 2018
- opening a coal tender for six areas in the Bowen, Galilee and Surat basins in May 2018
- announcing the program to an international audience of resource investors at the Energy Mines and Money Conference in Brisbane on 20 June 2018.

Abandoned Mine Lands Program

The department delivers the Abandoned Mine Lands program to re-commercialise, repurpose and remediate legacy and terminated mine sites across Queensland.

Achievements of the 2017–18 program include:

- facilitating the re-commercialisation of the disclaimed Texas silver mine through transfer of the site to MRV Metals in October 2017
- ongoing decommissioning and clean-up of the former Linc Energy site.

Other positive outcomes include:

- removal of 40 000 tonnes of contaminated mineral sands from a former processing site at Rainbow Beach, returning over $1 million to the state
- ongoing water treatment and management at the Mount Morgan mine site, reducing the pit water level by 3.4 metres since January 2013
- earthworks and installation of a solar-powered pump at the disclaimed Mount Chalmers mine to control contaminated water ahead of further works in 2018–19
- spillway upgrade and drainage improvements as the first of a two-stage remediation of the Target Gully tailings dam in the historic mining community of Irvinebank
- developing a remediation plan in consultation with Traditional Owners and other stakeholders for the disclaimed Collingwood tin mine west of Cooktown
- remediation of 62 legacy mining shafts and associated features in the historic mining communities of Charters Towers and Gympie.

The department also developed a new database to better inform planning and assessment for larger legacy and terminated mines, as part of a re-evaluation of priority sites to direct future works under an enhanced Abandoned Mines Land Program.

Northwest Minerals Province Geoscience Program

A four-year integrated program of geoscience works is underway in the Northwest Minerals Province. Key projects within this program include:

- a geochemistry toolkit to help industry explorers
- an advanced data analytics and machine learning trial focusing on the application of big data techniques on existing datasets to support discovery
- a data compilation project to compile, distil and communicate the learnings from the research undertaken by a number of institutions over the past 25 years
- a study into the sources of minerals to help identify enriched regions within the province, being led by the Economic Geology Research unit.

Geoscience knowledge in frontier basins

Through our Geological Survey of Queensland unit, the department improved geoscience knowledge of frontier petroleum basins in north-west Queensland. Together with Geoscience Australia, we completed two major programs.

One program included the acquisition of seismic data over the South Nicholson Basin, which helped expand the mapped area of the basin threefold. In addition to this, we completed a model to more accurately define the depth and extent of frontier basins in north-west Queensland.

Miners memorial monument

The Honourable Dr Anthony Lynham MP, then Minister for State Development and Minister for Natural Resources and Mines, unveiled the State Miners Memorial Monument at Redbank, Ipswich, during the state's annual Miners Memorial Day Service on 19 September 2017.

The open air sandstone monument is dedicated to the memory of miners who lost their lives in fatal incidents and disasters at Queensland's coal and mineral mines and quarries.

The monument was developed with the support of the local community and Traditional Owners of the land, to create a public space where family, friends and workers in the industry can visit to remember these miners and the lessons learnt from their passing. The Queensland Government also worked closely with local government, industry and unions to create the monument.

The permanent memorial monument will be used on a rotational basis with regional mining historical locations for significant mining anniversaries and the state Miners Memorial Day Service. The memorial service is held annually on the anniversary of the Mount Mulligan mining disaster, in which 75 miners were tragically killed on 19 September 1921.

Renowned Queensland artist, Scott Maxwell, designed the monument, incorporating individual plaques for our fallen miners with his interpretive artwork, signifying the history of mining in Queensland.

The monument is a poignant reminder of the workplace hazards at mines and quarries—and that the safety of workers is paramount.

Coal workers' pneumoconiosis (whole-of-government initiative)

Coal workers' pneumoconiosis (CWP) is one category of mine dust lung diseases caused by long-term exposure to respirable (fine, breathable) mine dust. The confirmation of several cases of CWP, following an absence of cases for a number of decades, initiated a review by the Queensland Government. The independent review was undertaken by Monash University in collaboration with the University of Illinois at Chicago. This became known as the Monash Review, which made 18 recommendations to government. The department delivered 15 of the recommendations by the end of the financial year (the remaining three recommendations were delivered in July 2018).

In 2017–18, several key recommendations were delivered, including:

- a register of approved medical providers
- the United States National Institute for Occupational Safety and Health B Reader training course in Brisbane

- a doctor training program delivered by the University of Illinois at Chicago
- an online information portal for workers
- transition to electronic records management
- revised spirometry standards by the Thoracic Society of Australia and New Zealand and new standards for chest X-ray imaging.

The department also worked closely with the Office of Industrial Relations to accurately report on the incidence of mine dust lung diseases across the coal, mineral and quarrying industries. As at 30 June 2018, 26 new cases of the disease were confirmed, taking the total of known cases to 72 since 1984 (when Dr Rathus and Dr Abrahams completed the last comprehensive survey of the coal mining workforce).

During the last two years, the department has sent 29 000 chest X-rays to the United States for assessment through the University of Illinois at Chicago. This represents a significant proportion of Queensland's 34 000 coal mine workers. This was an interim solution until an Australian based service was established.

Lungscreen Australia was engaged by the department to deliver independent dual-reading of coal mine worker chest X-rays. The transition to Lungscreen has commenced with images reported to the International Labour Organization International Classification of Radiographs for Pneumoconiosis, which provides a rigorous process for reporting abnormalities in chest X-rays that may indicate disease.

Lungscreen's radiologists have achieved B Reader accreditation from the United States National Institute for Occupational Safety and Health, the same qualification as readers from the University of Illinois at Chicago.

As recommended by Monash University, another review will be commissioned in 2019 to ensure the Coal Mine Workers' Health Scheme continues to perform according to best practice and that stakeholder confidence is maintained.

In addition to the Monash Review, the parliamentary CWP Select Committee made 68 recommendations relating to the re-identification of CWP in Queensland, many focused on structural change to the regulator. An independent Project Management Office was established, which consulted with stakeholders and advised the Minister for Natural Resources, Mines and Energy on options for the regulator and its funding. Of the 68 committee recommendations, 61 were were actioned, with the remainder to be progressed in 2018–19.

Powering Queensland plan (whole-of-government initiative)

On 5 June 2017, the Queensland Government released the $1.16 billion *Powering Queensland plan*. The plan outlined the government's strategy to stabilise electricity costs, deliver jobs and investment, and lead the transition to a clean energy sector. The department has continued to implement the plan, with particular progress made against the following actions:

- providing electricity price relief by covering the cost of the Solar Bonus Scheme between 2017–18 and 2019–20
- returning Swanbank E gas-fired power station to service to support more stable wholesale prices and ensure security of supply
- investigating the restructure of government-owned corporation generators and establish a 'CleanCo'
- delivering a $386 million *Powering North Queensland plan* to strengthen and diversify the north's energy supply and create a North Queensland clean energy hub, including:
  - $150 million to develop strategic transmission infrastructure in north and north-west Queensland, subject to a feasibility study
  - a $100 million equity injection into SunWater (and reinvestment of dividends) for improvement works at the Burdekin Falls Dam
  - a business case for funding a hydro facility at the Burdekin Falls Dam
  - commissioning a hydro-electric study to assess options for deploying hydro in the state
  - confirming the Queensland Government's commitment to a 50 per cent renewable energy target by 2030

- holding a reverse auction for up to 400 megawatts of renewable energy
- improving large-scale renewable project facilitation, planning and network connections
- establishing the Queensland Energy Security Taskforce, with an immediate focus on developing a summer preparedness plan for 2017–18, and providing advice to the Queensland Government on short-term and long-term plans for maintaining system security and reliability in the state
- advocating for stable, integrated national climate and energy policies.

Affordable Energy Plan (whole-of-government initiative)

In October 2017, the Queensland Government announced a $2 billion Affordable Energy Plan to help households and businesses achieve savings on their electricity bills. The department has been implementing this commitment.

As part of the plan, dividends from publicly owned electricity assets are being used to fund:

- a $50 per year electricity rebate to all Queensland households in 2017–18 and in 2018–19
- a rebate program providing up to $300 to help households buy an energy-efficient fridge, washing machine or air conditioner
- the new Easy Pay Reward—a $75 payment for regional households and a $120 payment for small businesses that move to direct debit and monthly eBilling
- an expansion of the Energy Savvy Families Program supporting low-income regional families with a digital meter, monthly billing and energy efficiency information
- a regional Business Energy Savers Program, which will benefit agricultural customers and large businesses by expanding existing energy audit programs and provide funding for energy-efficiency upgrades
- a program for interest-free loans and grants to help Queenslanders with the upfront cost of installing solar PV and battery systems
- a trial to assist landlords and tenants to share the cost of installing solar systems.

Million solar rooftops

A number of renewable initiatives are progressing under the government's 2020 target of one million solar rooftops or 3000 megawatts of solar in Queensland. The solar for public housing project is one such initiative. It is designed to help public housing tenants receive cheaper solar electricity.

This trial is testing new business models that can deliver solar for public housing tenants with no upfront capital costs to tenants or government. As part of the trial, installations have been completed in Lockhart River, Cairns and Rockhampton.

In Cairns and Rockhampton, systems of up to four kilowatts have been installed on more than 800 public housing dwellings, providing savings of up to $250 per year to some of the Queensland's most vulnerable customers.

Around 130 households in the remote Indigenous community of Lockhart River are now benefiting from a newly installed rooftop solar farm. The 200 kilowatt solar and battery system installed across four government and council buildings provides around 10 per cent of the community's power supply. It also offsets up to 75 000 litres of diesel fuel each year with clean solar energy.

Children at the Lockhart River State School painted a series of murals that signify the benefits of solar for the community and are featured on the school grounds.

Regulation and oversight of biofuels mandates (whole-of-government initiative)

The bio-based petrol (ethanol) and bio-based diesel mandates commenced on 1 January 2017, with the department continuing to regulate and provide strategic oversight of the mandates throughout the year.

The mandates require fuel sellers across Queensland to sell specified volumes of bio-based petrol (ethanol) and bio-based diesel. Reportable volumes of E10, the most popular ethanol-blended petrol grade, increased by over 75 per cent (compared to baseline data that was collected in early 2016 before the mandate commenced).

Fuel price reporting (whole-of-government initiative)

The fuel price reporting scheme will require all fuel retailers to report their fuel prices within 30 minutes of any change so motorists will have access to timely, accurate and complete fuel prices. An information technology solution will provide an aggregation service for fuel retailers to report their fuel price information. The aggregator will make that information available to publishing services, such as smartphone applications and websites, to empower motorists to find the best deal to save at the bowser.

The scheme is to be in place with a supporting regulation from December 2018, with fuel retailers to be given a three-month grace period without penalties to adjust. A working group, including the RACQ and fuel industry peak bodies, gave the Minister for Natural Resources, Mines and Energy an options report in June 2018. A competitive procurement process for a capable and innovative aggregation service opened on 20 August 2018, with a consultation regulatory impact statement released on the same day.

Strategic objective 3: Accurate, timely knowledge of our property and spatial information resources

Mobile field data collection tools for recovery efforts after Tropical Cyclone Debbie

The department created a mobile field data collection tool and web mapping application to help teams respond quickly and effectively to recovery efforts after severe Tropical Cyclone Debbie.

Various departmental teams collaborated with the State Disaster Coordination Centre to enable access to live data feeds from emergency services, defence and Queensland Globe. Officers were able to complete damage assessments using a simple online form, including photos of the damage caused. The tool then uploaded the information onto the Cloud making it instantly available via the web mapping application. This drastically reduced the time taken to prioritise and coordinate recovery efforts.

This approach was so successful that the department was asked to develop a new statewide version of the tools to assist with any future recovery efforts resulting from a natural disaster. The department released the new version in February 2018.

Aerial photography film archive

The department completed archiving 5827 large format rolls of colour and black and white film 1.6 years ahead of schedule. This project involved archiving approximately 220 kilometres of film—the distance between Brisbane and Fraser Island—which equated to approximately 900 000 individual aerial photographs.

Strategic objective 4:
Great services, great place to work

White Ribbon workplace accreditation

In November 2018, the department successfully achieved White Ribbon Australia workplace accreditation to support our people affected by domestic and family violence. The program helps our people to recognise, prevent and respond to staff who may be affected by family and domestic violence. This promotes a safer, more respectful and aware workplace culture.

A key component of the program involved delivering specialist training to managers and supervisors, and general face-to-face training. The department also facilitated a 'train the trainer' program for bystander training, which focuses on the role of a bystander in domestic and family violence situations and covers bullying and harassment, which can be applied in a workplace context. The training has been delivered to approximately 15 officers who will continue to roll out programs to staff throughout 2018 and 2019. To increase awareness of domestic and family violence, over 50 departmental employees participated in the Darkness to Daylight Challenge.

Diversity and inclusion

The department continued its commitment to creating and embedding an inclusive and diverse workplace, implementing specific strategies to support the government's commitment to providing opportunities for people with disabilities, Aboriginal peoples and Torres Strait Islanders, people from non-English speaking backgrounds, women and youth.

During the year, we developed and implemented the department's *Disability service plan 2017–2020* and partnered with Job Access to build relationships with disability service providers to increase employment opportunities for people with a disability.

Through the implementation of the *Aboriginal and Torres Strait Islander cultural capability strategy 2016–2020,* the department employed four Indigenous Pathways trainees and implemented the IMPACT Indigenous mentoring program. To support our relationship with Aboriginal and Torres Islander communities and staff, we established a multi-agency working group to research the historical use of controlled wages by former energy agencies and provided information sessions to staff. We also continued to roll out the 'Building on the strengths of our stories' cultural program for staff to build the capability of our people.

As a member of Pride in Diversity, we continued to proudly support the Queensland public sector Inclusion Champions of Change Program and the whole-of-government LGBTIQ+ steering committee. We also continued to support and promote flexible working arrangements as part of the Queensland public service Flexible by Design program.

Our service areas and standards

Refer to Appendix 2 for details of our service areas, service standards and key performance indicators for 2017–18.

Looking forward: 2018–19

In 2018–19, the department's key priorities are to:

- provide secure, sustainable water allocation for agriculture, industries, urban communities and the environment
- ensure Queensland's water supply is secure and delivers strong economic benefits
- make Queensland's land dealings easy, secure and accurate
- deliver the government's suite of vegetation management election commitments
- contribute to the protection of the Great Barrier Reef by delivering, regulating and supporting land and water management programs
- support Traditional Owners' rights and interests in land and land management through the resolution of native title claims and granting Aboriginal and Torres Strait Islander freehold
- provide the Queensland community with more information on natural resource endowment and how we responsibly and sustainably utilise those resources
- provide the Queensland community with up-to-date spatial and cadastral information to assist with informed decision-making
- provide the Queensland community with confidence that its natural resources are being fairly allocated and responsibly used
- attract and support ongoing exploration and private sector investment in the state's resources sector
- facilitate the responsible use of Queensland's minerals and energy resources
- facilitate increased supply options for domestic gas use
- unlock the state's renewable energy potential
- make electricity more affordable for residential and business customers, including continuing an effective working relationship with Energy and Water Ombudsman Queensland.

SUMMARY OF FINANCIAL PERFORMANCE

The financial statements included in this annual report contain comprehensive financial data on:

- controlled entity, which refers to the funds and assets within the control of the department
- administered activities, which refers to activities the department does not control but is charged with administering on a whole-of-government basis.

Financial overview

The department recorded an operating surplus of $1.6 million for the 2017–18 financial year. The result was primarily driven by the timing of funding associated with the Australian Government National Water Infrastructure Development Fund.

Table 1 summarises the financial results of the controlled operations. For a more comprehensive set of financial statements covering all aspects of the department's activities, see the 'Financial statements: 30 June 2018' section.

Table 1: Summary of financial results of controlled operations

DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY	FINANCIAL YEAR	
	2018	2017
	$'000	$'000
Income	544 730	451 474
Expenses	543 097	448 146
OPERATING SURPLUS/(DEFICIT)	**1 633**	**3 328**
Assets	364 474	328 879
Liabilities	105 845	84 464
NET ASSETS	**258 629**	**244 414**
Capital expenditure	18 218	14 651

Income

The department's income of $544.7 million included appropriation revenue for services from the government of $407.9 million; user charges, fees and fines of $121.2 million; grants and other contributions of $8.3 million; and other revenue of $7.3 million. The majority of user charges, fees and fines revenue was earned through levies and fees for safety and health and petroleum and gas services provided to industry, cadastral and title search fees, storage of explosives, valuation services and other fee-for-service activities relating to safety in mines testing.

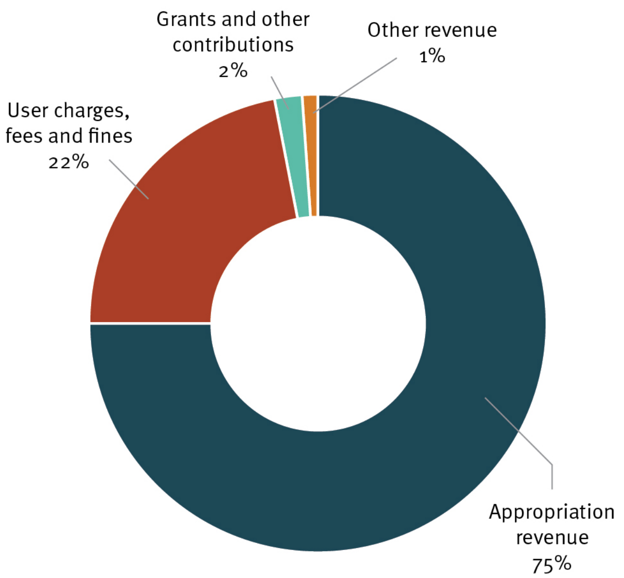

Figure 1: Income earned by the department in 2017–18

Expenses

The department's expenses of $543.1 million primarily consisted of employee costs, supplies and services, grants and subsidies, and depreciation and amortisation of assets.

Employee costs totalling $263.3 million included salaries and wages, annual and long service leave entitlements, superannuation contributions and other employee-related expenses, which represent 48% of total expenses.

Supplies and services totalling $156.8 million, with the major expenses including accommodation costs ($39.0 million), information and communications technology (ICT) costs ($39.1 million) and payments to consultants and contractors ($30.9 million). The contractor spend of $28.7 million was predominately incurred for specialist and technical skills in programs such as remediation of high-priority abandoned mine sites ($3.7 million), dam safety operations and maintenance services ($3.6 million), the Coal Mine Workers' Health Scheme ($3 million), Mine Safety and Health ($3.1 million), ICT projects ($2.4 million) and the Strategic Resources Exploration Program ($2.4 million).

Grants and subsidies totalling $80.1 million included payments to support customers and businesses with energy savings as part of the Affordable Energy Plan and payments to regional management bodies, including activities relating to the protection, improvement and restoration of waterways and rangeland.

Depreciation and amortisation expenses of $16.5 million primarily related to internally generated software ($5.4 million), plant and equipment ($4.4 million), infrastructure assets ($3.4 million) and buildings ($3 million).

Other expenses of $26.4 million primarily related to appropriation payable to the consolidated fund of $16.4 million and $5.1 million in separation payments for the Local Management Arrangements.

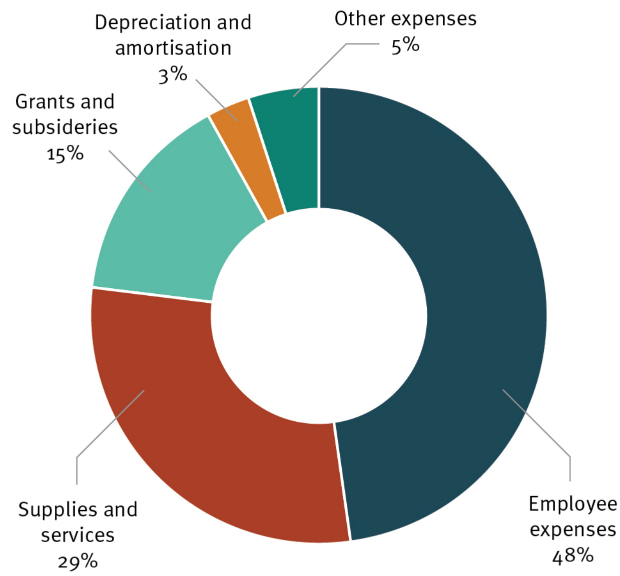

Figure 2: Expenditure incurred by the department in 2017–18

Financial position

The net asset position reported in the financial statements shows the net worth of the department at 30 June 2018 to be $258.6 million. This consists mainly of the assets held by the department of $364.5 million, which included $98.8 million in operational land and buildings to provide departmental services, $2.4 million in heritage and cultural assets, $43.8 million in water network infrastructure assets and $38.1 million in software assets. In addition, the department had cash holdings of $123.9 million, receivables of $29.9 million and other assets worth $1.7 million. These were offset by liabilities of $105.8 million, which mainly consisted of payables, accrued employee benefits and unearned revenue balances.

Administered activities

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 these resources for the achievement of the department's activities.

Major administered revenue included:

- fees from mineral and petroleum rentals, including annual rent collected on various permits, authorities, licences and leases
- resource tenure application processing fees
- titles lodgement revenue, including lodgement of documents to secure ownership and other interests in freehold and state leasehold land, water allocations and other resources, and to access record-related information
- revenue from state land, including sales of unallocated state land, issuing easement access, and annual rentals and instalments for state land leases, licences and permits.

Major administered expenses included:

- Community Service Obligation (CSO) payments made on behalf of the government to energy retailers Energy Queensland and Origin and to water supply entities Sunwater and SeqWater.

Administered net assets at 30 June 2018 were $67.972 billion. This is predominantly as a result of state land balances of $67.917 billion as per Table 2.

Table 2: Administered net assets at 30 June 2018

ADMINISTERED LAND	FINANCIAL YEAR	
	2018	2017
	$'000	$'000
Land under roads	57 693 682	55 956 864
Reserves	7 728 462	7 508 968
Leasehold land	1 394 654	1 407 105
Unallocated state land	911 545	926 787
Other	188 763	189 084
TOTAL	**67 917 106**	**65 988 808**

Safety and health levy

The safety and health levy funds the safety and health services provided by the Queensland Government to the mining, quarrying, explosives and fireworks industries. It is levied based on the number of employees in the mining and extractive industries (see Table 3).

Table 3: Safety and health levy income and expenses in 2017–18

SAFETY AND HEALTH LEVY	FINANCIAL YEAR 2018 $'000	FINANCIAL YEAR 2017 $'000
INCOME		
Taxes, fees and fines	36 336	35 564
Other revenue	468	212
Total income	36 803	35 776
EXPENSES		
Employee expenses	22 358	20 462
Supplies and services*	13 843	14 595
Grants and subsidies	95	71
Depreciation and amortisation	562	497
Other expenses	-54	150
TOTAL EXPENSES	**36 803**	**35 776**
Operating surplus/(deficit)	..	..

* Includes capital expenditure

GOVERNANCE: MANAGEMENT AND STRUCTURE

Organisational structure

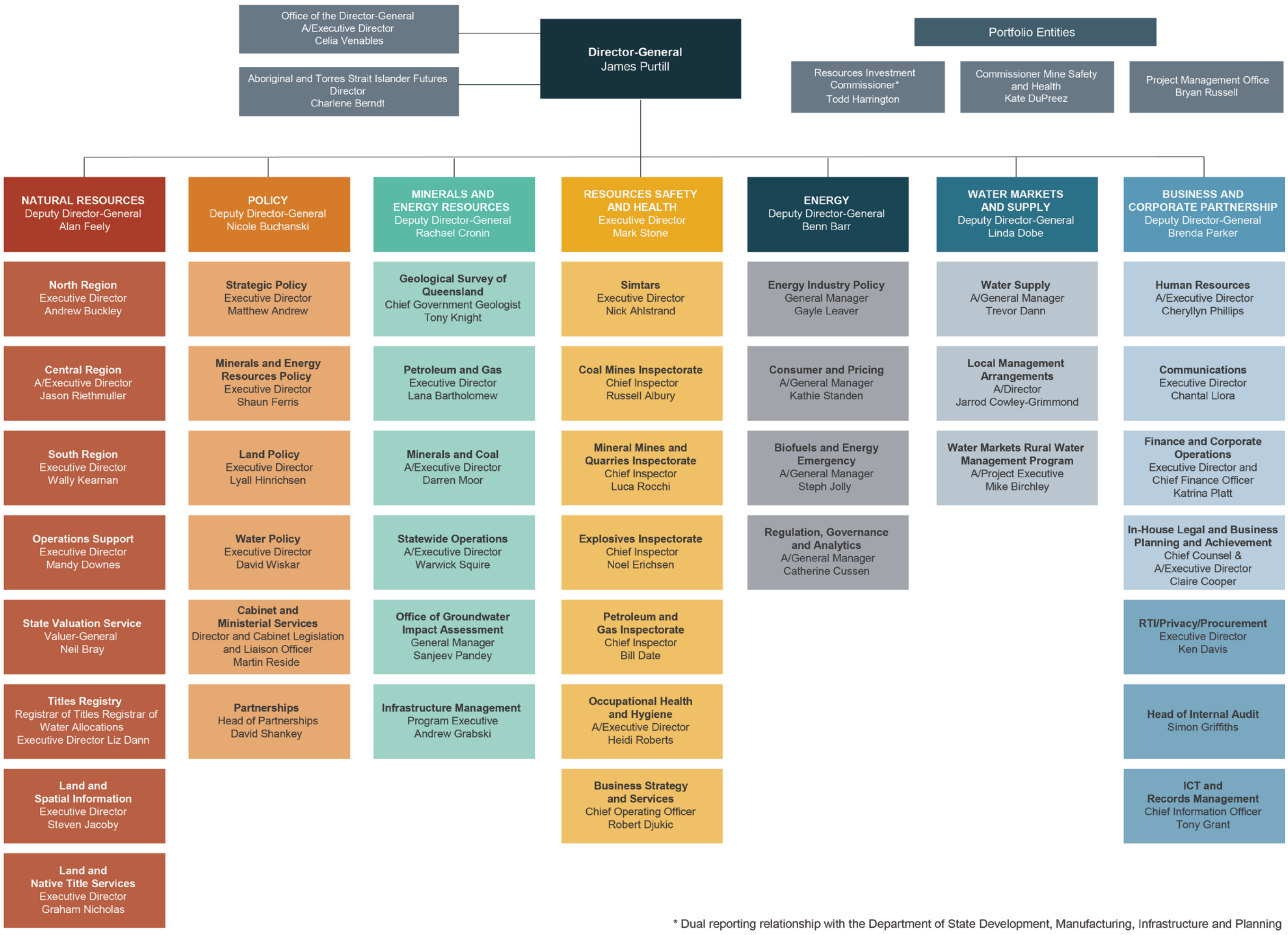

Figure 3: DNRME organisational structure (as at 30 June 2018)

Following the establishment of DNRME in December 2017, the department was organised into the following divisions.

Natural Resources

Natural Resources is the natural resource and land management delivery arm of the department, providing customer-focused services and practical solutions to help customers achieve their business goals. Natural Resources has a strong regional presence and works closely with the Policy division to achieve the department's key reform initiatives. The division is made up of eight business units covering land valuations, land titles registration, spatial services, state land and vegetation management, water licensing and allocations, and native title services.

Policy

The Policy division delivers strategic policy, planning and assessment services in the department. As part of this service, the division is responsible for the provision of expert advice on policy matters regarding land, water, minerals and energy resources.

Minerals and Energy Resources

Minerals and Energy Resources administers Queensland's mining, petroleum and gas tenure frameworks, and provides information services to industry and the public about Queensland's minerals and energy resource potential.

Other responsibilities include engaging with resource communities, monitoring compliance within the resource industry, undertaking cumulative groundwater impact assessments and mitigating community safety and property risks associated with abandoned mines and water infrastructure.

Resources Safety and Health

The Resources Safety and Health division works to reduce safety and health risks in Queensland's minerals, energy and explosives industries by applying an effective risk-based regulatory framework, developing and sharing knowledge, and delivering an effective emergency response capability.

Energy

The Energy division ensures Queensland's energy sector is efficient, equitable and sustainable. The division contributes to an adaptive, resilient energy sector that powers consumer value and choice, and Queensland's economic growth and prosperity. The core functions of the division are to undertake policy and economic analysis, provide advice on matters related to energy policy at the state and national level, deliver simple and effective regulation of the energy sector and enhance customer value for Queenslanders.

The division also facilitates economic growth and innovation by helping to unlock the state's renewable energy potential to create new industries and new jobs, while driving broader productivity improvements across the energy sector to underpin Queensland's economic growth.

Water Markets and Supply

The Water Markets and Supply division delivers initiatives to support short-term and long-term water security for Queensland communities and businesses. The division is also responsible for the oversight of government-owned water entities, facilitating the ownership of state-owned water assets to local management and providing advice to government on bulk water pricing.

This division supports the operation of water trading markets, manages the release of unallocated water reserves and optimises the use of existing water entitlements. The division will also deliver the Rural Water Management Program in response to the Independent Audit of Queensland Non-Urban Water Measurement and Compliance.

Business and Corporate Partnership

Business and Corporate Partnership is a central corporate team that provides services to support three partnering Queensland Government departments. It operates through three corporate hubs embedded in the departments they service:

- DNRME
- Department of Agriculture and Fisheries
- Department of Environment and Science.

Each hub is managed by a head of corporate, who is responsible for delivering a set of core services and a selection of cooperative services (provided to other partnering agencies).

Our Board

Our Board is comprised of the department's senior executive leadership, with a strategic governance focus on strategy, risk, finance, organisational performance and corporate responsibilities. The Board and Board committees direct and control the department so it can deliver its strategic objectives.

In 2017–18, membership comprised the following:

- Director-General
- Deputy Director-General, Natural Resources
- Deputy Director-General, Minerals and Energy Resources
- Deputy Director-General, Policy Division
- Deputy Director-General, Business and Corporate Partnership
- Deputy Director-General, Energy
- Deputy Director-General, Water Markets and Supply
- Executive Director, Communications
- Executive Director, Office of the Director-General
- Executive Director, Resources Safety and Health.

James Purtill, Director-General

James was the Director-General of the former DNRM, appointed in July 2015. James became Director-General of DNRME upon its establishment in December 2017.

He was formerly the Director-General of the Department of Aboriginal and Torres Strait Islander Partnerships, a role he held from 2013.

His private sector experience includes senior executive positions with multi-national company Santos, and he has been responsible for strategic project management services in the resources and development sectors.

James has consulted to industry and government on organisational design, and was Managing Director of environmental rehabilitation services company Landroc Pty Ltd.

He is the former Director-General of the Environmental Protection Agency (including the Queensland Parks and Wildlife Service) and was the Queensland Public Service Commissioner for two years from 2006.

James holds a Bachelor of Science (with honours) from the University of New South Wales, a Master of Business Administration from The University of Queensland and is a graduate of the Australian Institute of Company Directors.

Alan Feely, Deputy Director-General, Natural Resources

Alan commenced in this role in March 2016. He has over 20 years' experience with the New South Wales and Queensland governments and, more recently, the mining sector.

He has held a number of senior positions across government, generally in the regulatory, environmental and natural resources sectors—including Regional Director positions in New South Wales and Queensland, as well as a seven-year period as Executive Director of the Queensland Parks and Wildlife Service.

More recently he was heavily involved in the oil and gas sector (working for Santos on its Queensland Gladstone Liquefied Natural Gas and New South Wales Coal Seam Gas projects), prior to taking a Deputy Director-General position promoting Indigenous economic development opportunities in Queensland.

Rachael Cronin, Deputy Director-General, Minerals and Energy Resources

Rachael commenced in this role in January 2016. Prior to that, she was the Deputy Director-General for Natural Resources within the former DNRM.

She has a broad range of experience in both the public and private sectors. Within the public service she has led major reform initiatives for the resources sector, reducing red tape and improving the transparency and certainty of assessment processes. Rachael's role in the private sector predominately focused on business improvement, with broad experience both nationally and internationally.

Rachael holds bachelor degrees in both Commerce and Laws, and a Master of Business Administration from the Queensland University of Technology.

Nicole Buchanski, Deputy Director-General, Policy

Nicole commenced in this role in November 2016, and provides strategic leadership and expert policy advice regarding land, water, mineral and energy resources, and native title.

Nicole has over 20 years' experience in the public and private sectors working in a broad range of roles, including policy, regulatory services and program management. Nicole has worked across regional Queensland in service delivery functions and was responsible for developing industry partnerships with peak bodies, including the Queensland Farmers' Federation, Canegrowers, Urban Development Institute of Australia, AIG and Commerce Queensland.

Nicole has led legislative and policy reform within the Queensland Government across the areas of air, noise, water and energy, and was a key driver of the ClimateSmart 2050: Queensland climate change strategy 2007 and the establishment of the Office of Climate Change and the Premier's Climate Change Council.

Most recently, Nicole held leadership roles in the resources sector, with accountability for sustainability, environmental management, water and cultural heritage functions nationally.

Brenda Parker, Deputy Director-General, Business and Corporate Partnership

In July 2013, Brenda commenced as Deputy Director-General, Business and Corporate Partnership.

Brenda is responsible for leading and managing effective and efficient corporate services within an evolving service delivery environment across multiple agencies.

Prior to this role, Brenda led the Corporate Services Renewal Taskforce at the Public Service Commission, which was responsible for identifying and implementing recommendations to improve the manner in which corporate services are delivered across all government agencies.

Brenda has over 20 years' experience in the public sector, including key leadership roles in the provision of corporate services, and has a wealth of experience and professional qualifications in human resources, workplace health and safety, rehabilitation and risk management.

Benn Barr, Deputy Director-General, Energy

Benn commenced in the role of Deputy Director-General, Energy, with the former DEWS, in 2015. He also held the positions of Deputy Director-General, Water Supply, and Acting Director-General during that time.

Benn is responsible for leading and managing the roles and responsibilities of the Energy division, which includes the delivery of a cost-effective, safe, secure and reliable energy supply.

Benn is also responsible for implementing the government's renewable energy commitments.

Benn has over 20 years' public policy experience in Queensland and Australian governments, and graduated from James Cook University with a Bachelor of Economics.

Linda Dobe, Deputy Director-General, Water Markets and Supply

Linda commenced in this role in January 2018 and was appointed in May 2018. Prior to that she was General Manager, Water Supply Regulation with the former DEWS.

Linda has worked in state government water functions for over 14 years and also brings to the role diverse private sector experience in the mining and finance sectors.

Chantal Llora, Executive Director, Communications

Chantal commenced in this role in January 2017 and has over 15 years' experience in communications across the public and private sectors.

Prior to this role she spent five years in the Australian Government, leading the communications and internal operations planning for Australia's hosting of the G20, and the communications and stakeholder planning for the Gonski Schools Funding Review.

Chantal spent several years as an officer in the Australian Defence Force, providing strategic communications advice and public relations support across the Australian Army, which included deployments to Afghanistan, Iraq, Solomon Islands and several humanitarian disasters overseas.

Chantal has broad experience across media, stakeholder engagement, web and design, and project management.

Celia Venables, Executive Director, Office of the Director-General

Celia commenced in this role in August 2017. Prior to moving to the Office of the Director-General she was Executive Director of Human Resources for both the former DNRME and former DEWS. As part of this role, she was also responsible for leading the communications divisions for both departments.

Celia has extensive experience and demonstrated success across all elements of corporate governance. She has led a number of departments through machinery-of-government and organisational changes, and is a strong advocate for contemporary workforce strategies at a whole of-government level. Under Celia's guidance, departments have delivered on a range of workforce strategies and business development initiatives.

Celia also has private sector experience in business analytics, stakeholder engagement, human resources, organisational development and change management.

Mark Stone, Executive Director, Resources Safety and Health

Mark is Executive Director of the Resources Safety and Health division.

In this role, he is accountable for the delivery of effective resources safety and health regulation (mining, explosives and petroleum), and mine safety research, testing and training.

Prior to joining the Queensland Government in 2014, Mark spent 20 years in the international oil and gas industry in technical and management roles.

He is a member of the Society of Petroleum Engineers and serves on the Global Training Committee and Asia-Pacific Technical Committee.

Board responsibilities

The Board is responsible for the efficient and effective operation of the department under the following legislation:

- *Financial Accountability Act 2009*
- *Financial and Performance Management Standard 2009*
- *Public Service Act 2008*
- *Public Records Act 2002*
- *Public Ethics Act 1994*
- *Right to Information Act 2009*
- *Information Privacy Act 2009*.

The board's responsibilities are to:

- define and oversee the implementation of the department's long-term vision, goals and strategies
- monitor the department's delivery of results
- establish, oversee and monitor the department's risk management agenda
- demonstrate strong ethical leadership, model the department's leadership principles and minimise the opportunity for misconduct
- ensure staff are well informed and operate according to the public sector values, the code of conduct, and workplace health and safety legislation
- oversee, coordinate and monitor the most important strategic activities and emergent issues that impact on the department's reputation or operation
- lead the organisation's culture and way of operating as part of the Queensland public sector
- oversee and approve the department's investments and the strategic allocation of resources
- monitor the department's financial and non-financial performance.

The Board maintains a governance structure, with the Board and two Board committees providing leadership direction.

The following Board committees comprise the members of the Board and other members as required:

- Safety and Wellbeing Committee
- Risk Committee.

Other committees

The Board is supported by the:

- Audit Committee—established under the Financial and Performance Management Standard 2009 and provides independent assurance and assistance to the Director-General on the department's control and compliance frameworks and accountability responsibilities
- Information and Communications Technology (ICT) Committee—ensures the department's ICT investment and assets remain aligned with the department's business priorities and plans, while supporting whole-of-government ICT direction.

Government bodies

The department has relationships with numerous government bodies—entities with decision-making powers established either by an Act of Parliament or by a decision of executive government.

A list of the government bodies required to report through the department's annual report (including their functions, achievements and member remuneration) is available on the department's website at www.dnrme.qld.gov.au.

The following government bodies relevant to the department report their information requirements separately through their own annual reports:

- Board of Examiners
- Category 2 water authorities (22 government bodies)
- Coal Mining Safety and Health Advisory Committee
- Commissioner for Mine Safety and Health
- Dumaresq–Barwon Border Rivers Commission
- Energy and Water Ombudsman Queensland
- Gladstone Area Water Board
- Mining Safety and Health Advisory Committee
- Mount Isa Water Board
- Queensland Energy and Water Ombudsman Advisory Council
- River improvement trusts (11 government bodies)
- Surveyors Board of Queensland
- Valuers Registration Board of Queensland.

Public Sector Ethics Act 1994

In 2017–18, the department continued to provide comprehensive online training on the code of conduct and the ethics principles of the *Public Sector Ethics Act 1994* for inductees. Training and coaching continued to be delivered to managers and supervisors surrounding the requirements of the sector-wide Capability and Performance Excellence framework, providing mechanisms that support early intervention and local resolution of unsatisfactory conduct and performance.

The online code of conduct training was accessible on the department's intranet for staff completion on an annual basis, together with supporting policies and resources that form the basis for human resource management and decision-making. Supporting this, face-to-face sessions on appropriate behaviour in the workplace and the fundamental requirements of being a Queensland Government employee continued to be rolled out across the state.

Clear roles and responsibilities to ensure accountability and transparency were further incorporated throughout the department's strategic plan, with a particular focus on the department's performance through its governance, people and service delivery. Role clarification was further addressed through performance and development discussions and agreements.

Further guidance on the code of conduct and everyday conduct matters is provided by the department's Human Resources team.

Our values

The department has its own guiding principles, which are underpinned by the Queensland public service values. Our guiding principles set the cultural expectations for the department.

CUSTOMERS FIRST	IDEAS INTO ACTION	UNLEASH POTENTIAL	BE COURAGEOUS	EMPOWER PEOPLE
• Know your customers • Deliver what matters • Make decisions with empathy	• Challenge the norm and suggest solutions • Encourage and embrace new ideas • Work across boundaries	• Expect greatness • Lead and set clear expectations • Seek, provide and act on feedback	• Own your actions, successes and mistakes • Take calculated risks • Act with transparency	• Lead, empower and trust • Play to everyone's strengths • Develop yourself and those around you

Figure 4: Queensland public service values

Our guiding principles

Safety and wellbeing

All departmental staff have the right and clear expectation to come to work and go home free of injury. This includes physical and psychological injury. They should also expect that day-to-day stresses do not affect them in a negative way.

Of course there will be stress—due to the demands of complexity, delivery, timelines and interacting with peers, customers and stakeholders—but we want to ensure that staff have the capacity to handle that stress and thrive in their careers.

Our guiding principle of safety and wellbeing extends into all aspects of our daily lives—at work, at home and getting to and from work. Should a staff member feel that they are in an unsafe situation, they have unconditional support not to undertake that task in that way. We work collectively to find ways to ensure this happens.

Professional excellence

DNRME provides Queenslanders with vital information on our natural systems, geological wealth, safety and health, and land and cadastral systems. Our technical expertise is a hallmark of our organisation.

In all disciplines, in all business units and every aspect of our work, we consistently strive for excellence and continuous improvement.

DNRME is data rich. We are the point of truth for a raft of areas, especially spatial and geospatial data. Our technical excellence is a cornerstone of our reason for being, as is our professional excellence.

Professional excellence encapsulates our technical excellence, our professional standards and service excellence.

Customer focus

We deliver our services the way our customers want them. Our decisions are consistent and transparent. We are consultative—we collaborate with our customers and stakeholders to co-create solutions. We are open to exploring, testing and refining new ways of working and delivering service.

We deliver

We do what we say we'll do, when we say we'll do it. We do the right work and we do the work right. It's that simple.

Respect

We will strive to ensure that our dealings with each other, our customers and stakeholders are based upon respect—respect for individuals, respect for diversity and respect for Aboriginal and Torres Strait Islander cultures. We should also expect it in return. We will strive to be an organisation that truly reflects the community that we serve.

GOVERNANCE: RISK MANAGEMENT AND ACCOUNTABILITY

Risk management

Effective risk management ensures we can make informed decisions, meet our compliance obligations and ensure the safety and wellbeing of our people and the community. The department recognises that risk is characterised by both threat and opportunity, and manages risk in order to enhance opportunities and reduce threats that may impact on the department's operational business plans and objectives.

The risk management policy and procedure, which align with standard *AS/NZS ISO 31000:2009 Risk management—principles and guidelines and Queensland Treasury's A guide to risk management: July 2011*, outline the principles and responsibilities for risk management across the department. DNRME fosters a risk-aware culture in all decision-making through the application of high quality, integrated risk analysis and management that enables informed decisions to be made at the right time and facilitates visibility of sources of uncertainty.

During 2017–18, the department established its approach to proactively identifying, analysing and responding to risk. The department developed and implemented a fit-for-purpose risk management framework, developed a risk appetite guide, and regularly reviewed and monitored risks (including financial, compliance and safety and wellbeing) as part of its quarterly reporting process at a business division level.

Audit Committee

The Audit Committee was established in accordance with the Financial and Performance Management Standard 2009. The committee met four times in the period 1 July 2017 to 30 June 2018, including a special meeting to review the department's annual financial statement. The former DEWS committee met four times, including a special meeting to review the former department's annual financial statement and a final meeting in April 2018. The committees observed the terms of their charters, having due regard to the *Audit committee guidelines: improving accountability and performance* issued by Queensland Treasury (June 2012).

The Audit Committee is directly responsible to the Director-General and, in discharging its responsibilities, the committee has the authority to:

- conduct or authorise investigations into matters within its scope of responsibility
- access information, records and personnel of the department for such purpose
- request the attendance of any employee, including executive staff, at committee meetings
- conduct meetings with the department's internal auditors and external auditors, as necessary
- seek advice from external parties, as necessary.

The committee acts as a forum for dialogue between the Director-General, senior management, Internal Audit and the Queensland Audit Office.

The functions and role of the committee do not diminish the statutory and regulatory duties and responsibilities of the Director-General, nor do they detract from management's responsibilities in relation to corporate governance, internal control, fraud prevention and risk management.

The committee provided governance oversight and advice to the Director-General in relation to all aspects of its responsibilities.

Membership

Former DNRM Audit Committee—1 July to 12 December 2017:

- James Purtill, Director-General
- Debbie Best, independent external member (chair)
- Graham Carpenter, independent external member
- Brenda Parker, Deputy Director-General, Business and Corporate Partnership.

DNRME Audit Committee—13 December 2017 to 30 June 2018:

- Debbie Best, independent external member (chair)
- Peter Dowling, independent external member
- Brenda Parker, Deputy Director-General, Business and Corporate Partnership
- Celia Venables, Executive Director, Office of the Director-General
- Benn Barr, Deputy Director-General, Energy.

Former DEWS Audit Committee—1 July to 16 April 2018:

- Peter Dowling, independent external member (chair)
- Patrice Sherrie, independent external member
- Benn Barr, Acting Deputy Director-General, Water
- Linda Dobe, Acting Deputy Director-General, Water (replaced Benn Barr from December 2017 meeting)
- Kathie Standen, Acting Deputy Director-General, Energy
- Benn Barr, Deputy Director-General, Energy (replaced Kathie Standen as member for final April 2018 meeting).

Committee members were provided with recommendations arising from Queensland Audit Office reports to Parliament that relate to the department.

External members of the DNRME and former DNRM committees received a combined total remuneration of $15 600 (excluding GST) for their role during 2017–18. External members of the former DEWS committee received a combined total remuneration of $9600 (excluding GST) for their role during 2017–18.

Internal audit

The formation of Internal Audit Services (IAS) was approved on 12 June 2012. IAS is a business unit within the Department of Environment and Science, and provides internal audit services to three other Queensland Government agencies as part of a co-sourced corporate services arrangement.

The role, operating environment and operating parameters of IAS are established in the 2017–18 internal audit charter (which has due regard to professional standards) and the *Audit committee guidelines: improving accountability and performance* issued by Queensland Treasury (June 2012).

Purpose

IAS provides independent assurance and advice to the Director-General, senior management and the Audit Committee. It enhances the department's corporate governance environment through an objective, systematic approach to evaluating the effectiveness and efficiency of corporate governance processes, internal controls, risk assessment and management practices. This is in keeping with the role and responsibilities detailed in the *Financial Accountability Act 2009*.

IAS reports to the Audit Committee and its function is independent of management and external auditors.

IAS activities also include financial, compliance and operational reviews; information system and data integrity reviews; and special review assignments as requested by management.

In 2017–18, IAS:

- discharged the responsibilities established in the 2017–18 internal audit charter by executing the internal audit program of work
- prepared a program of work as a result of risk assessments, materiality and contractual and statutory obligations
- provided reports on results of internal audits and assurance reviews undertaken to the Audit Committee and Director-General
- monitored and reported on the implementation status of internal and external audit recommendations to the Audit Committee (management is responsible for implementation of audit recommendations)

- liaised with QAO to ensure there was no duplication of 'audit effort'
- supported management by providing advice on corporate governance and related issues, including fraud and corruption prevention measures and risk management
- allocated internal audit resources to those areas considered by the Audit Committee to present the greatest risk and where the work of internal audit can be valuable in providing assurance or identifying opportunities for positive change
- reviewed the departmental annual financial statements and Chief Finance Officer assurance statements prior to them being presented to the Audit Committee.

Major achievements

IAS completed the following reviews under the former DNRM and former DEWS strategic internal audit plans (July 2017 to June 2018):

- Regulatory Decision-making—Review of Key Decisions Minerals and Energy Resources
- Upgrade Satellite Imagery
- Abandoned Mines
- Contract (Supplier) Management
- Project Health Check of Renewables—Solar for Public Housing Pilot Programs
- National Water Infrastructure Development Fund Review (period to 1 December 2017)
- Large Customer Adjustment Trial Grants Program Phase 2.

IAS commenced the following reviews under the former DNRM and former DEWS strategic internal audit plans (July 2017 to June 2018):

- Field Trip Operations Review (Workplace Health and Safety)
- Regulatory Decision-making—Review of Key Decisions Natural Resources
- Regional Office Reviews
- Risk Management Maturity Review
- Ethical Standards—Case Management Performance Review
- National Water Infrastructure Development Fund Review (period 1 December 2017 to 30 April 2018).

IAS employees are members of professional bodies, including the Institute of Internal Auditors.

IAS considers there are adequate controls in place to minimise the opportunity of fraud or mismanagement in those areas of the department that were subject to internal audit in terms of the program of work approved by the Director-General.

External scrutiny

Queensland Government agencies can be reviewed or audited by a number of different authorities and bodies, including the Queensland Audit Office (QAO), parliamentary committees, the Crime and Corruption Commission, the Queensland Ombudsman, the Information Commissioner Queensland and the Office of the State Coroner.

Parliamentary committees

In 2017–18, the Infrastructure, Planning and Natural Resources Committee sought advice from the department on the following Bills:

- Land Access Ombudsman Bill 2017—The committee tabled a report on 7 August 2017. The committee made only one recommendation in the report, which was that the Bill be passed. The Bill was passed by the Queensland Parliament on 7 September 2017 and received royal assent on 13 September 2017.
- Mineral, Water and Other Legislation Amendment Bill 2017—This Bill was introduced into Parliament on 22 August 2017. The Bill was referred to the committee for detailed consideration and a public briefing was held on 6 September 2017, followed by a public hearing on 11 October 2017. The committee was to table a report on the Bill on 3 November 2017; however, the Bill lapsed with the calling of the general election on 29 October 2017.

In 2017–18, the State Development, Natural Resources and Agricultural Industry Development Committee sought advice from the department on the following Bills:

- Land, Explosives and Other Legislation Amendment Bill 2018—This Bill was introduced into Parliament on 15 February 2018. The committee held a public briefing and a public hearing in Cairns and tabled its *Report no. 5, 56th Parliament—Land, Explosives and Other Legislation Amendment Bill 2018* on 19 April, 2018. An addendum to the report was provided on 20 April 2018. The government has three months to respond to the report's recommendations once it has been tabled.
- Vegetation Management and Other Legislation Amendment Bill 2018—This Bill was introduced on 8 March 2018. The committee held eight public hearings and received over 13 000 public submissions. The department provided a response to submissions. The committee tabled its *Report no 6, 56th Parliament—Vegetation Management and Other Legislation Amendment Bill 2018* on 23 April 2018.
- Mineral, Water and Other Legislation Amendment Bill 2018—This Bill was re-introduced into Parliament on 15 February 2018. The Bill was referred to the committee for detailed consideration and a public briefing was held on 5 March 2018, followed by a public hearing on 9 March 2018. The committee tabled its report on 9 April 2018, which made seven recommendations, including a recommendation that the Bill be passed.

Queensland Audit Office

QAO report 1 to Parliament, *Follow-up of report 15: 2013–14 Environmental regulation of the resources and waste industries (report 1: 2017–18)*, was tabled in Parliament on 19 September 2017 and assessed whether the department had:

- improved the exchange, coordination and accessibility of information to achieve better planning and risk assessments to inform compliance activities
- established clear definitions, guidelines and formal protocols for dealing with the ongoing management of, and where necessary the transfer of responsibility for, 'care and maintenance' sites.

The follow-up report found that both recommendations had been fully implemented.

QAO report 6 to Parliament, *Fraud risk management—report 6: 2017–18*, was tabled in Parliament on 15 February 2018 and assessed if agencies:

- appropriately identified and assessed fraud risks
- applied appropriate risk treatments and control activities to adequately manage their exposure to fraud risks.

QAO concluded that none of the agencies audited were effectively managing fraud risk, leaving themselves potentially exposed to fraud. Findings from two previous QAO reports had not been applied by the audited agencies and gaps in governance, fraud identification, detection and prevention were still being observed. While the audit did not specifically relate to the department, QAO found issues that related to public sector agencies as a whole and made recommendations accordingly.

QAO recommended that departments:

- self-assess against better practices listed in the report to improve fraud control policies and plans, and make sure accountabilities and responsibilities for fraud control are clear
- integrate fraud risk management systems and procedures within existing enterprise risk management frameworks
- monitor exposure to fraud risk and the effectiveness of the internal controls to mitigate risks through governance forums.

The department is reviewing and updating the fraud and corruption control plan, which will include self assessment against better practices and the recommendations of the QAO audit, where relevant. Fraud and corruption risk has been integrated into the risk management framework and a program of fraud awareness training has been implemented across the department.

QAO report 8 to Parliament, *Confidentiality and disclosure of government contracts—report 8: 2017–18*, was tabled in Parliament on 20 February 2018 and assessed whether departments met contract disclosure requirements. DNRME was one of the five departments included in the audit scope. QAO was unable to assess the extent and appropriateness of the use of confidentiality provisions in Queensland Government contracts due to the contracts registers of all departments audited lacking sufficient information.

QAO recommended that departments:

- meet all mandatory requirements set out in *Procurement guidelines—contract disclosure*
- improve their contract registers or contract management systems to ensure a complete record of all awarded contracts.

The department is awaiting advice and guidance from Department of Housing and Public Works and, subject to the release of the updated disclosure guidelines, all mandatory requirements set out therein shall be met. Capture of information through the central managed register is progressing and will be used as the basis and format for consistency and consolidation.

Information systems

The department continues to operate, maintain and develop a range of information systems to support services, initiatives and corporate operations. Highlights and major achievements include the following:

- The department's Energy Efficiency Rebate website was launched for Queensland residents to claim a rebate of up to $300 for energy-efficient appliances purchased from 1 January 2018. This is just one of the many government initiatives aiming to help Queenslanders tackle energy bills.
- The Queensland Fuel Sellers Portal went live on 8 March 2018. This portal facilitates the collection of information about Queensland fuel sellers, including their business and site details, fuel grades and volumes sold. The analysis of information collected provides reliable and accurate input into compliance and reporting activities, and ongoing biofuels policy development.
- Updates have been made to the Online Self-assessable Code Notification System in response to changes in the Vegetation Management and Other Legislation Amendment Bill 2018. New vegetation management maps are now available to applicants along with processes to submit applications for authorised activities.
- An interim solution for the Coal Mine Workers' Health Scheme was implemented as part of the Coal Workers eHealth Records Project. The solution allows nominated medical advisors to log health assessment forms online while a longer term solution is being developed for implementation.
- A trialled Water Dashboard was released in multiple sites across the state to display information on pump schedule, daily and annual limits, and entitlement usage. The Water Dashboard is part of the department's commitment to equitable, sustainable and transparent management of Queensland's water resources. Work

is in progress to expand the dashboard to other catchment areas.

- The department is working with the Department of Environment and Science and Queensland Treasury to develop a financial assurance information registry to support the government's financial assurance reforms. Planning activities have been completed, with a go-live date scheduled for November 2018.

Recordkeeping

The department has a comprehensive records management framework, which is compliant with the *Public Records Act 2002*, the *Public Service Act 2008* and relevant information standards. The recordkeeping framework includes appraisal and disposal programs, a suite of recordkeeping policies, management of legacy paper records, digitisation disposal policies, the digital delivery of legacy records, a functional electronic document and records management system, records training and support, records appraisal of business systems and an active program of transfers to Queensland State Archives.

The records of the department are covered by a number of approved retention and disposal schedules—Land QDAN 739, Mining QDAN 737, Water QDAN 738 and Energy QDAN 730. Documented processes for records disposal are in place. Time-expired physical records are identified and securely disposed of, and permanent records are transferred to Queensland State Archives accordingly.

The relocation of staff from the Land Centre at Woolloongabba involved the appraisal and transfer of over 8000 boxes of records. Significant collections of permanent spatial records were also transferred to Queensland State Archives, including aerial films, aerial photographs, survey maps and survey field notebooks.

GOVERNANCE: HUMAN RESOURCES

Strategic workforce planning and performance

Workforce profile

The Queensland public sector quarterly workforce profile as at end of June period, based on Minimum Obligatory Human Resource Information data, shows that DNRME has 2596.53 full-time equivalent staff. Due to the impact of machinery-of-government changes on DNRME, a separation rate is not able to be calculated for the 2017–18 report.

Strategic workforce planning

The strategic workforce plan outlines strategies that ensure the department is an inclusive workforce composed of the right people, skills and capabilities to deliver world-class services that enable the responsible use of natural resources for Queenslanders.

Integrating the workforce plan into the business, performance and financial planning processes ensures a clear focus on achieving the agency's objectives, and builds a culture that is aligned to our guiding principles.

Attraction and retention

DNRME attracts and retains critical skills through growing our expertise, knowledge and capacity for engagement and professional excellence.

The department has identified technical and specialist areas of expertise where there may be gaps, and areas within the business where specific groups should be targeted to achieve our desired workforce. To work toward this, the department accesses LinkedIn and other recruitment avenues for specialist roles (and identified roles), accesses industry relationships, partners with universities, and offers graduate employment opportunities.

Performance management

To attain a workplace culture of respect and a workplace that delivers results, existing resources such as performance and development agreements, code of conduct requirements and Conduct and Performance Excellence training continue to be reinforced. All employees who commence with the department are required to participate in a comprehensive online and local induction training process to ensure their obligations and responsibilities as public service employees are articulated and fulfilled. The department has also continued a face-to-face onboarding event to provide greater clarity of the department's operations and strategic objectives, and to showcase the varied nature of the department's work and expertise.

Another integral part of the department's performance and development approach is the DNRME capability framework and self-assessment tool. These have been designed specifically for the department to ensure we have a common framework that clearly defines consistent language and expected behaviours to complement our guiding principles and align with our overarching strategic objectives. Supporting this, face-to-face sessions on appropriate behaviour in the workplace and the fundamental requirements of being a Queensland Government employee continue to be rolled out across the state.

The department made further commitment to employee development and performance management, focusing on building respect and enabling visible leadership by maintaining an online reward and recognition system—CUDOS. It provides our staff with the ability to easily recognise the accomplishments and performance of their colleagues, as well as enable management to efficiently reward team and individual performance. Via the CUDOS system, employee achievements are recognised at an annual all staff event.

The Managing Performance and Conduct strategy aims to enhance the performance management capability of management and senior executives to empower our people and generate productivity. Linked to the Professional Excellence Strategy, the department has developed a project around Conduct and Performance Excellence to further support business areas effectively and efficiently manage local performance and conduct matters. This project will be finalised and findings implemented throughout 2018–19. In addition, the department has offered Appropriate Behaviours training to targeted groups, with the aim to clearly articulate the department's expectations in relation to behaviour at work and when undertaking work-related duties (internal and external to the workplace).

Diversity and inclusion

Our Diversity and Inclusion strategy contributes to achieving a workplace in which individual differences are respected, diverse skills and knowledge are valued and utilised, opportunities are available for all, engagement with partners and stakeholders is effective, and the voice of the community is represented.

Specific strategies implemented support the government's commitment to providing opportunities for women, youth, Aboriginal peoples and Torres Strait Islanders, people from non–English speaking backgrounds and people with disabilities.

We are committed to creating a culturally capable workplace where we value the diverse knowledge, skills, history, traditions and cultures of Aboriginal peoples and Torres Strait Islanders, and we seek to maximise their employment and career development opportunities.

We recognise that many Aboriginal peoples and Torres Strait Islanders have considerable knowledge of land, natural resources and Aboriginal and Torres Strait Islander communities and organisations, and that this knowledge should be properly and fairly recognised in the employment and career development process.

The Aboriginal and Torres Strait Islander Advisory Board, comprising Aboriginal and Torres Strait Islander employees, continued to implement our *Aboriginal and Torres Strait Islander cultural capability strategy 2016–2020.*

Safety and wellbeing

The department is committed to providing all employees, volunteers and contractors with a workplace that is free from harm, and encourages a culture that highlights safety as an absolute priority.

We endeavour to lead best practice governance and risk management processes to identify and manage hazards associated with work-related activities. We strive to continually improve our culture, maintain oversight and transparency of business, and ensure the implementation of consistent and standardised resources, systems and governance structures. To enhance our safety and wellbeing framework, the department will be implementing the Safety Management and Risk Tool. This tool is an integrated system that will help improve our reporting, records management and analytics capability to enable a proactive hazard and risk management approach.

Our wellbeing program focuses on the key areas of mental, emotional, physical and financial wellbeing. The program facilitated the training of 42 accredited mental health first aiders to confidentially support our people and deliver general mental health awareness sessions. To promote physical activity the department participated in the annual corporate games and launched a fitness program partnership with Fitness Passport.

To further promote a positive, happy and healthy workforce, the department provided a flu vaccination program, and financial wellbeing webinars, resources and tools. Managers have also been encouraged to give greater consideration to flexible working arrangements (such as flexible working hours, job-sharing, part-time work and telecommuting) in order to support the work–life balance of our employees.

The department changed the Employee Assistance Program provider to Benestar. The service provider offers employees access to services in the areas of individual wellbeing, organisational performance, incident management and workforce wellness. A driver of the change was Benestar's capability to offer resources that support employees affected by domestic and family violence.

Leadership and Management Development Framework

The department's commitment to career development is linked to our four core capabilities—leadership, management, core and technical. Each core capability has a specific enterprise program designed to achieve capability uplift across the department.

Throughout 2017–18, we continued to focus on building communication, project management, leadership and management capabilities. To enhance these capabilities, the department utilises online learning opportunities through Lynda.com and continues to offer the Persuasive Communications program.

The Working with People Program has provided managers with underpinning knowledge and practical management strategies to enable them to lead their teams in delivering divisional operational plans.

Industrial and employee relations

The department has a contemporary Human Resource Management Framework that includes a suite of resources and guidance on employee entitlements and resolving issues that may arise in the workplace. Information is proactively distributed and assistance is provided to managers and employees to ensure employees are receiving their correct entitlements.

Resources are continually being refined and updated to ensure managers and employees have the knowledge and tools to understand industrial entitlements and processes, particularly with the general protections regime, appeal rights, conversion of temporary and casual employees to permanent status, and the application process and disputes procedure for flexible working arrangements.

Ongoing consultative discussions are held with Together Queensland, the Industrial Union of Employees, and Professionals Australia through regular formalised meetings of the Agency Consultative Committee. Essentially, the role of the Agency Consultative Committee is to ensure that the department implements and complies with all relevant arrangements under the *Industrial Relations Act 2016, Public Service Act 2008* and *State government entities certified agreement 2015*, with particular focus placed on current and emerging industrial issues, workforce strategy and organisational change issues.

Early retirement, redundancy and retrenchment

During the period, two employees received redundancy packages at a cost of $191 585. Employees who did not accept an offer of a redundancy were offered case management for a set period of time, during which reasonable attempts were made to find alternative employment placements.

Open data

The department has now released 297 datasets comprising 1080 individual data resources.

The following datasets for annual reporting purposes are also available on the Queensland Government data website at www.data.qld.gov.au:

- consultancies
- overseas travel
- *Queensland language services policy.*

Queensland
Government

FINANCIAL STATEMENTS: 30 JUNE 2018

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OPERATING RESULT	Notes	2018 Actual[1]	2018 Adjusted Budget[2]	Budget Variance[3]	2017 Actual
		$'000	$'000	$'000	$'000
Income					
Appropriation revenue	B1-1	407,992	369,089	38,903	324,450
User charges and fees	B1-2	121,153	120,305	848	119,004
Grants and contributions	B1-3	8,294	3,331	4,963	5,856
Other revenue	B1-4	7,292	896	6,396	2,164
Total Income		**544,730**	**493,621**	**51,109**	**451,474**
Expenses					
Employee expenses	B2-1	263,301	269,404	(6,103)	242,655
Supplies and services	B2-2	156,803	151,554	5,249	139,108
Grants and subsidies	B2-3	80,148	49,535	30,613	31,213
Depreciation and amortisation	C3-1 C4-1	16,489	16,929	(440)	16,146
Other expenses	B2-4	26,356	3,980	22,376	19,024
Total Expenses		**543,097**	**491,402**	**51,695**	**448,146**
Operating Result		**1,633**	**2,219**	**(586)**	**3,328**
OTHER COMPREHENSIVE INCOME					
Items not reclassified to Operating Result					
Increase/(decrease) in asset revaluation surplus	C8-2	(289)	..	(289)	8,059
Total Other Comprehensive Income		**(289)**	**..**	**(289)**	**8,059**
TOTAL COMPREHENSIVE INCOME		**1,344**	**2,219**	**(875)**	**11,387**

[1] On 12 December 2017, responsibilities were transferred to the department from the Department of Energy and Water Supply. Details of the transfer are outlined in Note A4.
[2] Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement (SDS) tabled in Parliament.
[3] An explanation of major variances is included in Note F1-1.

The accompanying notes form part of these financial statements.

	Minerals and Energy Resources		Natural Resources Management[1]		Energy Services[2]		Corporate Partnerships[3]		TOTAL	
OPERATING RESULT	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Income										
Appropriation revenue	79,861	73,044	267,484	242,676	56,934	..	3,712	8,729	407,992	324,450
User charges and fees	66,220	62,700	54,933	56,304	..	..	..	..	121,153	119,004
Grants and contributions	2,170	..	5,800	5,856	325	..	..	..	8,294	5,856
Other revenue	2,169	766	5,123	1,399	..	..	..	..	7,292	2,164
Total Income	**150,420**	**136,510**	**333,340**	**306,235**	**57,259**	**..**	**3,712**	**8,729**	**544,730**	**451,474**
Expenses										
Employee expenses	77,289	74,521	173,682	160,287	9,025	..	3,305	7,846	263,301	242,655
Supplies and services	58,418	49,589	94,528	88,636	3,451	..	407	883	156,803	139,108
Grants and subsidies	2,246	1,030	38,144	30,183	39,758	..	..	..	80,148	31,213
Depreciation and amortisation	7,751	6,480	8,737	9,666	2	..	..	..	16,489	16,146
Other expenses	4,876	3,383	16,457	15,641	5,024	..	..	..	26,356	19,024
Total Expenses	**150,579**	**135,003**	**331,548**	**304,413**	**57,259**	**..**	**3,712**	**8,729**	**543,097**	**448,146**
Operating Result	**(160)**	**1,507**	**1,792**	**1,822**	**..**	**..**	**..**	**..**	**1,633**	**3,328**
OTHER COMPREHENSIVE INCOME										
Items not reclassified to Operating Result										
Increase/(decrease) in asset revaluation surplus	(614)	8,296	324	(237)	..	..	..	..	(289)	8,059
Total Other Comprehensive Income	**(614)**	**8,296**	**324**	**(237)**	**..**	**..**	**..**	**..**	**(289)**	**8,059**
TOTAL COMPREHENSIVE INCOME	**(773)**	**9,803**	**2,116**	**1,585**	**..**	**..**	**..**	**..**	**1,344**	**11,387**

[1]The Natural Resources Management service includes the revenue and expenses relating to the Water Supply service as reported in the former Department of Energy and Water Supply SDS for 2017-18. This reflects the immaterial nature of that service and the current operating structure of the department.

[2]There is no comparative reported for this service as it only became a service of the department following the machinery-of-Government change effective from 12 December 2017.

[3]Income and expenses attributed to other agencies through corporate partnership activities are shown separately and not allocated across department services.

	Notes	2018 Actual[1] $'000	2018 Adjusted Budget[2] $'000	Budget Variance[3] $'000	2017 Actual $'000
Current Assets					
Cash and cash equivalents	C1	123,945	81,868	42,077	97,988
Receivables	C2	29,974	21,625	8,349	21,792
Other current assets		1,730	2,401	(671)	2,148
Land held for sale		896	..	896	96
Total Current Assets		**156,546**	**105,894**	**50,652**	**122,023**
Non-Current Assets					
Property, plant and equipment	C3	169,793	150,167	19,626	170,007
Intangible assets	C4	38,136	40,699	(2,563)	36,848
Total Non-Current Assets		**207,928**	**190,866**	**17,061**	**206,856**
Total Assets		**364,474**	**296,760**	**67,714**	**328,879**
Current Liabilities					
Payables	C5	57,062	21,766	35,296	41,735
Accrued employee benefits	C6	12,151	11,032	1,119	10,502
Other current liabilities	C7	30,505	17,335	13,170	28,996
Total Current Liabilities		**99,717**	**50,133**	**49,584**	**81,233**
Non-Current Liabilities					
Other non-current liabilities	C7	6,128	334	5,794	3,231
Total Non-Current Liabilities		**6,128**	**334**	**5,794**	**3,231**
Total Liabilities		**105,845**	**50,467**	**55,378**	**84,464**
Net Assets		**258,629**	**246,293**	**12,336**	**244,414**
Equity					
Contributed equity		258,316			245,446
Accumulated surplus/(deficit)		(43,999)			(45,634)
Asset revaluation surplus	C8-2	44,312			44,601
Total Equity		**258,629**			**244,414**

(1) On 12 December 2017, responsibilities were transferred to the department from the Department of Energy and Water Supply. Details of the transfer are outlined in Note A4.
(2) Adjusted Budget figures for the financial year, as published in the latest SDS tabled in Parliament.
(3) An explanation of major variances is included in Note F1-2.

The accompanying notes form part of these financial statements.

	Minerals and Energy Resources		Natural Resource Management[1]		Energy Services[2]		TOTAL	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Current Assets								
Cash and cash equivalents	28,200	26,876	78,421	71,112	17,324	..	123,945	97,988
Receivables	9,028	7,574	20,622	14,218	325	..	29,974	21,792
Other current assets	599	747	1,083	1,401	48	..	1,730	2,148
Land held for sale	..	..	896	96	..	..	896	96
Total Current Assets	**37,827**	**35,197**	**101,022**	**86,827**	**17,697**	**..**	**156,546**	**122,023**
Non-Current Assets								
Property, plant and equipment	97,479	94,000	72,102	76,008	211	..	169,793	170,007
Intangible assets	18,117	16,322	20,019	20,526	..	..	38,136	36,848
Total Non-Current Assets	**115,596**	**110,322**	**92,121**	**96,534**	**211**	**..**	**207,928**	**206,856**
Total Assets	**153,423**	**145,519**	**193,143**	**183,360**	**17,908**		**364,474**	**328,879**
Current Liabilities								
Payables	14,243	10,536	37,056	31,199	5,762	..	57,062	41,735
Accrued employee benefits	3,612	3,333	8,117	7,169	422	..	12,151	10,502
Other current liabilities	5,071	2,561	25,418	26,434	16	..	30,505	28,996
Total Current Liabilities	**22,927**	**16,431**	**70,591**	**64,803**	**6,199**	**..**	**99,717**	**81,233**
Non-Current Liabilities								
Other non-current liabilities	1,482	1,616	4,374	1,616	273	..	6,128	3,231
Total Non-Current Liabilities	**1,482**	**1,616**	**4,374**	**1,616**	**273**	**..**	**6,128**	**3,231**
Total Liabilities	**24,408**	**18,046**	**74,965**	**66,418**	**6,472**	**..**	**105,845**	**84,464**
Net Assets	**129,015**	**127,473**	**118,178**	**116,942**	**11,436**	**..**	**258,629**	**244,414**

[1] The Natural Resources Management service includes the assets and liabilities relating to the Water Supply service as reported in the former Department of Energy and Water Supply SDS for 2017-18. This reflects the immaterial nature of that service and the current operating structure of the department.
[2] There is no comparative reported for this service as it only became a service of the department following the machinery-of-Government change effective from 12 December 2017.

	Notes	2018 $'000	2017 $'000
Contributed equity			
Balance as at 1 July		**245,446**	**246,190**
Transactions with owners as owners:			
Appropriated equity injections/(withdrawals)	C8-1	370	(1,830)
Net transfer in/(out) from other Queensland Government entities	C3-1	..	1,086
Net transfer in from other Queensland Government entities (machinery-of-Government change)	A4	11,554	..
Non-appropriated equity injections/(withdrawals)		946	..
Balance at 30 June		**258,316**	**245,446**
Accumulated surplus			
Balance as at 1 July		(45,634)	(48,961)
Operating result		1,633	3,328
Balance at 30 June		**(43,999)**	**(45,634)**
Asset revaluation surplus			
Balance as at 1 July		44,601	36,542
Increase (Decrease) in Asset Revaluation Surplus	C8-2	(289)	8,059
Balance at 30 June		**44,312**	**44,601**
Total balance at 30 June		**258,629**	**244,414**

The accompanying notes form part of these financial statements.

	Notes	2018 Actual[1]	2018 Adjusted Budget[2]	Budget Variance[3]	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		**$'000**	**$'000**	**$'000**	**$'000**
Inflows:					
Service appropriation receipts		384,014	365,567	18,447	318,680
User charges and fees		118,109	119,822	(1,713)	121,759
Grants and contributions		5,086	3,331	1,755	3,942
GST input tax credits from ATO		18,975	..	18,975	18,038
GST collected from customers		2,409	..	2,409	6,382
Other		7,427	(531)	7,958	16,656
Outflows:					
Employee expenses		(261,765)	(268,619)	6,854	(242,565)
Supplies and services		(151,273)	(152,796)	1,523	(137,240)
Grants and subsidies		(76,381)	(48,579)	(27,802)	(32,326)
GST paid to suppliers		(19,274)	..	(19,274)	(17,573)
GST remitted to ATO		(2,475)	..	(2,475)	(6,347)
Other		(4,693)	(2,208)	(2,485)	(4,329)
Net cash provided by/(used in) operating activities	CF-1	**20,159**	**15,987**	**4,172**	**45,077**
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Sales of property, plant and equipment		107	37	70	779
Outflows:					
Payments for property, plant and equipment		(11,295)	(10,589)	(706)	(9,761)
Payments for intangible assets		(6,969)	(7,096)	127	(4,890)
Payments for Local Management Arrangements separation payments		(5,118)	..	(5,118)	..
Net cash provided by/(used in) investing activities		**(23,275)**	**(17,648)**	**(5,627)**	**(13,872)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Inflows:					
Equity injections		6,648	6,841	(193)	109
Non-appropriated equity injections		946	..	946	..
Outflows:					
Equity withdrawals		(5,306)	(3,706)	(1,600)	(3,706)
Net cash provided by/(used in) financing activities		**2,288**	**3,135**	**(847)**	**(3,597)**
Net increase/(decrease) in cash and cash equivalents		(828)	1,474	(2,302)	27, 608
Increase (decrease) in cash and cash equivalents from restructuring	A4	26,785	15,515	11,270	..
Cash and cash equivalents at beginning of financial year		97,988	64,879	33,109	70,380
Cash and cash equivalents at end of financial year	C1	**123,945**	**81,868**	**42,077**	**97,988**

[1] On 12 December 2017, responsibilities were transferred to the department from the Department of Energy and Water Supply. Details of the transfer are outlined in Note A4.
[2] Adjusted Budget figures for the financial year, as published in the latest SDS tabled in Parliament.
[3] An explanation of major variances is included in Note F1-3.

The accompanying notes form part of these financial statements.

NOTES TO THE STATEMENT OF CASH FLOWS

CF-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2018 $'000	2017 $'000
Operating result	1,633	3,328
Adjustment for Local Management Arrangement separation payment not forming part of operating activities	5,118	..
Non-cash items included in operating result:		
Asset revaluation decrement	..	110
Asset revaluation increment	(463)	..
Bad and impaired debts	(495)	176
Depreciation and amortisation expense	16,489	16,146
Goods and services (received)/provided below fair value	(139)	..
Net loss on disposal of property, plant and equipment	290	169
Notional interest on loans	(4)	(68)
Change in assets and liabilities		
(Increase)/decrease in appropriation receivable	(2,404)	(1,566)
Increase/(decrease) in deferred appropriation payable to Consolidated Fund	(5,168)	9,539
(Increase)/decrease in other receivables	(2,984)	3,673
(Increase)/decrease in inventories	(4)	656
(Increase)/decrease in prepayments	1,229	(406)
Increase/(decrease) in payables	3,228	2,282
Increase/(decrease) in accrued employee benefits	787	537
Increase/(decrease) in other liabilities	3,408	10,001
(Increase)/decrease in GST input tax credits receivables	(411)	465
Increase/(decrease) in GST payables	49	35
Net cash provided by operating activities	**20,159**	**45,077**

OPERATING RESULT	Notes	2018 Actual[1] $'000	2018 Adjusted Budget[2] $'000	Budget Variance[3] $'000	2017 Actual $'000
Income					
Administered appropriation revenue	D2	287,474	285,116	2,358	1,300
User charges and fees	D3	358,702	356,867	1,835	355,381
Property and other territorial revenue	D4	152,092	164,215	(12,123)	114,782
Land transfers inwards		274,185	225,185	49,000	315,278
Revaluation increment	D9-1	1,380,181	..	1,380,181	3,442,012
Other revenue	D5	2,387	5,322	(2,935)	17,941
Total Revenue		**2,455,020**	**1,036,705**	**1,418,315**	**4,246,694**
Gain on disposal of land		13,644	14,000	(356)	6,090
Total Income		**2,468,664**	**1,050,705**	**1,417,959**	**4,252,784**
Expenses					
Grants and subsidies	D6	275,819	272,990	2,829	8,673
Land transfers outwards		51,853	45,000	6,853	33,559
Other expenses	D7	129,560	17,531	112,029	10,148
Total Expenses		**457,232**	**335,521**	**121,711**	**52,381**
Net Operating Result before transfers to government		**2,011,432**	**715,184**	**1,296,248**	**4,200,404**
Transfers of administered item revenue to government		520,832	535,184	(14,352)	483,998
Operating Result		**1,490,600**	**180,000**	**1,310,600**	**3,716,406**
OTHER COMPREHENSIVE INCOME					
Items not reclassified to Operating Result					
Increase/(decrease) in asset revaluation surplus	D13	370,161	..	370,161	473
Total Other Comprehensive Income		**370,161**	**..**	**370,161**	**473**
TOTAL COMPREHENSIVE INCOME		**1,860,762**	**180,000**	**1,680,762**	**3,716,879**

(1) On 12 December 2017, responsibilities were transferred to the department from the Department of Energy and Water Supply. Details of the transfer are outlined in Note D1.
(2) Adjusted Budget figures for the financial year, as published in the latest SDS tabled in Parliament.
(3) An explanation of major variances is included in Note F1-4.

The accompanying notes form part of these financial statements.

	Minerals and Energy Resources		Natural Resource Management[1]		Energy Services[2]		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
OPERATING RESULT	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Income								
Administered appropriation revenue	..	..	4,788	1,300	282,685	..	287,473	1,300
User charges and fees	3,230	3,045	355,288	352,336	184	..	358,702	355,381
Property and other territorial revenue	80,847	75,953	71,244	38,829	..	..	152,092	114,782
Land transfers inwards	..	..	274,185	315,278	..	..	274,185	315,278
Revaluation increment	..	..	1,380,181	3,442,012	..	..	1,380,181	3,442,012
Other revenue	20	..	2,367	17,941	..	..	2,387	17,941
Total Revenue	**84,097**	**78,998**	**2,088,054**	**4,167,696**	**282,869**	**..**	**2,455,020**	**4,246,694**
Gain on disposal of land	..	..	13,644	6,090	..	..	13,644	6,090
Total Income	**84,097**	**78,998**	**2,101,698**	**4,173,786**	**282,869**	**..**	**2,468,664**	**4,252,784**
Expenses								
Grants and subsidies	..	..	3,105	8,673	272,714	..	275,819	8,673
Land transfers outwards	..	..	51,853	33,559	..	..	51,853	33,559
Other expenses	482	1,461	7,368	8,687	121,709	..	129,560	10,148
Total Expenses	**482**	**1,461**	**62,327**	**50,919**	**394,423**	**..**	**457,232**	**52,380**
Net Operating Result before transfers to government	**83,615**	**77,537**	**2,039,372**	**4,122,867**	**(111,554)**	**..**	**2,011,431**	**4,200,404**
Transfers of administered item revenue to government	83,615	78,998	437,034	405,000	184	..	520,832	483,998
Operating Result	**..**	**(1,461)**	**1,602,338**	**3,717,867**	**(111,738)**	**..**	**1,490,600**	**3,716,406**
OTHER COMPREHENSIVE INCOME								
Items not reclassified to Operating Result								
Increase/(decrease) in asset revaluation surplus	..	..	370,161	473	..	..	370,161	473
Total Other Comprehensive Income	**..**	**..**	**370,161**	**473**	**..**	**..**	**370,161**	**473**
TOTAL COMPREHENSIVE INCOME	**..**	**(1,461)**	**1,972,499**	**3,718,340**	**(111,738)**	**..**	**1,860,761**	**3,716,879**

(1) The Natural Resources Management service includes the revenue and expenses relating to the Water Supply service as reported in the former Department of Energy and Water Supply SDS for 2017-18. This reflects the immaterial nature of that service and the current operating structure of the department.
(2) There is no comparative reported for this service as it only became a service of the department following the machinery-of-Government change effective from 12 December 2017.

	Notes	2018 Actual[1] $'000	2018 Adjusted Budget[2] $'000	Budget Variance[3] $'000	2017 Actual $'000
Current Assets					
Cash and cash equivalents		65,304	55,182	10,122	4,310
Receivables	D8	61,435	104,752	(43,317)	58,671
Land held for sale		13,278	3,984	9,294	813
Total Current Assets		**140,016**	**163,918**	**(23,902)**	**63,794**
Non-Current Assets					
Receivables	D8	25,606	29,086	(3,480)	29,235
Property, plant and equipment	D9-1	68,050,640	62,779,644	5,270,996	65,995,379
Total Non-Current Assets		**68,076,247**	**62,808,730**	**5,267,517**	**66,024,614**
Total Assets		**68,216,263**	**62,972,648**	**5,243,615**	**66,088,408**
Current Liabilities					
Payables	D10	79,226	110,082	(30,856)	33,476
Proposals and deposits	D11	23,456	20,019	3,437	27,946
Other current liabilities	D12	19,854	42,843	(22,989)	16,839
Total Current Liabilities		**122,537**	**172,944**	**(50,407)**	**78,261**
Non-Current Liabilities					
Other non-current liabilities	D12	121,754	277	121,477	265
Total Non-Current Liabilities		**121,754**	**277**	**121,477**	**265**
Total Liabilities		**244,290**	**173,221**	**71,069**	**78,526**
Net Assets		**67,971,973**	**62,799,427**	**5,172,546**	**66,009,882**
Equity					
Contributed equity		66,424,974			66,323,645
Accumulated surplus/(deficit)		1,174,734			(315,866)
Asset revaluation surplus	D13	372,264			2,104
Total Equity		**67,971,973**			**66,009,882**

(1) On 12 December 2017, responsibilities were transferred to the department from the Department of Energy and Water Supply. Details of the transfer are outlined in Note D1.
(2) Adjusted Budget figures for the financial year, as published in the latest SDS tabled in Parliament.
(3) An explanation of major variances is included in Note F1-5.

The accompanying notes form part of these financial statements.

	Minerals and Energy Resources		Natural Resource Management[1]		Energy Services[2]		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current Assets								
Cash and cash equivalents	..	..	11,067	4,310	54,237	..	65,304	4,310
Receivables	7,920	251	53,499	58,420	16	..	61,435	58,671
Land held for sale	..	..	13,278	813	..	..	13,278	813
Total Current Assets	**7,920**	**251**	**77,844**	**63,543**	**54,253**	**..**	**140,016**	**63,793**
Non-Current Assets								
Receivables	..	..	25,606	29,235	..	..	25,606	29,235
Property, plant and equipment	17,014	17,013	68,033,627	65,978,366	..	..	68,050,640	65,995,379
Total Non-Current Assets	**17,014**	**17,013**	**68,059,233**	**66,007,601**	**..**	**..**	**68,076,247**	**66,024,614**
Total Assets	**24,933**	**17,264**	**68,137,077**	**66,071,144**	**54,253**	**..**	**68,216,263**	**66,088,407**
Current Liabilities								
Payables	687	..	37,112	33,475	41,428	..	79,226	33,475
Proposals and deposits	..	..	23,456	27,946	..	..	23,456	27,946
Other current liabilities	17,903	16,791	1,951	48	..	..	19,854	16,839
Total Current Liabilities	**18,590**	**16,791**	**62,519**	**61,469**	**41,428**	**..**	**122,537**	**78,260**
Non-Current Liabilities								
Other non-current liabilities	45	265	..	..	121,709	..	121,754	265
Total Non-Current Liabilities	**45**	**265**	**..**	**..**	**121,709**	**..**	**121,754**	**265**
Total Liabilities	**18,635**	**17,056**	**62,519**	**61,469**	**163,137**	**..**	**244,290**	**78,525**
Net Assets	**6,299**	**208**	**68,074,558**	**66,009,675**	**(108,884)**	**..**	**67,971,973**	**66,009,882**

[1] The Natural Resources Management service includes the assets and liabilities relating to the Water Supply service as reported in the former Department of Energy and Water Supply SDS for 2017-18. This reflects the immaterial nature of that service and the current operating structure of the department.
[2] There is no comparative reported for this service as it only became a service of the department following the machinery-of-Government change effective from 12 December 2017.

	Notes	2018 $'000	2017 $'000
Contributed equity			
Balance as at 1 July		66,323,645	66,320,017
Transactions with owners as owners:			
Appropriated equity injections/(withdrawals)	D2	(1,470)	..
Net transfers in/(out) from other Queensland Government entities		22,939	53,549
Net transfers in from other Queensland Government entities (machinery-of-Government change)	D1	126,257	..
Non-appropriated equity injections/(withdrawals)		(46,396)	(49,920)
Balance at 30 June		**66,424,975**	**66,323,645**
Accumulated surplus			
Balance as at 1 July		(315,866)	(4,032,272)
Operating result		1,490,600	3,716,406
Balance at 30 June		**1,174,734**	**(315,866)**
Asset revaluation surplus			
Balance as at 1 July		2,104	1,630
Increase (Decrease) in Asset Revaluation Surplus	D13	370,160	474
Balance at 30 June		**372,264**	**2,104**
Total Equity		**67,971,973**	**66,009,882**

The accompanying notes form part of these financial statements.

	Notes	2018 Actual	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		**$'000**	**$'000**
Inflows:			
Administered appropriation receipts		317,050	1,300
User charges and fees		358,833	355,381
Property and other territorial receipts		151,087	147,009
GST input tax credits from ATO		28,884	331
GST collected from customers		7,380	(1,688)
Other		199	143
Outflows:			
Net transfers of Administered Income to Government		(516,155)	(501,043)
Grants and subsidies		(333,048)	(1,300)
GST paid to suppliers		(24,653)	(375)
GST remitted to ATO		(7,393)	1,815
Other		(7,248)	(5,950)
Net cash provided by/(used in) operating activities	CFA-1	**(25,064)**	**(4,377)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of property, plant and equipment		65,042	47,716
Finance leases redeemed – state land		4,566	5,473
Net cash provided by/(used in) investing activities		**69,608**	**53,189**
CASH FLOWS FROM FINANCING ACTIVITIES			
Outflows:			
Equity Withdrawals		(2,464)	..
Non-appropriated equity withdrawals		(46,396)	(49,920)
Net cash provided by/(used in) financing activities		**(48,860)**	**(49,920)**
Net increase/(decrease) in cash and cash equivalents		(4,316)	(1,108)
Increase (decrease) in cash and cash equivalents from restructuring	D1	65,310	..
Cash and cash equivalents at beginning of financial year		4,310	5,418
Cash and cash equivalents at end of financial year		**65,304**	**4,310**

The accompanying notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS

CFA-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2018 $'000	2017 $'000
Operating result	1,490,600	3,716,406
Non-cash items included in operating result:		
Depreciation and amortisation expense	1,704	156
Bad and impaired debts	335	(12,574)
Discounts on early settlement of finance leases	181	218
Rent remissions	182	134
Net (gain) on sale of property, plant and equipment	(13,644)	(6,090)
Land transfers to other entities	53,659	40,933
Land transfers from other entities	(274,961)	(315,701)
Revaluation increment	(1,380,181)	(3,442,012)
Movement in fair value of financial instruments	121,709	..
Change in assets and liabilities		
(Increase)/decrease in appropriation receivable	29,577	..
(Increase)/decrease in other receivables	2,645	29,636
Increase/(decrease) in accounts payable	(542)	1,017
Increase/(decrease) in proposals and deposits	(9,201)	4,434
Increase/(decrease) in transfers to government payables	4,677	(17,050)
Increase/(decrease) in grants payable	(59,034)	..
Increase/(decrease) in other liabilities	3,015	(3,972)
(Increase)/decrease in GST input tax credits receivable	4,230	(44)
Increase/(decrease) in GST payable	(14)	132
Net cash provided by operating activities	**(25,063)**	**(4,377)**

SECTION 1
ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Department of Natural Resources, Mines and Energy ("the department") is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is 1 William Street, Brisbane QLD 4000.

Under Department Arrangements Notice (No. 3) 2017, the responsibilities of the former Department of Energy and Water Supply transferred to the Department of Natural Resources, Mines and Energy as of 12 December 2017.

A1-2 STATEMENT OF COMPLIANCE

The department has prepared these financial statements in compliance with *section 42* of the *Financial and Performance Management Standard 2009.*

These financial statements are general purpose financial statements. They have been prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations. The financial statements comply with Queensland Treasury's Financial Reporting Requirements for the reporting periods beginning on or after 1 July 2017 and other authoritative pronouncements.

To comply with the Australian Accounting Standards and Interpretations, the department has applied those requirements applicable to not-for-profit entities. Except where stated, the historical cost convention is used.

A1-3 THE REPORTING ENTITY

The consolidated financial statements include the value of all income, expenses, assets, liabilities and equity of the 'economic entity' comprising the department. All transactions and balances internal to the economic entity have been eliminated in full.

The consolidated financial statements of the economic entity comprise the transactions and balances of the department only and do not include the directly controlled entities listed in Note A5 due to the immateriality of the transactions.

A1-4 PRESENTATION MATTERS

Currency and Rounding
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.

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

Comparatives
Comparative information reflects the audited 2016-17 financial statements except where restated as necessary to be consistent in disclosures in the current reporting period. Some immaterial comparative amounts have been restated following reclassification of line items.

A1-5 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

A2 DEPARTMENT OBJECTIVES

The department's vision is that our natural resources deliver sustainable benefits for current and future generations of Queenslanders. Our purpose is to help the community and the government make the best use of our renewable and non-renewable natural resources and deliver safe, secure, affordable and sustainable energy and water for current and future generations.

The department is principally funded for the services it delivers by parliamentary appropriations, with further funding sourced from:

- Cadastral and title searches, valuations, provision of mapping, aerial photography and related products and services;
- Levies and fees on safety and health and petroleum and gas services provided to industry, including mining, quarrying and explosives operations;
- Storage of explosives and other fee for service activities relating to safety in mines testing; and
- Grants and contribution revenue from Commonwealth, State and external bodies for various initiatives and programs.

A3 MAJOR SERVICES

The department's major services are:

Minerals and Energy Resources services
The objective of this service area is to ensure the responsible use of our minerals and energy resources and reducing health and safety risks.

Natural Resources Management services
The objective of this service area is to provide sustainable management of Queensland's land and water resources, oversight of water service providers and water infrastructure owners, and the provision of accurate, timely knowledge of the department's property and spatial information resources.

Energy services
The objective of this service area is to ensure Queensland's energy sector is efficient, equitable and sustainable.

Corporate Partnerships
The department participates in a corporate partnership arrangement where it 'hosts' a number of strategic and operational corporate services provided to other 'recipient' departments. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability and responsiveness.

As a host agency of corporate service functions, the department receives appropriation of funds and reports full time equivalent positions for the services it provides. The model is multi-layered for different corporate services functions.

As a 'host' agency, the department provides accommodation and legal services to the following agencies:

- Department of Agriculture and Fisheries
- Department of Innovation, Tourism Industry Development and the Commonwealth Games
- Department of Environment and Science

As a 'recipient' agency, the department receives defined services from the following agencies:

- Department of Agriculture and Fisheries (Information Management; Fleet Management; Telecommunications, and Human Resources system support)
- Department of Environment and Science (Internal Audit; Procurement; Right to Information).

These functions (and allocation of revenue and expenses) are disclosed in the relevant department's financial statements. Corporate services income and expenses attributable under the corporate partnership arrangements are separately disclosed in the Statement of Comprehensive Income by Major Departmental Services.

Corporate Services income and expenses attributable solely to the department's activities are apportioned across the major departmental services.

A4 MACHINERY-OF-GOVERNMENT CHANGES

Transfers In – Controlled Activities

Details of Transfer:	Department of Energy and Water Supply was abolished and transferred to the Department of Natural Resources, Mines and Energy.
Basis of Transfer:	Public Service Departmental Arrangements Notice (No.3) dated 12/12/2017
Date of Transfer:	Effective from 12 December 2017.

The assets and liabilities transferred as a result of this change were as follows:

	$'000
Assets	
Cash	26,785
Receivables	2,099
Prepayments	807
Property, Plant and Equipment	216
	29,907
Liabilities	
Payables	5,250
Accrued employee benefits	861
Other current liabilities	11,392
Lease liability	850
	18,353
Net Assets	11,554

The increase in net assets of $11.554 million has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

Budgeted appropriation revenue of $47.464 million was reallocated from the Department of Energy and Water Supply to the Department of Natural Resources, Mines and Energy as part of the machinery-of-Government changes.

A5 CONTROLLED ENTITIES

The following entities are directly controlled by the department and relate to Local Management Arrangements (LMA) for irrigation channel schemes. The project's objective is to facilitate the future implementation of Local Management Arrangements for SunWater Limited's eight channel irrigation schemes.

Control of these entities transferred to the department as part of the machinery-of-Government change effective 12 December 2017 however the tables below reflect the full 2017-18 actuals and 2016-17 comparatives for the controlled entities.

A5 CONTROLLED ENTITIES (continued)

For the period 1 July 2017 to 30 June 2018

Name of Controlled Entity	Purpose and Principal Activities of Entity	% Interest in Entity and Basis of Control	Total Assets $'000	Total Liabilities $'000	Total Expense $'000	Operating Result $'000
LMA Support Services Pty Ltd	Administration and support to the activities and objectives of the Local Management Arrangements transition and investigation schemes to facilitate the future implementation.	100% interest in ordinary share capital enabling control of majority voting rights	147	147	2,660	-
Mallawa Irrigation Ltd	Own, operate and maintain the St George Irrigation Scheme and maintain the Thuraggi watercourse. This includes provision of irrigation services, water transportation services and drainage services to customers.	100% interest in membership interests including voting rights	5,528	79	5,518	(5,518)
Fairbairn Irrigation Network Pty Ltd	Entities created for the transition schemes of Emerald, Eton and Theodore where there is a strong commitment to the concept of local management and where government has determined that locally managed schemes can be financially viable. The entities have been created to represent the interests of customers, undertake further investigations and to negotiate terms of transfer with government. There are no financial transactions in the current financial year as the terms of transition are being negotiated	100% interest in ordinary share capital enabling control of majority voting rights	-	-	-	-
Eton Irrigation Scheme Pty Ltd		100% interest in ordinary share capital enabling control of majority voting rights	-	-	-	-
Theodore Water Pty Ltd		100% interest in ordinary share capital enabling control of majority voting rights	-	-	-	-

A5 CONTROLLED ENTITIES (continued)

For the period 1 July 2016 to 30 June 2017

Name of Controlled Entity	Purpose and Principal Activities of Entity	% Interest in Entity and Basis of Control	Total Assets $'000	Total Liabilities $'000	Total Expense $'000	Operating Result $'000
LMA Support Services Pty Ltd	Administration and support to the activities and objectives of the Local Management Arrangements transition and investigation schemes to facilitate the future implementation.	100% interest in ordinary share capital enabling control of majority voting rights	394	394	1,997	-
Mallawa Irrigation Ltd	Entities created for the transition schemes of Emerald, Eton, St George and Theodore where there is a strong commitment to the concept of local management and where government has determined that locally managed schemes can be financially viable. The entities have been created to represent the interests of customers, undertake further investigations and to negotiate terms of transfer with government. There are no financial transactions in the current financial year as the terms of transition are being negotiated	100% interest in membership interests including voting rights	-	-	-	-
Fairbairn Irrigation Network Pty Ltd		100% interest in ordinary share capital enabling control of majority voting rights	-	-	-	-
Eton Irrigation Scheme Pty Ltd		100% interest in ordinary share capital enabling control of majority voting rights	-	-	-	-
Theodore Water Pty Ltd		100% interest in ordinary share capital enabling control of majority voting rights	-	-	-	-

A5 CONTROLLED ENTITIES (continued)

Disclosures about wholly-owned Controlled Entities

In September 2016, the former Department of Energy and Water Supply participated, with the approval of the Treasurer, in the formation of LMA Support Services Pty Ltd (the company) and controls 100% of the share capital and voting rights in the company. The company's registered office is in Brisbane, Queensland and is not-for-profit in nature, being formed to provide a procurement and co-ordination function to support the Local Management Arrangement (LMA) project. The LMA project is to facilitate the future implementation of Local Management Arrangements for SunWater's eight channel irrigation schemes.

The company supports the irrigators and other irrigation scheme customers in the transfer of the Transition Schemes to Local Management Arrangements and supports the Investigation Schemes in preparing revised business cases for transferring the Investigation Schemes to Local Management Arrangements in the future. The company's constitution requires that the company receives and administers funding from the State to act as agent for, and to support the activities of, the Transition and Investigation Schemes.

The department is the sole contributor of resources to LMA Support Services Pty Ltd via grant funding. The company intends to complete their activities by June 2019 and it is likely that the company will be wound up upon finalisation of these activities. This is subject to the Government's decision on whether any of the Investigation Schemes are also ready to commence the transition to Local Management Arrangements, in which case LMA Support Services Pty Ltd may be engaged to support that process. Companies have been established, with the approval of the Treasurer, for the Transition Schemes which are 100% controlled by the department. There are no financial transactions for the current financial period for Fairbairn Irrigation Network Pty Ltd, Eton Irrigation System Pty Ltd and Theodore Water Pty Ltd as funding is administered on their behalf by LMA Support Services Pty Ltd.

The first transition scheme to take affect is Mallawa Irrigation Limited which assumes control as of 1 July 2018. Under the transfer agreement, ownership of all scheme assets and liabilities will transfer to the company and the department will relinquish control. The asset values were recognised using the Income Approach with an impairment loss of $5.497 million recognised. A $5.1 million separation payment was provided by the department to the company, refer Note B2-4.

As at 30 June 2018, Theodore Water Pty Ltd has voted to transition to local management with an expected date of 1 October 2018, the agreement for this company includes a $15.1 million separation payment from the department.

SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 APPROPRIATION REVENUE

Reconciliation of Payments from Consolidated Fund to Appropriated Revenue Recognised in Operating Result	2018 $'000	2017 $'000
Budgeted appropriation revenue	321,625	331,831
Transfers from/(to) other departments (Redistribution of public business)	43,942	..
Transfers from/(to) other headings – equity	1,793	..
Unforeseen expenditure*	16,652	..
Lapsed appropriated revenue	..	(13,151)
Total Appropriation Receipts (cash)	**384,012**	**318,680**
Less: Transfer of appropriation revenue receivable from other departments	(850)	..
Plus: Closing balance of appropriation revenue receivable	4,820	..
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	13,743	5,770
Plus: Transfer of deferred appropriation payable from other departments	11,087	..
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(21,226)	(13,743)
Net Appropriation Revenue	**391,586**	**310,707**
Plus: Net deferred appropriation payable to Consolidated Fund (expense)	16,406	13,743
Appropriation revenue recognised in Statement of Comprehensive Income	**407,992**	**324,450**

* Unforeseen expenditure is primarily a result of a re-phasing of the Affordable Energy Plan program of work.

Accounting Policy – Appropriation Revenue
Appropriations provided under the annual *Appropriation Act 2017* are recognised as revenue when received. Approval has been obtained from Queensland Treasury to recognise specific adjustments to departmental services revenue. Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations – refer to Note D2.

B1-2 USER CHARGES AND FEES

	2018 $'000	2017 $'000
Services rendered	21,950	21,336
Fees and permits	93,748	91,950
Other	5,455	5,717
Total	**121,153**	**119,004**

Accounting Policy – User Charges and Fees
The department recognises user charges and fees as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised or payment is received. Accrued revenue is recognised if the revenue has been earned but not yet invoiced – refer to Note C2.

B1 REVENUE (continued)

B1-3 GRANTS AND CONTRIBUTIONS

	2018 $'000	2017 $'000
Commonwealth grants	2,462	2,924
Funding from external bodies, state governments	2,624	1,018
Goods and services received at below fair value	3,208	1,914
Total	**8,294**	**5,856**

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

Accounting Policy – Goods and services received below fair value
Contributions of goods or services are recognised only if the goods or services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

B1-4 OTHER REVENUE

	2018 $'000	2017 $'000
QGIF claims recoveries	4,168	334
General recoveries	1,491	851
Other	1,633	980
Total	**7,292**	**2,164**

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2018 $'000	2017 $'000
Employee benefits		
Salaries and wages	204,920	188,716
Employer superannuation contributions	27,928	25,715
Annual leave levy	22,351	20,012
Long service leave levy	4,024	3,856
Other employee benefits	774	1,316
Employee related expenses		
Salary related taxes	606	735
Workers' compensation premium	353	457
Training and recruitment	2,345	1,848
Total	**263,301**	**242,655**

The number of employees as at 30 June 2018, including both full time and part time employees, measured on a full time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	2018	2017
Number of employees:	2,576	2,385

B2 EXPENSES (continued)

B2-1 EMPLOYEE EXPENSES (continued)

Accounting Policy – Employee Benefits
Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits. The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Accounting Policy – Salaries and wages
Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates – refer to Note C6. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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.

Accounting Policy – Annual leave and Long service leave
Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears – refer to Note C6.

Accounting Policy – Superannuation
Employer superannuation contributions are paid to QSuper's superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on 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*.

Key management personnel and remuneration disclosures are detailed in Note G1.

B2-2 SUPPLIES AND SERVICES

	2018	**2017**
	$'000	**$'000**
Accommodation costs*	39,025	30,317
Consultants and contractors	30,947	23,615
Information and communication technology costs	39,121	36,740
Legal fees	7,244	7,103
Materials and consumables	3,330	6,716
Motor vehicles	6,306	6,172
Printing, postage and freight	5,250	4,515
Service costs to other government agencies and shared service providers	4,918	4,156
Travel	7,812	6,652
Other	12,851	13,123
Total	**156,803**	**139,109**

*Includes operating leases - Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received when entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability over the lease term on a straight-line basis. This line item also includes expenses relating to property repairs and maintenance.

B2 EXPENSES (continued)

B2-3 GRANTS AND SUBSIDIES

	2018	2017
	$'000	$'000
Grants to industry and external bodies	44,625	31,150
Grants to households for affordable energy	35,455	..
Sponsorships and Scholarships	68	64
Total	**80,148**	**31,213**

B2-4 OTHER EXPENSES

	2018	2017
	$'000	$'000
Audit fees (1)	430	453
Insurance premiums - Queensland Government Insurance Fund (QGIF)	1,795	1,727
Special payments		
Out-of-court settlement	1,412	1,121
Ex-gratia payments	77	13
Compensation payments	302	..
Local Management Arrangements separation payment	5,118	..
Deferred appropriation payable to Consolidated Fund	16,406	13,743
Other	817	1,967
Total	**26,356**	**19,024**

(1) **External audit fees** - Total audit fees paid to the Queensland Audit Office relating to the 2017-18 financial statements are estimated to be $425,000 (2017: $380,000).

Accounting Policy – Insurance Premiums
The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis.

Accounting Policy – Special Payments
Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out details of all special payments. Special payments during 2017-18 include the following payments over $5,000:

- the department made five out-of-court settlements in relation to claims under s188 of the *Land Title Act 1994* in which an owner of freehold land is entitled to state compensation if they suffer loss due to the forgery of a Titles Registry form.
- the department made two ex-gratia payments in relation to legal costs unduly incurred by the other parties.
- the department was ordered to pay compensation for high court costs and agreement was reached to share the costs with the Commonwealth.
- the department was required to pay costs to multiple defendants for cases dismissed.

SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2018	2017
	$'000	**$'000**
Imprest accounts and cash on hand	11	14
Cash at bank	123,934	97,974
Total	**123,945**	**97,988**

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

C2 RECEIVABLES

	2018	2017
	$'000	**$'000**
Trade debtors	8,250	7,943
Accrued revenue	7,545	4,090
	15,795	**12,033**
Less: Allowance for impairment loss	(785)	(1,280)
	15,010	**10,753**
GST input tax receivable	2,541	1,828
Annual leave claim receivable	3,915	3,920
Long service leave receivable	1,469	1,584
Equity receivable from Consolidated Fund	1,736	1,767
Appropriation revenue receivable	4,820	1,566
Other receivables	483	374
Total	**29,974**	**21,792**

Accounting Policy – Receivables
Receivables are measured at amortised cost which approximates their fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase/contract price. Settlement of these amounts is required within ranged trading terms of 14 to 30 days from invoice date depending on the service provided. Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Other than receivables from government, settlement terms of these debtors are between 14 to 30 days net, with the exception of finance lease receivables in the Administered Items that range from 2 to 60 years – refer to Note D8.

Accounting Policy – Accrued Revenue
The department recognises accrued revenue for goods and services provided that have not been billed at the end of the period and can be reliably measured.

C2 RECEIVABLES (continued)

Disclosure - Credit Risk Exposure of Receivables
The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security and no credit enhancements relate to receivables held by the department. In terms of collectability, receivables will fall into one of the following three categories:

- within terms and expected to be fully collectible
- past due but not impaired
- past due and impaired

The collectability of receivables is assessed periodically with provision being made where receivables are impaired. Note C2-1 details the accounting policies for impairment of receivables, including the loss events giving rise to impairment and the movements in the provision for impairment.

All receivables within terms and expected to be fully collectible are considered of good credit quality based on recent collection history. Credit risk management strategies are detailed in note E2.

All known bad debts were written-off as at 30 June.

C2-1 IMPAIRMENT OF RECEIVABLES

		2018	2017
		$'000	$'000
Movements in the allowance of provision for impairment	**Notes**		
Balance at 1 July		1,280	1,132
Increase/(decrease) in allowance recognised in operating result		(495)	148
Balance at 30 June [(1)]	C2	**785**	**1,280**

[(1)] Includes bad debts written off of $0.337 million (2017: $0.028 million) and previous impaired amounts collected.

	Overdue				
2018 Ageing of Past Due but Not Impaired Receivables	**Less than 30 days**	**30-60 days**	**61-90 days**	**More than 90 days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	1,600	590	57	40	2,287
Total	**1,600**	**590**	**57**	**40**	**2,287**
2017 Ageing of Past Due but Not Impaired Receivables					
Receivables	1,722	115	17	219	2,073
Total	**1,722**	**115**	**17**	**219**	**2,073**

Accounting Policy – Impairment of Receivables
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 risk analysis.

If the department determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), 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.

Impairment loss expense for the current year regarding the department's receivables decreased by $0.495 million in 2018. In 2017 there was a $0.148 million increase.

C3 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION

C3-1 PROPERTY PLANT AND EQUIPMENT – BALANCES AND RECONCILIATIONS OF CARRYING AMOUNT

Property, Plant and Equipment Reconciliation 30 June 2018	**Land**	**Buildings**	**Heritage and Cultural Assets**	**Infrastructure**	**Plant and Equipment**	**Work in Progress**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Gross	41,523	101,880	9,283	126,049	59,372	5,431	343,537
Less: Accumulated depreciation	..	(44,559)	(6,886)	(82,180)	(40,080)	..	(173,705)
Less: Accumulated impairment losses	..	..	..	(39)	..	..	(39)
Carrying amount at 30 June 2018	**41,523**	**57,321**	**2,397**	**43,829**	**19,291**	**5,431**	**169,793**
Carrying amount at 1 July 2017	41,860	58,258	1,442	45,161	19,235	4,050	170,007
Acquisitions	3	337	..	17	2,048	8,888	11,293
Disposals	(113)	..	..	(2)	(25)	..	(140)
Assets reclassified as held for sale	(800)	..	..	..	..	..	(800)
Transfers between classes	..	2,418	1,018	1,659	2,412	(7,507)	..
Transfers in from other Queensland Government entities	110	..	..	..	..	..	110
Transfers in from other Queensland Government entities (machinery-of-Government change)	..	..	210	..	6	..	216
Net revaluation increments/(decrements) in operating result	463	..	..	..	..	..	463
Net revaluation increments/(decrements) in asset revaluation surplus	..	(665)	..	376	..	..	(289)
Depreciation	..	(3,027)	(273)	(3,382)	(4,385)	..	(11,067)
Carrying amount at 30 June 2018	**41,523**	**57,321**	**2,397**	**43,829**	**19,291**	**5,431**	**169,793**

C3 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION (continued)

C3-1 PROPERTY, PLANT AND EQUIPMENT – BALANCES AND RECONCILIATIONS OF CARRYING AMOUNT (continued)

Property, Plant and Equipment Reconciliation 30 June 2017	Land	Buildings	Heritage and Cultural Assets	Infrastructure	Plant and Equipment	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross	41,860	104,632	8,055	123,860	60,531	4,050	342,989
Less: Accumulated depreciation	..	(46,374)	(6,613)	(78,660)	(41,296)	..	(172,943)
Less: Accumulated impairment losses	..	..	..	(39)	..	..	(39)
Carrying amount at 30 June 2017	**41,860**	**58,258**	**1,442**	**45,161**	**19,235**	**4,050**	**170,007**
Carrying amount at 1 July 2016	41,008	55,397	1,692	38,712	20,248	5,625	162,682
Acquisitions	770	198	..	119	2,587	6,087	9,761
Disposals	(798)	..	..	(42)	(124)	..	(964)
Assets reclassified as held for sale	(96)	..	..	..	..	..	(96)
Transfers between classes	..	4,713	..	1,910	1,039	(7,662)	..
Transfers in from other Queensland Government entities	1,387	..	..	..	..	..	1,387
Transfers out to other Queensland Government entities	(301)	..	..	..	..	..	(301)
Net revaluation increments/(decrements) in operating result	(110)	..	..	394	..	..	284
Net revaluation increments/(decrements) in asset revaluation surplus	..	586	20	7,453	..	..	8,059
Impairment losses recognised in operating surplus/(deficit)	..	..	..	..	16	..	16
Depreciation	..	(2,636)	(269)	(3,385)	(4,531)	..	(10,821)
Carrying amount at 30 June 2017	**41,860**	**58,258**	**1,443**	**45,161**	**19,235**	**4,050**	**170,007**

C3 PROPERTY, PLANT, EQUIPMENT AND RELATED DEPRECIATION (continued)

C3-2 ACCOUNTING POLICIES

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

Asset Class	Threshold
Land	$1
Buildings	$10,000
Heritage and Cultural	$5,000
Infrastructure	$10,000
Plant and equipment	$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.

Acquisition of assets
Historical cost is used for the initial recording of all non-current physical asset acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-Government change 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 another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

All costs relating to items of property, plant and equipment constructed in-house are recorded as work in progress until completion of the project using all direct and indirect costs, where the latter are reliably attributable. Work in progress performed under external contracts is recorded using the invoice amount supplied by the contractor.

Depreciation of property, plant and equipment
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 any estimated residual value, progressively over its estimated useful life to the department.

Land assets and artwork are not depreciated as they have an unlimited useful life.

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

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.

The depreciable amount of an improvement to or on leasehold land is allocated progressively over the estimated useful life of the improvement or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

C3 PROPERTY, PLANT, EQUIPMENT AND RELATED DEPRECIATION (continued)
C3-2 ACCOUNTING POLICIES (continued)

Key Estimate: For each class of depreciable asset, the following useful life ranges are used:

Physical asset class	Useful life range
Buildings	4 – 80 years
Heritage and Cultural	29 – 40 years
Infrastructure	4 – 120 years
Plant and equipment	3 – 40 years

C3-3 MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is measured at historical cost in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's Non-Current Asset Policies (NCAP) for the Queensland Public Sector. The carrying amounts for such assets are not materially different from their fair value.

Land, buildings, heritage and cultural and infrastructure 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 (NCAP) for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at balance sheet date, less any subsequent accumulated depreciation and impairment loss where applicable.

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.

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by independent professional valuers 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 Corporate Operations Branch, who determines the specific revaluation practices and procedures. The department has an Audit Committee that reviews and endorses the revaluation methodologies based on advice from the Chief Finance Officer.

Use of Specific Appraisals
The department comprehensively values its land, building and infrastructure assets using a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every five years. The date of the last comprehensive valuation was 30 June 2018. If a particular asset class experiences significant and volatile changes in fair value it is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the previous revaluation.

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. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case a revaluation is warranted).

Use of Indices
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 would result in a valid estimation of the asset's fair value at reporting date. The State Valuation Service (SVS) supplies the indices and provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Such indices are either publicly available or are derived from market information available to SVS. Indices used are also tested for reasonableness by applying the indices to a sample of assets and comparing the results to similar assets that have been valued. At year end, management assess the relevance and suitability of indices provided by SVS based on the department's particular circumstances. For non-commercial water infrastructure assets held in administered, indices are supplied by departmental experts.

Accounting for Changes in Fair Value
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.

The majority of the department's building and infrastructure assets are revalued using a cost valuation approach (that is current replacement cost). Revaluations are recorded using the 'gross method' meaning accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after taking into account accumulated impairment losses.

C4 INTANGIBLE ASSETS

C4-1 INTANGIBLE ASSETS – BALANCES AND RECONCILIATIONS OF CARRYING AMOUNT

Intangible Assets Reconciliation 30 June 2018	**Internally Generated Software**	**Purchased Software**	**Software Work in Progress**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross	77,240	2,106	5,673	85,019
Less: accumulated amortisation	(45,185)	(1,698)	..	(46,884)
Total	**32,055**	**408**	**5,673**	**38,136**
Carrying amount at 1 July 2017	31,554	533	4,761	36,848
Acquisitions through internal development	..	..	6,969	6,969
Disposals	(260)	..	..	(260)
Transfers between classes	6,057	..	(6,057)	..
Amortisation	(5,296)	(125)	..	(5,421)
Carrying amount at 30 June 2018	**32,055**	**408**	**5,673**	**38,136**

Intangible Assets Reconciliation 30 June 2017	**Internally Generated Software**	**Purchased Software**	**Software Work in Progress**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross	76,777	2,106	4,761	83,644
Less: accumulated amortisation	(45,223)	(1,573)	..	(46,796)
Total	**31,554**	**533**	**4,761**	**36,848**
Carrying amount at 1 July 2016	30,516	578	6,190	37,284
Acquisitions through internal development	..	..	4,890	4,890
Transfers between classes	6,191	128	(6,319)	..
Amortisation	(5,153)	(173)	..	(5,326)
Carrying amount at 30 June 2017	**31,554**	**533**	**4,761**	**36,848**

C4-2 ACCOUNTING POLICIES

Recognition and measurement of Intangible Assets

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 are expensed in the year of acquisition. Each intangible asset, less any anticipated residual value is amortised over its estimated useful life to the department. The residual value is zero for all of 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.

Purchased software
The purchase cost of software is capitalised and is amortised on a straight-line basis over the period of expected benefit to the department.

C4 INTANGIBLE ASSETS (continued)

C4-2 ACCOUNTING POLICIES (continued)

Internally generated software
Expenditure on research activities related 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.

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

For each class of intangible asset, the following useful life ranges are used:

Intangible asset class	Useful life range
Purchased software	5 – 10 years
Internally generated software	2 – 21 years

Impairment
All 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 impairment loss.

C5 PAYABLES

	2018 $'000	2017 $'000
Current		
Trade creditors	13,733	13,151
Accrued expenses	12,500	7,896
Grants and subsidies payable	8,512	5,021
Deferred appropriation/equity payable to the Consolidated Fund	22,167	15,309
Other	150	357
Total	**57,062**	**41,735**

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

C6 ACCRUED EMPLOYEE BENEFITS

	2018	2017
	$'000	$'000
Salaries and wages outstanding	4,766	4,158
Annual leave levy payable	6,151	5,256
Long service leave levy payable	1,227	1,084
Other	7	5
Total	**12,151**	**10,502**

Accounting policy – Accrued employee benefits
No provision for annual leave or long service leave is recognised in the department's financial statements as the liability 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*.

C7 OTHER LIABILITIES

	2018	2017
	$'000	$'000
Current		
Unearned revenue	11,011	9,513
Deposits held for other agencies land purchases	19,318	19,318
Other	176	165
Total	**30,505**	**28,996**
Non-current		
Other	6,128	3,231
Total	**6,128**	**3,231**

Accounting policy – Unearned Revenue
The department recognises unearned revenue or revenue received in advance of the delivery of the supply of goods and/or services. Revenue is then recognised as the goods and/or service is provided.

Accounting policy – Deposits held for other agencies land purchases
The department purchases land on behalf of other state government agencies. This balance represents the unexpended advances received from the other agencies that is refundable to the other agencies if the purchase does not proceed. These amounts are derecognised when the purchase transaction has been completed.

C8 EQUITY

C8-1 APPROPRIATIONS RECOGNISED IN EQUITY

	2018	2017
	$'000	$'000
Reconciliation of payments from Consolidated Fund to Equity Adjustment		
Budgeted equity adjustment appropriation	3,135	(2,783)
Transfers from/to other headings - departmental services	(1,793)	..
Lapsed equity adjustment	..	(814)
Total equity adjustment receipts/(payments)	**1,342**	**(3,597)**
Less: Opening balance of equity adjustment receivable	(1,767)	..
Plus: Closing balance of equity adjustment receivable	795	1,767
Equity adjustment recognised in Contributed Equity	**370**	**(1,830)**

C8 EQUITY (continued)

C8-2 ASSET REVALUATION SURPLUS BY CLASS

	2018 $'000	2017 $'000
Buildings		
Balance at 1 July	22,371	21,785
Revaluation increments/(decrements)	(665)	586
Balance as at 30 June	**21,706**	**22,371**
Heritage and Cultural		
Balance at 1 July	263	243
Revaluation increments/(decrements)	..	20
Balance as at 30 June	**263**	**263**
Infrastructure		
Balance at 1 July	21,967	14,514
Revaluation increments/(decrements)	376	7,453
Balance as at 30 June	**22,343**	**21,967**
Total	**44,312**	**44,601**

Accounting Policy – Asset Revaluation Surplus by Class
The asset revaluation surplus represents the net effect of upward and downward revaluations of assets to fair value.

SECTION 4
WHAT WE LOOK AFTER ON BEHALF OF WHOLE-OF-GOVERNMENT AND THIRD PARTIES

D1 ADMINISTERED ITEMS

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is 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. All controlled accounting policies apply to administered items unless otherwise stated in this section.

Major administered revenues include fees from mineral and petroleum rentals, resource tenure applications, titles lodgement fees and revenue from state land. The principal resource administered by the department is state-owned land, which includes leasehold land, land under roads, unallocated state land and reserves.

Major administered expenses include Community Service Obligation (CSO) payments made on behalf of Government to energy retailers Energy Queensland and Origin and to water supply entities SunWater and SeqWater.

The most significant CSO payment relates to the Uniform Tariff Policy supporting regional Queensland.

The machinery-of-Government changes effective from 12 December 2017, transferred the administered responsibilities of the Department of Energy and Water Supply to the Department of Natural Resources, Mines and Energy.

The assets and liabilities transferred as a result of this change were as follows:

	$'000
Assets	
Cash	65,310
Receivables	39,544
Prepayments	299
Property, Plant and Equipment	126,245
	231,398
Liabilities	
Payables	103,962
Payables to Government	1,179
	105,141
Net Assets	126,257

The increase in net assets of $126.257 million has been accounted for as an increase in contributed equity as disclosed in the Administered Statement of Changes in Equity.

Budgeted appropriation revenue of $283.817 million was reallocated from the Department of Energy and Water Supply to the Department of Natural Resources, Mines and Energy as part of the machinery-of-Government changes.

D2 RECONCILIATION OF PAYMENTS FROM CONSOLIDATED FUND

	2018 $'000	2017 $'000
Reconciliation of payments from Consolidated Fund to Administered Appropriated Revenue Recognised in Operating Result		
Budgeted administered appropriation revenue	1,300	1,300
Transfers from/(to) other departments (Redistribution of public business)	277,832	..
Unforeseen expenditure*	37,918	..
Total Appropriation Receipts (cash)	**317,050**	**1,300**
Less: Balance of appropriation revenue receivable transferred from other departments (Redistribution of public business)	(31,690)	..
Plus: Closing balance of appropriation revenue receivable	3,405	..
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(1,291)	..
Administered appropriation revenue recognised in the Statement of Comprehensive Income	**287,474**	**1,300**

* Unforeseen expenditure is primarily attributable to the Community Service Obligations that were transferred in from former Department of Energy and Water Supply.

	2018 $'000	2017 $'000
Reconciliation of payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity		
Transfers from/(to) other departments (Redistribution of public business)	2,464	..
Total administered equity adjustment receipts/(payments)	**2,464**	**..**
Less: Balance of equity adjustment payable transferred from other departments (Redistribution of public business)	(994)	..
Equity adjustment recognised in Contributed Equity	**1,470**	**..**

D3 USER CHARGES AND FEES

	2018 $'000	2017 $'000
Land Title Act fees	327,033	320,044
Other fees and fines	31,669	35,336
Total	**358,702**	**355,381**

D4 PROPERTY AND OTHER TERRITORIAL REVENUE

	2018 $'000	2017 $'000
Property and territorial revenue	151,097	114,035
Riverine quarry material royalties	995	747
Total	**152,092**	**114,782**

Accounting Policy – Property and other territorial revenue
Property and territorial revenue includes land rent and mining and petroleum lease rent and permits. The department recognises the revenue when it has been earned and can be measured reliably with a sufficient degree of certainty. Unearned revenue is recognised if the revenue has been invoiced but not yet earned – refer to Note D12.

D5 OTHER REVENUE

	2018 $'000	2017 $'000
Impairment reversals on receivables	..	15,350
Interest	1,416	1,914
Other	971	677
Total	**2,387**	**17,941**

Accounting Policy – Impairment Reversals
A reversal of an allowance for impairment on receivables is recognised as income.

D6 GRANTS AND SUBSIDIES

	2018 $'000	2017 $'000
Community service obligations and grants for energy	261,502	..
Community service obligations for water	6,120	..
Drought relief from electricity charges rebate	5,091	..
Land grants to external bodies	1,805	7,373
Other grants	1,300	1,300
Total	**275,819**	**8,673**

Accounting Policy – Grants and subsidies
Grants and subsidies are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the department obtains control over the grant or subsidy (control is generally obtained at the time of receipt).

D7 OTHER EXPENSES

	2018 $'000	2017 $'000
Movement in fair value of financial instruments	121,709	..
Commissions	1,095	1,890
Impairment losses	335	649
Interest	48	1,304
Bad debt	562	2,127
Fee retentions	2,843	2,505
Court ordered	..	827
Infrastructure maintenance	654	..
Depreciation expense	1,704	156
Other	610	690
Total	**129,560**	**10,148**

Accounting Policy – Movement in fair value of financial instruments
For details of accounting policy relating to movement in fair value of financial instruments refer to Note D12.

D8 RECEIVABLES

	2018 $'000	2017 $'000
Current		
Trade debtors	950	744
Rent receivable	7,384	7,277
Operating leases (1)	10,704	10,707
Finance leases (2)	4,444	5,151
Interest receivable	409	518
	23,891	**24,396**
Less: Allowance for impairment of receivables (3)	(15,852)	(15,517)
	8,039	**8,879**
Prepayments to Consolidated Fund (4)	23,456	27,946
Appropriation receivable	3,405	..
Valuation fees receivable	21,850	21,147
Other	4,684	699
Total	**61,435**	**58,671**
Non-current		
Finance leases (2)		
One to five years	14,891	16,271
Greater than five years	10,715	12,964
Total	**25,606**	**29,235**

(1) The department issues operating leases, both term and perpetual, including permits and licences, as conditional contracts under the provision of the *Land Act 1994*. Rent is determined as a percentage of unimproved capital value, dependent on the purpose and category of the allocated asset. Revenue is recognised in the applicable accounting period and lease receipts are recognised as a reduction of the receivable.

(2) The department issues finance leases under the provisions of the *Land Act 1994* whereby the lessee elects to pay the purchase price over a number of years. At the inception of the lease, the assets are disposed and a receivable is raised for the present value of the minimum lease payments.

(3) The allowance for impairment of receivables includes $8.400 million (2017: $8.400 million) for operating leases and $6.746 million (2017: $6.377 million) for rent receivables.

(4) Represents remittances to the Consolidated Fund that relate to proposals and deposits on administered land sales before the transactions are legally finalised.

Various legislation on which some of these receivables are raised, contain hardship provisions enabling clients to apply for hardship relief in the payment of their debts. Collateral in the form of security over property is held for finance lease receivables. On full repayment of finance leases, the title for the relevant land is transferred to the purchaser.

D8 RECEIVABLES (continued)

D8-1 IMPAIRMENT OF RECEIVABLES

		2018	2017
		$'000	**$'000**
Movements in the allowance of provision for impairment	**Notes**		
Balance at 1 July		15,517	30,218
Increase/(decrease) in allowance recognised in operating result		335	(14,701)
Balance at 30 June [(1)]	D8	**15,852**	**15,517**

[(1)] Includes bad debts written off of $0.561 million (2017: $2.126 million) and previous impaired amounts collected.

	Overdue				
2018 Ageing of Past Due but not Impaired Receivables	**Less than 30 days**	**30-60 days**	**61-90 days**	**More than 90 days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	1,313	1,344	97	506	3,260
Total	**1,313**	**1,344**	**97**	**506**	**3,260**
2017 Ageing of Past Due but not Impaired Receivables					
Receivables	1,365	888	199	964	3,416
Total	**1,365**	**888**	**199**	**964**	**3,416**

D9 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION

D9-1 PROPERTY, PLANT AND EQUIPMENT-BALANCES AND RECONCILIATION OF CARRYING AMOUNT

Property, Plant and Equipment Reconciliation 30 June 2018	Land	Buildings	Infrastructure	Plant and Equipment	Total
	$'000	$'000	$'000		$'000
Gross amount at 1 July 2017	67,917,106	14,748	262,988	117	68,194,960
Less: Accumulated depreciation	..	(8,359)	(135,920)	(41)	(144,320)
Carrying amount at 30 June 2018	**67,917,106**	**6,390**	**127,068**	**76**	**68,050,640**
Carrying amount at 1 July 2017	65,988,808	6,448	122	..	65,995,378
Disposals	(51,398)	..	..	..	(51,398)
Assets reclassified as held for sale	(12,585)	..	..	..	(12,585)
Transfers in from other government departments (machinery-of-Government change)	422	65	125,676	82	126,245
Transfers in from external entities	296,215	..	..	..	296,215
Transfers out to external entities	(51,853)	..	..	..	(51,853)
Net revaluation increments/(decrements) in operating surplus/(deficit)	1,380,181	..	..	..	1,380,181
Net revaluation increments/(decrements) in asset revaluation surplus	367,316	110	2,735	..	370,161
Depreciation	..	(233)	(1,465)	(6)	(1,704)
Carrying amount at 30 June 2018	**67,917,106**	**6,390**	**127,068**	**76**	**68,050,640**

Property, Plant and Equipment Reconciliation 30 June 2017	Land	Buildings	Infrastructure	Plant and Equipment	Total
	$'000	$'000	$'000	$'000	$'000
Gross amount at 1 July 2016	65,988,808	14,393	144	..	66,003,345
Less: Accumulated depreciation	..	(7,945)	(22)	..	(7,967)
Carrying amount at 30 June 2017	**65,988,808**	**6,448**	**122**	**..**	**65,995,378**
Carrying amount at 1 July 2016	62,257,764	6,150	103	..	62,264,017
Disposals	(39,284)	..	..	..	(39,284)
Transfers in from external entities	361,875	..	..	..	361,875
Transfers out to external entities	(33,559)	..	..	..	(33,559)
Net revaluation increments/(decrements) in operating surplus/(deficit)	3,442,012	..	..	..	3,442,012
Net revaluation increments/(decrements) in asset revaluation surplus	..	452	22	..	474
Depreciation	..	(154)	(2)	..	(156)
Carrying amount at 30 June 2017	**65,988,808**	**6,448**	**122**	**..**	**65,995,378**

All administered land, buildings and infrastructure is valued at fair value in accordance with AASB 13 *Fair Value Measurement.*

D9 PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION (continued)

D9-1 PROPERTY, PLANT AND EQUIPMENT-BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)

Administered land comprises:	2018 $'000	2017 $'000
Land under roads	57,693,682	55,956,864
Reserves	7,728,462	7,508,968
Leasehold land	1,394,654	1,407,105
Unallocated state land	911,545	926,787
Other	188,763	189,084
Total	**67,917,106**	**65,988,808**

D9-2 MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Land, buildings and infrastructure are measured at fair value in accordance with AASB 13 *Fair Value Measurement* and Queensland Treasury's Non-Current Asset Policies (NCAP) for the Queensland Public Sector. The valuation methodology for material administered assets is as follows:

Land under roads
The department administers the *Land Act 1994* on behalf of the state and land under roads is considered an administered asset of the department. In Queensland, land under roads not subject to freehold or leasehold title or reserve tenure vests in the State of Queensland as per the *Land Act 1994*.

Land under roads subject to freehold or leasehold title or reserve tenure is recorded by the entity that holds the freehold or leasehold title or trusteeship of a reserve.

Transfers of land under roads from other agencies, such as the Department of Transport and Main Roads, are treated as a transaction with owners and are recorded in contributed equity. Transfers from and to other entities are treated as revenue and expenditure respectively, using fair value, at time of transfer.

The englobo valuation method is used by the department to value land under roads. This method inherently reflects the characteristics that would be taken into account by a potential buyer of land under roads that is made available for sale (after having the legislative restriction removed). Englobo valuation is inclusive of all potential land uses and reflects that if removal of the legislative restriction occurred, land under roads would revert back to its original un-subdivided state. This methodology is appropriate for all land under roads, regardless of its location or whatever type of road infrastructure (if any) is currently on it.

In terms of the AASB 13 fair value hierarchy (refer to note E1) the department categorises the land under roads valuation as being level 3. It will continue to be level 3 under the existing methodology. Sensitivity in the valuation is directly related to the value of land in each local government area.

Reserves and unallocated state land
Under the *Land Act 1994* the department administers reserved land used for community purposes and the balance of all Queensland land not otherwise categorised, known as unallocated state land. As there is no directly observable market for the valuation of these categories, the following method is used.

Reserved and unallocated state land has been valued according to how a potential buyer would price it assuming it is in a state in which it could be sold. Each parcel of land is valued using professional judgement based on direct comparison to recent property sales in the general location of the department's land. Particular consideration is given to those recent property sales where the land is of a similar topography, or in similar circumstances (e.g. limitations), to the department's land.

In terms of the AASB 13 fair value hierarchy (refer to note E1) the department categorises these valuations as being level 3. It will continue to be level 3 under the existing methodology. Sensitivity in the valuation relates to both the property sales values and the manner in which professional judgement is applied in determining the fair value of the department's land.

D9 PROPERTY, PLANT, EQUIPMENT AND RELATED DEPRECIATION (continued)

D9-2 MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT (continued)

Leasehold land

Leasehold land is land owned by the state and provided to lessees for varying terms or in perpetuity in return for regular payment. Leased land includes pastoral, residential, business, government, charitable, clubs and communication tenures. All leasehold land is valued and reported using the present value of the future income of the leases.

The department considers the present value method to represent the fair value of the land in accordance with the income approach provided by AASB 13 *Fair Value Measurement* and market participant buying assumptions.

Historically the leases to these properties are renewed for identical purposes. The department has therefore assumed, in the absence of factors suggesting a different use by market participants, that the current use is its highest and best use.

In terms of the AASB 13 fair value hierarchy (refer to note E1) the department categorises these valuations as being level 3. It will continue to be level 3 under the existing methodology. Sensitivity in the valuation of leasehold land is directly related to changes in the unimproved valuation of the land on which regulated lease payments are determined.

Non-commercial water infrastructure assets

The department administers a number of non-commercial water infrastructure assets and have recognised these assets under the Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are valued using the Current Replacement Cost (CRC) method and applying the Modern Engineering Equivalent Replacement Asset (MEERA) approach where the replacement cost of an asset is assessed on the basis of design and construction using modern technology.

In terms of the AASB 13 fair value hierarchy (refer to note E1) the department categorises these valuations as being level 3. It will continue to be level 3 under the existing methodology.

D10 PAYABLES

	2018 $'000	2017 $'000
Community service obligations payable	44,034	..
Transfer of administered item revenue to government payable	31,292	30,919
Deferred appropriation payable to the consolidated fund	1,291	..
Other	2,609	2,557
Total	**79,226**	**33,476**

D11 PROPOSALS AND DEPOSITS

Proposals and deposits are recognised upon receipt and represent funds paid by applicants in relation to prospective land dealings and are held by the department contingent upon the applicant progressing the dealing to finalisation. In the event dealings are not finalised, the department returns the defaulted monies to the original applicant.

D12 OTHER LIABILITIES

	2018	2017
Current Liabilities	**$'000**	**$'000**
Unearned revenue	17,645	16,810
Other	2,209	29
Total Current Liabilities	**19,854**	**16,839**
Non-Current Liabilities		
Commodity and electricity derivative instruments at fair value	121,709	..
Other	45	265
Total Non-Current Liabilities	**121,754**	**265**

Accounting Policy – Commodity and electricity derivative contracts at fair value
During the year the department was assigned the responsibility to administer the State's entitlement and obligations for commodity and electricity price hedge instruments related to renewable solar energy investment projects.

Embedded derivatives are not separated from the host commodity contracts and accounted for separately. These are hybrid contracts with bundled price hedge arrangements classified as financial instruments measured at fair value through the statement of comprehensive income – refer to Note E1 and E2.

Financial instruments are initially recognised at fair value on execution of the contracts and subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is classified as held for trading or is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments spanning both current and non-current periods are split into their current and non-current components prior to valuation. The fair value of these components is then classified as a current asset or liability when the maturity profile is less than 12 months, and classified as a non-current asset or liability when the maturity profile is greater than 12 months.

Change in fair value recognised in the statement of comprehensive income
Gains and losses from remeasuring the fair value of commodity and electricity derivatives that are not designated as hedging instruments are classified as "financial instruments at fair value" recognised in the statement of comprehensive income.

D13 ASSET REVALUATION SURPLUS BY CLASS

	2018	2017
	$'000	**$'000**
Land		
Balance at 1 July	..	..
Revaluation increments/(decrements)	367,316	..
Balance as at 30 June	**367,316**	..
Buildings		
Balance at 1 July	2,065	1,613
Revaluation increments/(decrements)	109	452
Balance as at 30 June	**2,174**	**2,065**
Infrastructure		
Balance at 1 July	40	18
Revaluation increments/(decrements)	2,735	22
Balance as at 30 June	**2,775**	**40**
Total	**372,264**	**2,104**

Accounting Policy – Asset Revaluation Surplus by Class
The asset revaluation surplus represents the net effect of upward and downward revaluations of assets to fair value.

D14 TRUST TRANSACTIONS AND BALANCES

The department holds in trust mining security deposits as required by the *Environment Protection Act 1994* to cover the rehabilitation liability should a mining leaseholder fail to undertake rehabilitation – refer to Note E3. 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.

	2018	2017
	$'000	$'000
Revenues	19,545	264,066
Expenses	178,749	103,223
Net surplus/(deficit)	**(159,204)**	**160,843**
Total current assets	45,417	204,622
Total current liabilities	34,594	5,968
Total non-current liabilities	10,823	198,654
Net assets	**..**	**..**

SECTION 5
NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

E1 FAIR VALUE MEASUREMENT

E1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

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 in relation to non-financial assets 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 in relation to non-financial assets include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics/functionality of the department assets, internal records of recent construction costs (and/or estimates of such costs) and assessments of physical condition and remaining useful life. In relation to financial liabilities, unobservable inputs include forward commodity and electricity prices, forecast generation and assumptions on the operation of the wholesale electricity and environmental markets. 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.

Fair Value Measurement Hierarchy
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.

All material property, plant and equipment assets and derivative financial liabilities held or administered by the department are categorised within level 3 of the fair value hierarchy. There were no transfers of assets/liabilities between fair value hierarchy levels during the period.

E1-2 BASIS FOR FAIR VALUE MEASUREMENT

PROPERTY, PLANT AND EQUIPMENT
The department comprehensively values its land, building and infrastructure assets using a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every five years. 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 (refer Note C3-3)

Land (South region)

Effective Date of Last Specific Appraisal:	30 June 2018 by SVS
Valuation Approach:	Market-based assessment
Inputs:	Publicly available data on sales of similar land in nearby localities in the twelve months prior to the date of the revaluation. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restrictions for each individual land parcel.
Subsequent Valuation Activity:	Updated annually applying indices provided by SVS and derived from the review of market transactions for each local government area.

E1 FAIR VALUE MEASUREMENT (continued)

E1-2 BASIS FOR FAIR VALUE MEASUREMENT (continued)

Buildings (South region)

Effective Date of Last Specific Appraisal:	30 June 2018 by SVS
Valuation Approach:	Current replacement cost (due to no active market for such facilities)
Inputs:	Internal records of the original cost are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, projected usage, and records of the current condition of the facility.
Subsequent Valuation Activity:	Updated annually applying indices provided by SVS and derived from building and construction industry improvement rates.

Heritage and Cultural – Abandoned Mines Sites

Effective Date of Last Specific Appraisal:	30 June 2017 by Gray Robinson & Cottrell Quantity Surveyors
Valuation Approach:	Current replacement cost (due to no active market for such facilities)
Inputs:	Site surveys and inspections used to verify documents and physical asset componentry to be valued. Given the nature of the complex assets being appraised, a combination of pricing methodologies and detailed estimates used in determining cost of replacing existing assets with a modern equivalent. The condition is assessed taking into account both physical characteristics as well as operational considerations such as functionality, capability/capacity, utilisation and technology obsolescence.
Subsequent Valuation Activity:	Updated annually applying indices provided by SVS and derived from building and construction industry improvement rates.

Heritage and Cultural Assets – Artwork

Effective Date of Last Specific Appraisal:	30 June 2015 by Artfully Valuers (specialist artwork asset valuers).
Valuation Approach:	Current replacement cost (due to no active market for the asset)
Inputs:	Fair value is determined by estimating the cost to reproduce the items with the features and materials of the original items, with substantial adjustments made to take into account the artworks characteristics.

Infrastructure (South region)

Effective Date of Last Specific Appraisal:	30 June 2018 by SVS
Valuation Approach:	Current replacement cost (due to no active market for such facilities)
Inputs:	Internal records of the original cost are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, projected usage, and records of the current condition of the facility.
Subsequent Valuation Activity:	Updated annually applying indices provided by SVS and derived from building and construction industry improvement rates.

E1 FAIR VALUE MEASUREMENT (continued)

E1-2 BASIS FOR FAIR VALUE MEASUREMENT (continued)

Infrastructure – Abandoned Mine Sites (Central region)

Effective Date of Last Specific Appraisal:	30 June 2017 by Gray Robinson & Cottrell Quantity Surveyors
Valuation Approach:	Current replacement cost (due to no active market for such facilities)
Inputs:	Site surveys and inspections used to verify documents and physical asset componentry to be valued. Given the nature of the complex assets being appraised, a combination of pricing methodologies and detailed estimates used in determining cost of replacing existing assets with a modern equivalent. The condition is assessed taking into account both physical characteristics as well as operational considerations such as functionality, capability/capacity, utilisation and technology obsolescence.
Subsequent Valuation Activity:	Updated annually applying indices provided by SVS and derived from building and construction industry improvement rates.

Infrastructure – Non-commercial Assets

Effective Date of Last Specific Appraisal:	1 June 2017 by GHD Australia Pty Ltd
Valuation Approach:	Current replacement cost (due to no active market for such assets)
Inputs:	The department's non-commercial water infrastructure assets were revalued by an independent revaluation conducted by qualified valuers GHD Australia Pty Ltd on a current replacement cost basis (as there is no active market for such assets) using the Modern Engineering Equivalent Asset (MEERA) approach. Significant judgement is also used to assess the remaining service potential of the assets, given local climatic and environmental conditions, projected usage, and records of the current condition of the assets.
Subsequent Valuation Activity:	Updated annually applying indices determined by the department's qualified personnel using the Road Construction and Maintenance Price Index.

FINANCIAL INSTRUMENTS

Structured commodity and derivative contracts are negotiated directly with counterparties with no observable market prices for component instruments.

The valuation technique used to estimate the fair value commodity and energy contracts takes into account all relevant variables including forecast commodity and electricity prices, physical generation plant variables, transmission losses, energy policy considerations, the risk free discount rate and related credit adjustments.

To the maximum extent possible, valuations are based on assumptions which are supported by independent or observable market data. Where valuation models are used, instruments are discounted at the market interest rate applicable to the instrument.

E1 FAIR VALUE MEASUREMENT (continued)

E1-3 LEVEL 3 FAIR VALUE MEASUREMENT – SIGNIFICANT VALUATION INPUTS AND IMPACTS

PROPERTY, PLANT AND EQUIPMENT

The following table outlines the significant unobservable valuation inputs and their potential impact on the valuation outcome for income producing Administered leasehold land measured at fair value and classified as Level 3 under the fair value hierarchy:

<table>
<tr><th rowspan="2">Description</th><th colspan="2">Fair value at</th><th rowspan="2">Possible alternative range for significant inputs</th><th colspan="2">Possible alternative range for significant inputs</th><th rowspan="2">Impact of alternative amounts for significant level 3 inputs</th></tr>
<tr><th>30 June 2018 $'000</th><th>30 June 2017 $'000</th><th>2018</th><th>2017</th></tr>
<tr><td rowspan="4">Leasehold Land</td><td rowspan="4">1,394,654</td><td rowspan="4">1,407,105</td><td rowspan="2">In relation to leasehold land the present value discount rate applied.</td><td rowspan="2">6.5%-10.5%</td><td rowspan="2">6.5%-10.5%</td><td>Increase in discount rate used would decrease the fair value.</td></tr>
<tr><td>Reduction in discount rate used would increase the fair value.</td></tr>
<tr><td rowspan="2">In relation to leasehold land adjustments to the rental rate applied depending on type of lease.</td><td rowspan="2">0.75%-7% of unimproved value of land</td><td rowspan="2">0.75%-7% of unimproved value of land</td><td>Increase in rental return rate would increase the fair value.</td></tr>
<tr><td>Reduction in rental return rate used would decrease the fair value.</td></tr>
</table>

FINANCIAL INSTRUMENTS

The following is a summary of the main inputs and assumptions used by the department in measuring the fair value of Level 3 financial instruments.

- *Forward commodity and electricity prices* includes both observable external market data and independently sourced forecast data. The derived forecast spot pool prices and renewable energy and related certificate prices are applied, as market prices are not observable for long term contracts.
- *Forecast generation volumes* for derivatives related to renewable generation are independently derived using market modelling assumptions over the life of the instrument.
- *Transmission loss factors* are based on observable external market data and internally derived assumptions.
- *Commonwealth and State schemes for renewable energy and greenhouse gas abatement* will affect future alternate tradeable environmental certificates and their value to the State in offsetting cash outflows under the financial instruments.
- *Discount rates* are based on observable market rates for risk free instruments of the appropriate term.
- *Credit adjustments* are applied depending on the asset/liability position of a financial instrument to reflect the risk of default by either the State or a specific counterparty.

The use of different methodologies and assumptions could lead to different measurements of fair value for Level 3 instruments.

E2 FINANCIAL RISK DISCLOSURES

E2-1 FINANCIAL INSTRUMENTS CATEGORIES

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

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

	Notes	2018	2017
Financial assets		**$'000**	**$'000**
Cash and cash equivalents	C1	123,945	97,988
Receivables at amortised cost	C2	29,974	21,792
Total		**153,919**	**119,780**
Financial liabilities			
Payables at amortised cost	C5	57,062	41,735
Total		**57,062**	**41,735**

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

	Notes	2018	2017
Financial assets		**$'000**	**$'000**
Cash and cash equivalents		65,304	4,310
Receivables at amortised cost			
Current	D8	61,435	58,671
Non-current	D8	25,606	29,235
Total		**152,345**	**92,216**
Financial liabilities			
Payables at amortised cost	D10	79,226	33,476
Commodity and electricity derivative instruments at fair value	D12	121,709	..
Total		**200,935**	**33,476**

E2 FINANCIAL RISK DISCLOSURES (continued)

E2-2 FINANCIAL RISK MANAGEMENT

(a) Risk Exposure

The department's activities expose it to a variety of financial risks – credit risk, liquidity risk, market risk and commodity price risk. Financial risk management is implemented pursuant to Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

The department is responsible for administering the State's obligations under certain commodity and derivative contracts related to renewable energy investment projects transacted to provide financial hedges to generators.

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	Definition	Measurement Method
Credit risk – receivables	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.	Ageing analysis, earnings at risk
Liquidity risk – payables	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.	Sensitivity analysis
Market risk – Administered finance leases (interest rate risk)	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.	Interest rate sensitivity analysis
Commodity price risk – commodity and electricity derivative contracts	The department is exposed to electricity price movements in the National Electricity Market and environmental certificate price movements that affect the fair value and cash flows of the financial instruments. The department entered into an agency arrangement in June 2018 to manage its entitlements and obligations under the commodity and derivative contracts for a maximum period of 18 months	Sensitivity analysis

(b) Credit Risk

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. The carrying amount of receivables 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.

(c) Liquidity Risk

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk (primarily through payables) 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 liquidity risk of non-derivative financial liabilities relate to controlled payables of $57.062 million (2017: $41.735 million) and administered payables of $79.226 million (2017: $33.476 million) due in less than one year.

E2 FINANCIAL RISK DISCLOSURES (continued)

E2-2 FINANCIAL RISK MANAGEMENT (continued)

The following table details the department's remaining contractual maturity for its derivative financial instrument liabilities. It is based on the undiscounted cash flows of financial liabilities at the earliest date on which the financial liabilities are required to be paid. It includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the balance sheet.

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
2018	**$'000**	**$'000**	**$'000**	**$'000**
Derivatives	..	37,576	113,131	150,707

(d) Market Risk Sensitivity Analysis – Commodity price risk
The following commentary and table summarises the sensitivity of the department's derivative financial instruments to commodity and electricity price risk. Analysis is performed using similar information to that which would be provided to management and reflects the impact on the department's financial position should certain price movements occur – refer disclosures in Note E1-1.

The sensitivity in the mark-to-market of the commodity and electricity derivatives is calculated as at balance date. The analysis assumes simultaneous and standardised upward and downward movements of commodity and electricity prices of 10%, which reflects the market sensitivity of contracts held by the department at balance date.

Market Risk	10% price increase		10% price decrease	
	Effect on Profit	Effect on Equity	Effect on Profit	Effect on Equity
2018	**$'000**	**$'000**	**$'000**	**$'000**
Commodity and electricity price risk	31,207	-	(31,780)	-

E3 CONTINGENCIES

Litigation in progress
As at 30 June the following claims against the department were filed in the courts or lodged with the department:

	2018 Number of cases	2017 Number of cases
Supreme Court	8	10
Federal Court	1	2
District Court	3	2
Magistrates Court	7	10
Industrial Court	4	7
Land Court	1	-
Total	**24**	**31**

At reporting date, it is not possible to estimate any probable outcome of these claims or any financial effect. The department has received notification of 6 (2017: 5) claims which are not yet subject to court action. These cases may or may not result in subsequent litigation.

Native title claims over departmental land
At 30 June 2018, there remained 65 (2017: 64) unresolved native title claims over lands (including offshore islands) either controlled or administered by the department. The claims cover an area of approximately 31% (2017: 33%) of the state. At reporting date it is not possible to make an estimate of any probable outcome of these claims, or of any financial effects.

E3 CONTINGENCIES (continued)

Guarantees and undertakings

During 2017-18, the department has been party to an indemnity capped procurement arrangement. The contract is with a supplier of information technology infrastructure, software and related maintenance with liability and indemnity caps of various levels up to $10 million over the life of the contract. The initial three year contract has been extended for a further two years in May 2018 and is due to expire in June 2020. The provision of this guarantee is in accordance with contractual procedure and the likelihood of the guarantee being called upon is highly improbable.

Collingwood Park State Guarantee

The department is responsible for the administration of the *Mineral Resources Act 1989*. This Act provides a State Guarantee to owners of affected land at Collingwood Park:

- To pay for any works necessary to stabilise the affected land if there is subsidence damage to the land;
- To repair any subsidence damage to the affected land if, in the Chief Executive's opinion, it is cost-effective for the State to repair the damage; or
- To purchase the land at market value if the land is affected by subsidence damage and, in the Chief Executive's opinion, it is not cost-effective for the State to repair the damage.

At the reporting date it is not possible to determine the extent or timing of any potential financial effect of this State Guarantee.

Financial Assurances for the rehabilitation of mine sites

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 2018, the department, on behalf of the State of Queensland, held bank guarantees totalling $6.411 billion (2017: $5.361 billion) and cash held in trust of $45.417 million (2017: $204.622 million) – refer to Note D14. Interest is recognised as a liability during the period the department has custody of the monies and paid out when the security deposit is returned. These assurances are likely to transition to Queensland Treasury – refer to Note E5.

Volumetric Lease Bank Guarantees

Under the *Land Act 1994,* lessees of volumetric leases are required to provide a security in the form of a bank guarantee to be retained by the department to ensure compliance. The security together with the lease agreement commits the lessee to perform specific reparation conditions. As at 30 June the department holds bank guarantees of $14.771 million (2017: $14.337 million).

Vegetation Management Bank Guarantees

Under the *Vegetation Management Act 1999* and *Sustainable Planning Act 2009* (*formerly Integrated Planning Act 1997*), development applicants may be required to provide financial security as a means of meeting a particular aspect of a vegetation management code. The security together with the agreement commits the developer to providing a vegetation offset within 12 months. As at 30 June, the department holds bank guarantees of $0.750 million (2017: $0.750 million).

Under the *Regional Planning Interests Act 2014* bank guarantees are retained by the department to ensure compliance with specific requirements relating to protection decisions and compliance certificates for resource activities in strategic cropping areas. As at 30 June, the department holds bank guarantees of $2.359 million (2017: $2.369 million).

Contingent Assets

The department and Sunwater share an 8.827 hectare site at Rocklea. Various agreements have been entered into with Sunwater since 2001 regarding the future use and disposal of surplus land. A Deed of Variation to these agreements in 2009 established that, upon subdivision and sale of surplus land a freehold portion is to be transferred to the department at no cost; and proceeds arising from the sale of the surplus land are to go to Sunwater. The sale of surplus land is subject to various approvals from Brisbane City Council, leading to uncertainty about the timing of the sale and therefore the time at which the department would receive freehold title. For these reasons, it is not possible to provide a reliable estimate of the value of the land at balance date.

E4 COMMITMENTS

	2018	2017
	$'000	$'000
Non-Cancellable Operating Lease Commitments		
Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:		
Not later than one year	22,055	19,928
Later than one year and not later than five years	75,971	49,222
Later than five years	131,668	106,678
Total	**229,694**	**175,828**

E5 EVENTS AFTER THE BALANCE DATE

The Mineral and Energy Resources (Financial Provisioning) Bill is expected to be heard in Parliament by September 2018. The Bill will establish a financial provisioning scheme to deal with the environmental impacts of resources activities via a scheme fund. The Financial Assurance Information Registry (FAIR) will be the new central registry for the scheme administrator. As a result of the bill the department will transfer cash and liability balances held, as well as bank guarantees held, to Queensland Treasury. If the legislation is passes, it is expected that the new scheme will take effect from 1 November 2018. The final balance of cash and guarantees transferred will be dependent on the balances at the effective date of the scheme.

E6 FUTURE IMPACT 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 effective dates are set out below:

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards will first apply to the department from its financial statements for 2019-20.

The department has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts.

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

These standards will first apply to the department from its financial statements for 2018-19 with a 1 July 2018 date of transition. 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 reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact of AASB 9 on the categorisation and valuation of the amounts reported in Note E2-1:

- There will be no change to either the classification or valuation of the cash and cash equivalent item.

- Trade receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The department will be adopting the simplified approach under AASB 9 and measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision. The department has not yet quantified the change in value of the impairment provision.

E6 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE (continued)

- The amount of impairment for trade receivables owing from other government agencies is insignificant and immaterial due to the low credit risk (high quality credit rating) for the State of Queensland. No additional impairment provision will be raised for these amounts on transition.

- The non-derivative financial liabilities listed in Note E2-1 will continue to be measured at amortised cost. The department does not expect a material change in the reported value of these financial liabilities.

- The derivative financial liabilities listed in Note E2-1 will continue to be measured at fair value through profit and loss. No change in classification, measurement or accounting is expected on transition to AASB9 from 1 July 2018.

These changed amounts will form the opening balance of those items on the date AASB 9 is adopted. However, the department will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. 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.

AASB 16 Leases
This standard will first apply to the department from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

Impact for Lessees
Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a ‘cumulative approach’ rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury’s policy, the department will apply the ‘cumulative approach’, and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

The department has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required. The exact impact will not be known until the year of transition. However, assuming the department’s current operating lease commitments (see Note E4) were recognised ‘on-balance sheet’ at transition, the expected increase in lease liabilities (with a corresponding right-of-use asset) is estimated to be $229.694 million. The reclassification between supplies and services and depreciation/interest has not yet been estimated.

Impact for Lessors
Lessor accounting under AASB 16 remains largely unchanged from AASB 117. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

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

SECTION 6
NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

F1 BUDGETARY REPORTING DISCLOSURES

This section discloses the department's adjusted budgeted figures for 2017-18 compared to actual results, with explanations of major variances, in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. Adjusted budget has been used instead of original budget as the Department was affected by a machinery-of-Government Change during the year (refer Note A4).

The exception to this is where there is a classification difference of line items between the actual financial statements and the budgeted financial statements (as published in the 2017-18 department's SDS), the department has reclassified the budget figures accordingly.

F1-1 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF COMPREHENSIVE INCOME

Appropriation revenue:	The variance is due to the timing of appropriation associated with Government funding decisions subsequent to the original budget. This includes the Affordable Energy Plan ($36.1 million) and the Coal Mine Workers Health Scheme ($6.5 million).
Grants and other contributions:	The variance is primarily a result of unbudgeted goods and services received below fair value for archiving services which has matched expenditure.
Other revenue:	The variance is primarily a result of unplanned Queensland Government Insurance Fund claims associated with property repairs after Cyclone Debbie. This revenue is offset by corresponding expenditure.
Grants and subsidies:	The variance is a result of timing associated with payments under the Affordable Energy Plan. Refer to appropriation revenue variance note.
Other expenses:	The variance is due to $16.4 million of deferred appropriation payable to the Consolidated Fund for various limited life funded programs including $7.9 million for Australian Government initiatives as a result of the timing of milestone payments.

F1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents:	The variance is materially explained in the variances outlined in the Explanations of Major Variances for the Statement of Cash Flows.
Current receivables:	The variance primarily relates to revenue accrued for from the Queensland Government Insurance Fund associated with property repair claims following Cyclone Debbie and the timing of receivables as a result of machinery-of-Government changes.
Property, plant and equipment:	The variance is largely due to the timing of plant and equipment purchases and capital works projects.
Payables:	Payables are higher than the budget due to deferred appropriation payable to the Consolidated Fund for various limited life funded programs (Refer to Note B2-4).
Accrued employee benefits:	The variance relates to the timing of payments for accrued employee benefits for salaries and wages on-costs at the end of the financial year.
Other current liabilities:	The variance primarily relates to deposits held for the Department of Education for the purchase of land for future state school sites.
Other non-current liabilities:	The variance is due to the recognition of a non-current lease payable in relation to the department's leased accommodation commitments.

F1 BUDGETARY REPORTING DISCLOSURES (continued)

F1-3 BUDGET TO ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

Grants and other contributions:	The variance is primarily a result of unbudgeted goods and services received below fair value for archiving services which has matched expenditure.
Other operating inflows:	The variance is primarily a result of unbudgeted Queensland Government Insurance Fund claims.
Grants and subsidies:	The variance is primarily a result of the timing of grant expenditure associated with the Affordable Energy Plan.
Other operating outflows:	The variance primarily relates to unplanned ex-gratia payments.
Payments for Local Management Arrangements separation payments:	The variance is a result of a Government funding decision subsequent to the original budget for the Local Management Arrangements.
Non-appropriated equity injections:	The variance relates to the timing of works for the Financial Assurance Reform Framework program.
Equity withdrawals:	The variance is due to the timing of capital expenditure associated with disclaimed mine sites.

F1-4 EXPLANATION OF MAJOR VARIANCES – ADMINISTERED STATEMENT OF COMPREHENSIVE INCOME

Other revenue:	The variance relates to lower than anticipated interest revenue.
Revaluation increment:	Due to the nature of revaluations there is no reliable trend on which to develop a budget for these amounts. The movement primarily relates to fluctuations in the value of land under roads.
Land transfers inwards:	Land transfers inwards is from non-Queensland Government entities for public use at no charge in accordance with certain planning and legislative requirements. A budget of $225.185 million had been established based on historical data however these amounts tend to fluctuate due to the unpredictability of the activity.
Land transfers outwards:	Land transferred outwards is for land no longer required following the closure of a road that is transferred to non-Queensland Government entities in accordance with certain planning and legislative requirements. Due to the nature of these transfers there is no program of works to accurately base budget estimates on. The budget of $45 million had been established based on historical data. The amount fluctuates due to the unpredictability of the activity.
Other expenses:	The variance primarily relates to the movement in fair value of commodity and electricity derivatives that are classified as financial instruments at fair value.

F1 BUDGETARY REPORTING DISCLOSURES (continued)

F1-5 BUDGET TO ACTUAL COMPARISON – ADMINISTERED STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents:	The variance is primarily a result of the timing of receivables and payables as a result of the machinery-of-Government changes.
Current receivables:	The variance mainly relates to an unbudgeted prepayment to the Consolidated Fund for proposals and deposits relating to funds held by the State from external parties for prospective land dealings and the timing of receivables associated with the machinery-of-Government changes as at 12 December 2017.
Land held for sale:	The actual amounts fluctuates depending on the amount of land held for sale. Land assets are identified as surplus to requirements as directed by the Queensland Government after an assessment to determine the most efficient use of the land has occurred.
Non-current receivables:	The variance primarily relates to fluctuations in non-current finance leases.
Payables:	The variance primarily relates to the timing of Community Service Obligation payables.
Proposals and deposits:	The variance relates to the unpredictable nature of deposits received for land dealings and is driven by conversion to freehold applications.
Other current liabilities:	The variance primarily relates to the timing of revenue recognised for mining rents.
Other non-current liabilities:	The variance primarily relates to the State’s entitlement and obligations in relation to commodity and electricity price hedge instruments related to renewable solar energy investment projects.

SECTION 7
OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of Key Management Personnel

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in AASB 124 *Related Party Disclosures*. That Minister was the Minister for State Development and Minister for Natural Resources and Mines until 12 December 2017, after which the department's minister is the Minister for Natural Resources, Mines and Energy.

The following details for non-Ministerial key management personnel reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2017-18 and 2016-17. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	**Position Responsibility**
Director-General	The Director-General is responsible for the efficient, effective and economic administration of the department.
Deputy Director-General, Policy	The Deputy Director-General, Policy provides strategic leadership and direction on policy matters regarding land, water, mineral and energy resources and native title.
Deputy Director-General, Natural Resources	The Deputy Director-General, Natural Resources provides strategic leadership and direction in delivering the department's natural resource functions and services.
Deputy Director-General, Minerals and Energy Resources	The Deputy Director-General, Minerals and Energy Resources provides strategic leadership and direction to the department's minerals and energy resource functions and services.
Deputy Director-General, Energy(1)	The Deputy Director-General, Energy provides strategic leadership and direction to the department's energy functions and responsibilities
Deputy Director-General, Water Markets and Supply(1)	The Deputy Director-General, Water Markets and Supply provides strategic leadership and direction to the department's water markets and supply functions and responsibilities
Deputy Director-General, Business and Corporate Partnerships	The Deputy Director-General, Business and Corporate Partnerships provides strategic leadership and direction of the department's corporate and business support functions.
Executive Director, Resources Safety and Health (2)	The Executive Director, Resources, Safety and Health provides strategic leadership and direction to the department's resources, safety and health services.
Executive Director Communications	The Executive Director Communications provides strategic leadership and direction of the department's communication functions.
Executive Director, Office of the Director-General (3)	The Executive Director, Office of the Director-General provides corporate governance advice and support.
Chief Finance Officer and Executive Director, Finance and Corporate Operations	The Chief Finance Officer and Executive Director, Finance and Corporate Operations is responsible for the efficient, effective and economic financial administration of the department.

(1) These positions form part of the KMP of the department for the first time this year following the machinery-of-Government change effective from 12 December 2017 – refer note A4.
(2) This position forms part of the KMP of the department for the first time this year following an internal departmental restructure.
(3) The title of this position has changed to Executive Director, Office of the Director-General. The 2016-17 comparatives table reports this as Corporate Counsel, Office of the Director-General.

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2017-18, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual 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 expenses 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 occupied a key management personnel position;
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Remuneration Expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

2017-18 Position	Short Term Employee Expenses		Long Term Employee	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Director-General	407	10	8	25	..	450
Deputy Director-General, Policy	259	10	5	28	..	302
Deputy Director-General, Natural Resources	251	10	5	28	..	294
Deputy Director-General, Mineral and Energy Resources	246	10	5	28	..	289
Deputy Director-General, Energy(1)	126	6	3	13	..	148
Deputy Director-General, Water Markets and Supply(1)	104	6	2	11	..	123
Deputy Director-General, Business and Corporate Partnerships	232	10	5	20	..	267
Executive Director, Resources Safety and Health	240	10	5	27	..	282
Executive Director, Communications	179	10	4	19	..	212
Executive Director, Office of the Director-General	188	10	4	21	..	223
Chief Finance Officer and Executive Director, Finance and Corporate Operations	196	10	4	21	..	231

(1) The values reflect the period from 13 December 2017 to 30 June 2018 as these positions were only part of the departments KMP following the machinery-of-Government change effective from 12 December 2017. The amount for the year up to 12 December 2017 was disclosed in the final financial statements of the abolished Department of Energy and Water Supply. No comparatives for these positions have been included in the 2016-17 table below.

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Remuneration Expenses (continued)

2016-17 Position	Short Term Employee Expenses		Long Term Employee	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Director-General	358	..	8	35	..	401
Deputy Director-General, Policy	147	..	3	15	..	165
Deputy Director-General, Natural Resources	247	..	5	27	..	279
Deputy Director-General, Minerals and Energy Resources	237	..	5	27	..	269
Deputy Director-General, Business and Corporate Partnerships	238	..	5	20	..	263
Executive Director, Communications	96	..	2	10	..	108
Corporate Counsel, Office of the Director-General	73	..	1	10	..	84
Chief Finance Officer and Executive Director, Finance and Corporate Operations	163	..	3	19	..	185
Acting Chief Finance Officer and Executive Director, Finance and Corporate Operations	57	..	1	5	..	63

Performance Payments

No key management personnel remuneration packages provide for performance or bonus payments.

G2 RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP
During the 2017-18 financial year there were no transactions with people/entities related to or by KMP.

Transactions with other Queensland Government-controlled entities
The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (Note C8-1), both of which are provided in cash via Queensland Treasury.

As outlined in Note A3, the department participates in a corporate partnership arrangement with other Government agencies, where it is a 'host' and a 'recipient' of a number of strategic and operational corporate services.

The department also transacts with various Queensland Government agencies on a fee for service basis including:

- Department of Agriculture and Fisheries for information and communication technology services.
- Department of Justice and Attorney-General (Crown Law) for legal services/advice.
- Department of Housing and Public Works for accommodation services, building and asset services, vehicle services (Q-Fleet) and operational services (Queensland Shared Services) such as payroll management, accounts receivable, debt management, taxation and telecommunications.

G3 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 2017-18.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for the 2017-18.

Accounting Standards Applied for the First Time

There was no impact to the department from accounting standards applied for the first time in 2017-18.

G4 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. GST credits receivable from, and GST payable to the ATO are recognised – refer to Note C2.

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 s.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 financial 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 Natural Resources, Mines and Energy for the financial year ended 30 June 2018 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.

KATRINA PLATT, CPA	**JAMES PURTILL**
Chief Finance Officer	**Director-General**
30 August 2018	30 August 2018

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INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Natural Resources, Mines and Energy

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Department of Natural Resources, Mines and Energy.

In my opinion, the financial report:

a) gives a true and fair view of the department's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statements of financial position and statements of assets and liabilities by major departmental service as at 30 June 2018, the statements of comprehensive income, statements of changes in equity, statement of cash flows and statements of comprehensive income by major departmental service for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Valuation of administered property, plant and equipment

Refer to note D9-1 and D9-2 in the financial statements.

Land under roads $57.694 billion

Key audit matter	How my audit addressed the key audit matter
Management has estimated the fair value of the department's Land under roads (LUR) to be $57,693,681,560 as at 30 June 2018. The fair value measurement is based on a market approach (englobo valuation) to arrive at fair value. The market approach references the observable statutory values for freehold and leasehold land in each local government area, dividing that aggregate statutory value by the corresponding land area and applying the average rate to the total area of LUR. Significant judgement was required in relation to: • The englobo valuation methodology • The valuation of freehold and leasehold land in each local government area • The calculation to apply the land value to LUR.	My procedures included, but were not limited to: • Assessing and obtaining an understanding of the englobo valuation methodology. • Assessing the competence, capability and objectivity of the valuers engaged by management. • Testing management's controls over the Automated Title System (ATS) and Queensland Valuation and Sales (QVAS) database. • Checking, on a sample basis, the accuracy and relevance of input data used for the opening balances of LUR, both area and rate, including reconciling input data to supporting evidence such as the land area report from the Digital Cadastral Database at a local government and total state level. • Verifying a sample of material LUR movements to supporting information in ATS LUR movements including obtaining confirmation from Department of Transport and Main Roads to evidence equity transfers. • Verifying the mathematical accuracy of the LUR calculation.

Reserves and unallocated state land $8.640 billion

Key audit matter	How my audit addressed the key audit matter

Management has estimated the fair value of the department's Reserves and unallocated state land to be $8,640,007,000 as at 30 June 2018. Each parcel of reserved land and unallocated state land is valued using a direct comparison approach (i.e. a market valuation approach).
The valuations are dependent on certain key assumptions that require significant management judgement including the following in respect of:
• Unit of account: each parcel of reserved land and unallocated state land identified regardless of location.
• Valuation technique: the fair value categorisation used
    • recent property sales in the general location of the land
    • extrapolation and professional judgement in determining fair value for each parcel of land taking into consideration any restriction on use that may exist.
	My procedures included, but were not limited to:
	• Obtaining an understanding of the methodology used and ensuring consistent application thereof.
	• Assessing the competence, capability and objectivity of the valuers engaged by management.
	• Testing management's controls over the Land Asset Management System (LAMS).
	• Tracing valuations from QVAS to the values held in LAMS.
	• Checking, on a sample basis, the accuracy and relevance of the input data used, including reconciling input data to supporting evidence such as reports provided by the valuers.
	• Comparing values to the valuation movements of rateable properties with similar characteristics and which were valued as part of the annual statutory valuation program.

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Leasehold land $1.395 billion

Key audit matter	How my audit addressed the key audit matter
Management has estimated the fair value of the department's Leasehold land to be $1,394,654,000 as at 30 June 2018. The valuation is an income approach with fair value measurement based on an estimation of future cash flows discounted to a present value. The underlying basis of rental calculation for leasehold land is the unimproved value of land that is similar in area, location, topography and use and determined from the Queensland property market. The valuations are dependent on certain key assumptions that require significant management judgement including the following in respect of: • Unit of account: each individual parcel of land identified regardless of location. • Highest and best use: leases are renewed for identical purposes and current use reflects its highest and best use. • Annual payment rental rates: dependant on type and circumstance of lease (specific or % of unimproved values). • Valuation technique: the fair value categorisation. • Unimproved value (UV) for a specific parcel of land. • Lease term and residual percentage. • Discount rate reflecting a market-based cost of capital applicable to the land category.	My procedures included, but were not limited to: • Obtaining an understanding of the discounted cash flow model, and assessing its design, integrity and appropriateness with reference to common industry practices. • Assessing the competence, capability and objectivity of the valuers engaged by management. • Checking, on a sample basis, the accuracy and relevance of the input data used (annual payment rates, UV), including reconciling input data to supporting evidence such as approved regulated rates (Land Act 1994) and valuation QVAS database maintained by the State Valuation Service. • Evaluating whether the discount rate applied was within a reasonable range, with reference to market data and industry research. • Challenging the reasonableness of key assumptions based on our knowledge of the entity and industry. • Verifying the mathematical accuracy of the net present value calculations.

Classification and valuation of administered commodity and electricity derivative financial instruments at fair value $0.121 billion

Refer to note D12 in the financial statements

Key audit matter	How my audit addressed the key audit matter
Management has estimated the fair value of the department's commodity and electricity derivative financial instruments to be $121,709,000 as at 30 June 2018. The derivative financial instruments are valued using complex models, with the following key inputs involving significant judgement due to an absence of observable market data: • Forecast commodity and electricity prices • Physical generation variables • Market loss factors • Energy policy considerations.	My procedures included, but were not limited to: • Obtaining an understanding of the valuation models, and assessing their design, integrity and appropriateness with reference to common industry practices. • Challenging management assumptions used in the valuation and assessing the reasonableness of the key inputs by comparison to independently sourced external market data, market conditions at year end, and the energy policy environment. • Assessing the competence, capability and objectivity of the external experts management used in estimating forecast commodity and electricity prices, and physical generation variables.

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Key audit matter	How my audit addressed the key audit matter
	• For a sample of derivatives, testing the reasonableness of the valuation calculations by agreeing key terms to supporting documents (including contracts) and recalculating the fair values for comparison to those calculated by management based on our understanding of generally accepted derivative valuation practices • Evaluating the appropriateness of disclosures.

Responsibilities of the department 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.

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- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

a) I received all the information and explanations I required.

b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Damon Olive
as delegate of the Auditor-General

31 August 2018
Queensland Audit Office
Brisbane

APPENDIX 1: LEGISLATION ADMINISTERED BY DNRME

Aboriginal and Torres Strait Islander Land Holding Act 2013

Aboriginal Land Act 1991 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships; and the Attorney-General and Minister for Justice)

Acquisition of Land Act 1967

Alcan Queensland Pty. Limited Agreement Act 1965 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (Sch)

Allan and Stark Burnett Lane Subway Authorisation Act 1926

Building Units and Group Titles Act 1980 (except to the extent administered by the Attorney-General and Minister for Justice; sections 5, 5A, 119, 133 and 134 jointly administered with the Attorney-General and Minister for Justice)

Cape York Peninsula Heritage Act 2007 (except to the extent administered by the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts)

Central Queensland Coal Associates Agreement (Amendment) Act 1986 (to the extent that it is relevant to mining or resource management matters)

Central Queensland Coal Associates Agreement Act 1968 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships); (Sch pt III) (Sch 1 pt III – to the extent that it is relevant to mining or resource management matters)

Central Queensland Coal Associates Agreement Amendment Act 1989 (to the extent that it is relevant to mining or resource management matters)

Central Queensland Coal Associates Agreement and Queensland Coal Trust Act 1984 (to the extent that it is relevant to mining or resource management matters)

Century Zinc Project Act 1997 (sections 9 and 10)

Coal Mining Safety and Health Act 1999

Commonwealth Aluminium Corporation Pty. Limited Agreement Act 1957 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Electricity Act 1994

Electricity-National Scheme (Queensland) Act 1997

Electronic Conveyancing National Law (Queensland) Act 2013

Energy and Water Ombudsman Act 2006

Explosives Act 1999

Foreign Governments (Titles to Land) Act 1948

Foreign Ownership of Land Register Act 1988

Fossicking Act 1994 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Gas Supply Act 2003

Geothermal Energy Act 2010 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Gladstone Power Station Agreement Act 1993

Greenhouse Gas Storage Act 2009

Ipswich Trades Hall Act 1986

Lake Eyre Basin Agreement Act 2001 (except to the extent administered by the Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef)

Land Access Ombudsman Act 2017

Land Act 1994 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships; and the Minister for Transport and Main Roads to the extent it is relevant to the Pentland Biofuels Project of Renewable Developments Australia Pty Ltd in the plan area of the Water Resource (Burdekin Basin) Plan 2007)

Land Title Act 1994

Land Valuation Act 2010

Liquid Fuel Supply Act 1984

Mineral and Energy Resources (Common Provisions) Act 2014

Mineral Resources Act 1989 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Mining and Quarrying Safety and Health Act 1999

Mount Isa Mines Limited Agreement Act 1985 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

National Energy Retail Law (Queensland) Act 2014

National Gas (Queensland) Act 2008

Native Title (Queensland) Act 1993

New South Wales Queensland Border Rivers Act 1946

Nuclear Facilities Prohibition Act 2007

Offshore Minerals Act 1998 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Petroleum (Submerged Lands) Act 1982 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Petroleum Act 1923 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Petroleum and Gas (Production and Safety) Act 2004 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Place Names Act 1994

Queensland Nickel Agreement Act 1970 (Sch pts II-III (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships), VI and VII) (to the extent that it is relevant to mining or resource management matters)

Queensland Nickel Agreement Act 1988 (to the extent that it is relevant to mining or resource management matters)

Registration of Plans (H.S.P. (Nominees) Pty. Limited) Enabling Act 1980

Registration of Plans (Stage 2) (H.S.P. (Nominees) Pty. Limited) Enabling Act 1984

River Improvement Trust Act 1940

Soil Conservation Act 1986

Soil Survey Act 1929

South East Queensland Water (Restructuring) Act 2007 (in so far as the Minister is a jointly Responsible Minister for the purpose of Chapter 2 of this Act)

South-East Queensland Water (Distribution and Retail Restructuring) Act 2009

Starcke Pastoral Holdings Acquisition Act 1994

Stock Route Management Act 2002

Survey and Mapping Infrastructure Act 2003

Surveyors Act 2003

Thiess Peabody Coal Pty. Ltd. Agreement Act 1962 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)

Thiess Peabody Mitsui Coal Pty. Ltd. Agreements Act 1965 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships; and the Minister for Transport and Main Roads)

Torres Strait Islander Land Act 1991 (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships; and the Attorney-General and Minister for Justice)

Valuers Registration Act 1992

Vegetation Management Act 1999

Water (Commonwealth Powers) Act 2008

Water Act 2000 (except to the extent administered jointly with the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts) Minister for Transport and Main Roads to the extent it is relevant to the Water Resource (Burdekin Basin) Plan 2007. Chapter 1A, Chapter 2A, Chapter 4 (to the extent that it is relevant to Category 1 Water Authorities), Chapter 9 Part 2 and, to the extent relevant to all these parts, Chapters 5, 6 and 7) Chapter 8, s. 999 and Part 4A Chapter 8, Part 5 (jointly administered with the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts)

Water Efficiency Labelling and Standards (Queensland) Act 2005

Water Supply (Safety and Reliability) Act 2008

Yeppoon Hospital Site Acquisition Act 2006

APPENDIX 2: PERFORMANCE STATEMENT

Natural Resource Management services

The objective of this service area is the sustainable management of Queensland's land and water resources, and the provision of accurate, timely knowledge of the department's property and spatial information resources.

This service area administers land, the vegetation management framework and water (including issuing licences, permits, leases and other dealings), and resolves native title claims, allocates unallocated state land and water, manages unallocated state land, promotes water trading through market mechanisms, administers the Titles Registry, issues land valuations and maintains Queensland's spatial data.

This service area includes two material services:

- sustainable management of Queensland's land and water resources services
- accurate, timely knowledge of property and spatial information resources services.

DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY	NOTES	2017–18 TARGET/ ESTIMATE	2017–18 ACTUAL
SERVICE AREA: NATURAL RESOURCE MANAGEMENT			
SERVICE: SUSTAINABLE MANAGEMENT OF QUEENSLAND'S LAND AND WATER RESOURCES			
Service standards ***Effectiveness measure*** Percentage of native title claims resolved by agreement between the parties	1	> 50%	100%
Reliability of the state's water monitoring networks	2	90%	95%
Average cost ($) per valuation	3	< $24	$13
SERVICE: ACCURATE, TIMELY KNOWLEDGE OF PROPERTY AND SPATIAL INFORMATION RESOURCES			
Accuracy of title dealings registered	4	99.5%	99.8%
Average percentage adjustment to annual statutory land valuations that are objected to	5	≤ 15%	3.97%

DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY	NOTES	2017–18 TARGET/ ESTIMATE	2017–18 ACTUAL
Percentage of Titles Registry dealings processed within 5 days	6	90%	93%
Percentage of properly made objections lodged against annual statutory land valuations for properties ≤ $5 million, decided within customer service standards	7	85%	81%
Average cost ($) per online spatial services accessed	8	Improvement year on year	$0.04
OTHER MEASURES			
Overall stakeholder satisfaction with Queensland's engagement on water supply policy issues	9	80%	Not available
Percentage of the state's drinking water services that have appropriate drinking water quality monitoring and response frameworks in place	10	100%	96%
Average cost to approve amendments to drinking water quality management plans	11	< $1440	$950
Average cost per participant of support provided to implement and deliver workshops and visits	12	< $400	$385
Cost per non-commercial asset to ensure the safe management of state-owned assets each year:			
• average cost per non-referable water asset in the non-commercial asset portfolio	13	< $12 500	$9830
• average cost per referable dam in the non-commercial asset portfolio	14	$299 500	$234 651

Notes

1. This is a cumulative target. The target for 2017–18 was exceeded. Of the nine determinations achieved since July 2017, 100% have been achieved by consent.

2. The target for 2017–18 was exceeded. This is a measure of the availability, accuracy and timeliness of data that underpins the department's water planning and management activities, and is used by the Bureau of Meteorology to deliver flood monitoring and warning across Queensland.

3. This measure provides an indication of the cost-efficiency of this area fulfilling its intended outcome of Queenslanders having access to reliable and accurate statutory land valuations. The actual cost was well within the target for 2017–18.

4. The target for 2017–18 was exceeded. This is a measure of accuracy of title dealings registered and provides insight into the effectiveness of this service area fulfilling its objective of providing accurate, timely knowledge of our property and spatial information resources.

5. This measure provides insight into the effectiveness of this service of providing Queenslanders with accurate, timely knowledge of our property and spatial information resources. This measure of the average percentage adjustment to land valuations that are adjusted due to meritorious objections is an indicator of the accuracy of the land valuations. The actual for 2017–18 was well under the target.

6. The target for 2017–18 was exceeded. This is a measure of timeliness and accuracy, combined to deliver an effectiveness measure in processing Titles Registry dealings. It indicates the currency of such information in the titles registers and that accurate, timely knowledge of our property and spatial information resources is available.

7. This target for 2017–18 was not met. The customer service standard for this measure is 60 working days from objection closure period. Meeting the customer service standard ensures reliable and accurate valuation information is provided to key stakeholders, such as local governments and the Office of State Revenue, in a timely manner to alleviate budget impacts. As at 31 July 2017, 81% (or 92% excluding telecommunication objections) of properly made objections lodged against annual statutory land valuations for properties valued at $5 million or less have been decided within the client service standard.

8. This measure of cost efficiency is based on the average cost to provide online spatial services (salary costs only). The average cost depends on the number of web services accessed. The baseline target for 2017–18 is to keep the average cost per online spatial service accessed at less than or equal to $50. Capturing and managing foundation spatial data is critical to support Queensland, as it provides consistent and reliable land and spatial information for business planning and decision-making. The actual cost was well within the target for 2017–18.

9. This annual survey of key stakeholders regarding engagement by the former Department of Energy and Water Supply on Queensland's water supply policy issues (at both state and national levels) was discontinued in 2017, therefore no data is available.

10. Over the reporting period there was a high level of compliance with the drinking water regulatory framework by most providers. However, a small number of providers did not provide annual reports by the reporting deadline. All providers had approved drinking water quality management plans. The performance of this measure as at December 2017 was also reported in the *Department of Energy and Water Supply final report 2017*.

11. The department considers major amendments by providers to drinking water quality management plans against the criteria set in the *Water Supply (Safety and Reliability) Act 2008* and the *Drinking water quality management plan guideline*, and approves compliant plans to ensure the ongoing safety of drinking water supplied to communities. The department's assessment process was adjusted to improve efficiency during the final period, but it is uncertain whether these efficiencies have been achieved due to the short implementation time frame with respect to the reporting period. The performance of this measure as at December 2017 was also reported in the *Department of Energy and Water Supply final report 2017*. The actual cost was well within the target for 2017–18.

12. This measure provides an indication of cost efficiency by measuring the average costs incurred by the department to conduct workshops and/or visit the regions to administer support programs to assist regulated entities achieve compliance. By providing workshops and face-to-face visits, the department supports the regulated entities in developing a greater understanding of the regulatory framework, while improving the implementation and facilitation of workshops. The performance of this measure as at December 2017 was also reported in the *Department of Energy and Water Supply final report 2017*. The actual cost was well within the target for 2017–18.

13. This measure attempts to capture the direct cost of safely managing each dam, weir and structure within the non-commercial assets portfolio against the cost of operational staff based in Rockhampton. This measure sought to demonstrate the department meeting industry best practice standards in managing the asset portfolio consisting of 21 structures and associated land, plant and equipment across Queensland. The performance of this measure as at December 2017 was also reported in the *Department of Energy and Water Supply final report 2017*. The actual cost was well within the target for 2017–18.

14. Referable dams are those that have a population of two or more persons at risk in the event of possible dam failure. The performance of this measure as at December 2017 was also reported in the *Department of Energy and Water Supply final report 2017*. The actual cost was well within the target for 2017–18.

Minerals and Energy Resources services

The objective of this service area is to ensure the responsible use of our minerals and energy resources.

This service area provides geoscientific and resource information to enable a series of resource functions to be undertaken, including:

- acquisition of geoscience information
- administration of permits for mining, petroleum (including gas) and geothermal and carbon sequestration and storage activities
- management of baseline data and monitoring data to predict the groundwater impacts associated with coal seam gas extraction
- coordination and progress of complaints relating to the on-ground impacts of resource development
- oversight of the safety and health of workers in Queensland's mining, explosives and petroleum and gas industries and affected communities
- licensing the use of explosives and gas
- identification of critical resources requiring protection for future use.

This service area includes two material services:

- mine safety and health services
- mineral, coal, petroleum and gas services.

DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY	NOTES	2017–18 TARGET/ ESTIMATE	2017–18 ACTUAL
SERVICE AREA: MINERALS AND ENERGY RESOURCES			
SERVICE: MINE SAFETY AND HEALTH			
Lost time injury frequency rate (injuries per million hours) in the mining and quarrying industries		< 3.3	2.7
Percentage of scheduled audits and inspections completed within prescribed times	1	90%	100%
Average cost per mine safety licence issued ($/licence)	2	2.5% improvement per annum	3.9%

DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY	NOTES	2017–18 TARGET/ ESTIMATE	2017–18 ACTUAL
SERVICE: MINERAL, COAL, PETROLEUM AND GAS			
Percentage of mining exploration applications decided within 12 months	3	90%	97%
Average cost of all tenure processing transactions	4	Improvement year on year	$1504
OTHER MEASURES			
Overall stakeholder satisfaction with Queensland's engagement on national and state energy policy issues	5	80%	Not available
Average cost of support and assistance provided per vulnerable household to manage energy use	6	< $1	< $1
Level of compliance with energy regulatory requirements by electricity generation, transmission and distribution entities, and special approval holders and gas distribution entities:			
• compliance monitoring of electricity and gas licence holders (including annual reporting and fees)	7	90%	Not available
• complete applications for electricity and gas authorities assessed within 4 months of receipt of all information and withstand scrutiny under judicial review	8	90%	Not available
Community infrastructure designation requests processed within 4 months of receipt of all information to the relevant minister and withstand scrutiny under judicial review	9	90%	Not available
Cost per biofuels exception application assessed	10	< $4680	$3610

Notes:

1. The target for 2017–18 was exceeded. This measure provides insight into the effectiveness of mine safety and health services fulfilling the objective of enabling safe and healthy resources industries. The department schedules audits and inspections according to priority, based on a risk assessment that is revised monthly. Timeliness in carrying out audits and inspections according to this schedule shows the degree of opportunity that exists for safety and health issues to be identified in workplaces, especially higher risk workplaces.
2. The target for 2017–18 was exceeded. The measure of cost efficiency is based on the average cost to issue either gas work, shotfirer or fireworks operator licences, rolling over a 5-year period (2013–17).
3. The target for 2017–18 was exceeded. This measure of timeliness demonstrates how efficiently industry proponents are receiving well-considered decisions on their mining exploration applications. Mining exploration applications include new applications with respect to minerals.
4. This measure of efficiency in tenure processing dealings is of all transactions lodged manually and through MyMines Online, and all fossicking-related transactions. The baseline target for 2017–18 is to keep the average cost of transactions at less than or equal to $2200.The actual cost was well within the target for 2017–18.

5. This annual survey of key stakeholders regarding engagement by the former Department of Energy and Water Supply on Queensland's energy policy issues (at both state and national levels) was discontinued in 2017, therefore no data is available.
6. This measure captures the average cost of providing support and assistance to vulnerable households in managing energy use, and interacting with and understanding the energy market. The performance of this measure as at December 2017 was also reported in the D*epartment of Energy and Water Supply final report 2017*. The target for 2017–18 was met.
7. This measure has been discontinued as it does not demonstrate that energy regulatory requirements are being complied with—only on the activities undertaken by the department. The performance of this measure as at December 2017 was reported in the *Department of Energy and Water Supply final report 2017*.
8. This measure was also discontinued and its performance as at December 2017 was reported in the *Department of Energy and Water Supply final report 2017*.
9. This measure was discontinued in 2017 by the former Department of Energy and Water Supply when the role transitioned to another ministerial portfolio, therefore no data is available.
10. This measure captures the cost efficiency of the department in supporting exemption application decisions, by supporting eligible applicants through tasks including arranging the pre-lodgement meeting (noting this stage is optional for applicants), registering and tracking application documentation, information assessments, preparation of draft and final decision documentation, liaison with legal services and correspondence with the applicants. The department will continuously improve its assessment practices and education of regulated businesses. The performance of this measure as at December 2017 was also reported in the *Department of Energy and Water Supply final report 2017*. The actual cost was well within the target for 2017–18.

Strategic plan key performance indicators

Strategic objective 1: Sustainable management of Queensland's land and water resources

We measure our sustainable management of land and water resources using the following key performance indicators:

- **Greenhouse gas emissions from native vegetation clearing**—This is a long-term measure (2015–18) of the reduction of greenhouse gas emissions due to native vegetation management in Queensland. As at 2016, the greenhouse gas emissions (Mt CO_2-e) from land use, land-use change and forestry (deforestation) was 10.77 Mt CO_2-e. This was a 12.3 per cent reduction from the previous year, which was 12.28 Mt CO_2-e. This statistic is based on the federal government's Australian National Greenhouse Accounts for 2016 (2017 report is not yet available).
- **Water catchments with sustainable water allocations**—This measure relates to the number of catchments that have clearly defined water allocations with sustainable volumetric limits (i.e. no over allocation). During 2018–19, the last unregulated catchment (in Cape York) will be brought within the water planning framework and the department will commence development of a methodology for assessing catchment sustainability.
- **Sediment and nutrient levels in Great Barrier Reef catchment streams**—There is no report card being published by the Office of the Great Barrier Reef in 2017–18. Models are being rebuilt with the most up-to-date data inputs—such as new management practice adoption data, land use, groundcover, gully maps and new science—to allow the department to provide modelled load reduction estimates for the 2019 report card with improved confidence in estimates.
- **Number of native title determinations achieved by consensus**—In 2017–18, a total of nine native title determinations were achieved by consensus. Four of these determinations included a tenure resolution Indigenous land use agreement.
- **Percentage of state land allocated for use**—To ensure the sustainable management of state land resources, the department allocates parcels of unallocated state land to its most appropriate tenure and use. There has been a 7.2% reduction in the number of allocated state land parcels controlled by DNRME, from 19 424 in 2013–14 to 18 019 in 2017–18. The allocated parcels contribute a wide range of benefits to Queensland, including land for future development, land for use by local government to deliver services to communities, land to be safeguarded for environmental purposes and land for Indigenous ownership to enhance economic development and cultural activities.

Strategic objective 2: Responsible use of our minerals and energy resources

We measure the responsible use of minerals and energy resources using the following key performance indicators:

- **Industry incident rates**—The industry lost time injury frequency rate for 2017–18 was 2.7 (target is less than 3.3).
- **Australian minerals and energy exploration occurring in Queensland**—Australian Bureau of Statistics data regarding exploration expenditure shows that Queensland's expenditure and share of total Australian expenditure have increased over the 12 months to March 2018 (June data is not yet available), particularly in the case of petroleum exploration.
- **Geological knowledge expanded**— The department's geological knowledge base continued to grow. The annual target is 10 per cent growth. In 2017–18, there was an increase in data of over 25 per cent. This includes geoscience data, exploration reports, seismic surveys, aerial geophysical surveys, surface geology sites, mineral occurrence sites and geochemical assays.
- **Global cost competitiveness**—This measure demonstrates that the Australian and Queensland resources industry is improving its productivity and is maintaining its overall global rank as a top producer for several commodities. The target for this measure is that Queensland maintains or improves its market share based on 12 months to March 2018 data (June 2018 data is not yet available). Australia's market share of global exports has fallen slightly for metallurgical coal, various mineral commodities and liquefied natural gas in 2017–18. Queensland projects are spread across industry cost curves, with overall competitiveness similar to previous years (source: Australian Bureau of Statistics unpublished data, AME group, S&P Global Market Intelligence).

Strategic objective 3:
Accurate, timely knowledge of our property and spatial information resources

We measure the accuracy and timeliness of our property and spatial information using the following key performance indicators:

- **Accuracy of titling systems**—Accuracy of Titles Registry records ensures that Queenslanders' property rights with respect to land and water resources are certain. Over the past several years, registration accuracy has been consistently measured at 99 per cent each year, exceeding the target of 99.5 per cent. Lodgements volumes in 2017–18 were more than 10 per cent higher than five years ago.
- **Accuracy of land valuations**—The department seeks to maintain public confidence in the land valuation system and that Queensland land valuations meet internationally recognised standards of accuracy and uniformity. Coefficient of dispersion is one way to measure rural assurance; however, it is not always the most accurate measure due to the variance in property size and land type across a local government area.
- **Growth in spatial systems data usage**—The department's target was 20 per cent annual growth in online spatial services in the 2015–16, 2016–17 and 2017–18 financial years. While this target was achieved in the first two years, this year has seen an 11.8 per cent growth, representing over 450 million additional downloads, requests and queries. Changes in the products offered have impacted the way in which growth is measured and, as volumes have increased, large increases now only represent small percentage increase.

Strategic objective 4:
Great services, great place to work

We measure our ability to provide great services and a great place to work using the following key performance indicators:

- **Wellness and injury rates of our people**—Since the formation of DNRME, the department's average for lost time injury frequency rate was 1.66, meeting its target of less than three days lost per million working hours (compared with the industry rate of 6.9). Unscheduled absence since the formation of DNRME was 4.78 (as at 25 May 2018), and the average unscheduled absence (January – June 2018) was 4.41 per cent, which is higher than the public sector average of 4.11 per cent.
- **On-time delivery of our services**—We measured on-time delivery of our services through various measures, which included 97 per cent of mining exploration applications being decided within 12 months, exceeding the 2017–18 target. Business improvement measures are being implemented within the Petroleum and Gas Hub, ensuring that later development plans will be considered and decided within the three month timeline—90 per cent of later development plan applications for coal mining leases were decided within three months (90 days) in 2017–18.

  As at 31 July 2017, 81 per cent (or 92 per cent excluding telecommunication objections) of properly made objections lodged against annual statutory land valuations for properties valued at $5 million or less were decided within the client service standard. The percentage of Titles Registry dealings processed within five days exceeded the 90 per cent target.
- **Performance and development agreements in place for our people**—As at 30 June 2018, more than 90 per cent of Director-General direct reports had performance and development agreements in place. This target cascades to senior executive, senior officer and all other supervisory role performance and development agreements, to ensure all staff have agreements in place.
- **Working for Queensland survey**—The department aims to achieve increases in nominated Working for Queensland survey target areas. As at the time of compiling this report, trend information on this measure was not yet available.
- **Workforce profile**—The department continues to progress towards the 2022 diversity and inclusion

targets to ensure our workforce represents the community we serve:

- 50% women in senior roles
- 3% Aboriginal peoples and Torres Strait Islanders
- 8% people with disability
- 10% non–English speaking background.

- **Active consultation for policy development and service improvement**—During 2017–18, the department ensured that there was consultation on 100 per cent of unique policy or service initiative topics considered by Cabinet that were intended to result in a change of government policy or service.

APPENDIX 3: REPORT OF THE REGULATOR'S ACTIVITIES UNDER THE *WATER SUPPLY (SAFETY AND RELIABILITY) ACT 2008*

Under the *Water Supply (Safety and Reliability) Act 2008* (the Act), the chief executive of the department, as the regulator, is responsible for a number of duties including the preparation of an annual report. Other functions include maintaining a register of service providers and monitoring compliance. Regulated activities include drinking water quality, recycled water and performance reporting. Water Supply Regulation within Operations Support is the unit responsible for managing the department's water quality and performance regulation responsibilities. Throughout this appendix, 'the regulator' means 'Water Supply Regulation'.

Voluntary compliance is encouraged and supported by the regulator through the provision of information and advice. However, enforcement activities may be required from time to time when service providers do not meet their obligations under the Act.

This summary is the regulator's report for the period 1 July 2017 to 30 June 2018.

Service provider registrations

Under the Act, an entity that supplies water and/or sewerage services must apply for registration. Currently there are 180 registered service providers, 83 of which are drinking water service providers. These 83 service providers are responsible for the operation of 266 potable schemes, for which data is provided annually to the regulator. In 2017–18, two new service providers were registered, two were cancelled and two service providers changed their registration details.

Drinking water quality

Drinking water service providers are local councils or other businesses that charge a fee for treating, transmitting or reticulating water for drinking purposes. Each provider is required to develop and have in place a drinking water quality management plan (DWQMP) within 12 months after their registration. All DWQMPs are submitted to the regulator for assessment and approval. There are regulatory processes in place that allow the regulator to ensure that DWQMPs meet the required criteria before approval is granted. Once approved, a DWQMP must be complied with and regularly reviewed, audited and amended to ensure it remains current and accurate. Amended DWQMPs must be re-approved by the regulator.

Currently there are 83 service providers with an approved DWQMP. During 2017–18, the regulator assessed 65 amendments to plans.

In accordance with their approved DWQMP, all registered drinking water service providers are required to:

- monitor their drinking water quality
- report drinking water quality incidents to the regulator.

Drinking water quality incidents

Drinking water service providers need to specify in their DWQMPs how they manage public health risks associated with their drinking water supply, and monitor an appropriate range of water quality parameters. The water quality parameters monitored are specific for each water supply and may differ from one provider to the next. Accordingly, water samples are taken regularly at nominated locations and tested for these specific parameters. The regulator uses the health guideline values set under the *Australian drinking water guidelines* as water quality standards, and any exceedance of these standards must be reported to the regulator as 'incidents'. Some types of events that have the potential to impact on water quality and cannot be managed using the providers' existing preventive measures must also be reported to the regulator. The regulator works closely with Queensland Health to monitor how the service provider manages the incidents that could potentially pose a risk to public health.

There have been 2132 drinking water quality incidents reported to the regulator since January 2009. Of these, 234 were reported in the 2017–18 financial year, with:

- 23 'non-reportable' (incidents that, when investigated, did not fit within the definition of an incident that is required to be reported)
- 70 relating to detections of *Escherichia coli*
- nine relating to detections of *Cryptosporidium* and *Giardia*
- 64 relating to various chemical parameters exceeding a health guideline value
- 57 events (incidents that have the potential to impact on water quality and cannot be managed using the providers' existing preventive measures)
- 20 relating to parameters with no water quality criteria (detections of parameters without health guideline values must be reported if they cannot be managed under the approved plan and public health may be impacted).

Performance reporting

Relevant drinking and sewerage service providers are required to report annually on key performance indicators. All 76 service providers required to provide a performance report to the regulator met their reporting timeframes. The accuracy of the data being reported has improved and the department has further refined and improved the key performance indicators that must be reported against. The data provided by service providers is checked for accuracy, collated and made available by the department on the Queensland Government website located at www.data.qld.gov.au.

Publishing requirements

Registered water service providers are required to prepare and publish a number of documents and reports relevant to the water and sewerage services they provide for their customers. Electronic online publication of these documents offers open transparency and confidence to customers, including a means to access and download the information free of charge. The list of relevant documents, which the majority of service providers must publish online, includes:

- customer service standards for water and sewerage
- drinking water quality management plan (annual) reports
- performance reports
- recycled water management plan annual reports
- any guidelines for preparing a water efficiency management plan
- any water and/or sewerage service area maps.

Publishing requirements are monitored by the regulator and an audit of water service provider websites was conducted in August 2017. Of these, 82 per cent had published customer service standards, 80 per cent had published drinking water quality management plan (annual) reports, 76 per cent had published their performance reports and eight recycled water management plan annual reports were observed electronically on relevant water service provider websites. The regulator independently publishes the performance reporting data to ensure it is available to the general public. The majority of service providers that are not publishing information appropriately are Indigenous service providers. The next compliance audit will be undertaken in January 2019. In the interim, work will be undertaken by the regulator to support Indigenous providers to comply with publishing requirements.

Recycled water

All recycled water schemes need to be registered; however, only certain types of schemes need to have an approved recycled water management plan (RWMP). Of the 169 registered schemes, six have an approved RWMP and one scheme had their RWMP suspended (not currently supplying recycled water). During 2017–18, one RWMP resumed, one RWMP was cancelled and the regulator assessed six amendments.

A RWMP addresses potential hazards, assesses level of risk and identifies how risks will be managed.

Approved RWMP holders are required to keep their plans and procedures current through audits and review processes. The regulator also works closely with Queensland Health to ensure that providers appropriately manage recycled water incidents and protect public health. In 2017–18, no incidents were reported.

Compliance reporting

Since the 2014 legislative amendment requiring performance reporting for sewerage and water service providers, the department has successfully implemented several support and educative programs. The aim of these programs is to provide assistance, support and, in some cases, resources to help reduce the regulatory burden on service providers.

The department's compliance approach is targeted, transparent and effective, and continues to foster engagement with providers early with an aim to seek voluntary compliance. However, if this is not effective, the department will use regulatory tools to achieve compliance. The table below shows the 2017–18 compliance monitoring targets.

ACTIVITY	TARGET	2017–18 RESULT
KEY COMPLIANCE FOCUS: Routine or maintenance activities		
OBJECTIVE: To provide an overview of the level of compliance with legislative requirements		
Planned onsite compliance assessments	Conduct at least 10 onsite compliance assessments	Target met
Review of reports submitted to the regulator (including drinking water reports, incident investigation reports, performance reports and DWQMP audit reports)	100% reviewed with operational time frames	Target met
Conduct assessments on applications/ submissions	100% assessed within statutory time frames	Target met
Assess compliance with publishing requirements	All regulated entities are assessed 100% of non-compliance is actioned	Target met
KEY COMPLIANCE FOCUS: Higher risk compliance monitoring		
OBJECTIVE: To identify and respond to non-compliance if public health is likely to be impacted		
Urgent or emergency response to protect public health	100% of all identified higher risk non-compliance is actioned within 12 hours	Target met
KEY COMPLIANCE FOCUS: Education and support		
OBJECTIVE: To manage planned and allocated compliance activities		
Support and educational workshop/forum	Conduct 10 workshop/forums	Target met
Drinking and recycled water guideline review	Review and implementation of updated guidelines by end of December 2017	Target not met Note: While this project commenced on time, it was not finalised within the stated time frame

APPENDIX 4: COMPLIANCE CHECKLIST

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Letter of compliance	• A letter of compliance from the accountable officer or statutory body to the relevant minister/s	ARRs—section 7	1
Accessibility	• Table of contents • Glossary	ARRs—section 9.1	iv 125
	• Public availability	ARRs—section 9.2	ii
	• Interpreter service statement	*Queensland language services policy* ARRs—section 9.3	ii
	• Copyright notice	*Copyright Act 1968* ARRs—section 9.4	ii
	• Information licensing	*Queensland Government enterprise architecture—information licensing* ARRs—section 9.5	ii
General Information	• Introductory information	ARRs—section 10.1	2
	• Agency role and main functions	ARRs—section 10.2	2
	• Machinery-of-government changes	ARRs—sections 31 and 32	2
	• Operating environment	ARRs—section 10.3	3
Non-financial performance	• Government's objectives for the community	ARRs—section 11.1	4–14
	• Other whole-of-government plans / specific initiatives	ARRs—section 11.2	4–14
	• Agency objectives and performance indicators	ARRs—section 11.3	4–14
	• Agency service areas and service standards	ARRs—section 11.4	15, 111–119
Financial performance	• Summary of financial performance	ARRs—section 12.1	16–19

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Governance – management and structure	• Organisational structure	ARRs—section 13.1	20–21
	• Executive management	ARRs—section 13.2	22–25
	• Government bodies (statutory bodies and other entities)	ARRs—section 13.3	25
	• *Public Sector Ethics Act 1994*	*Public Sector Ethic Act 1994* ARRs—section 13.4	26
	• Queensland public service values	ARRs—section 13.5	26–27
Governance – risk management and accountability	• Risk management	ARRs—section 13.5	28
	• Audit committee	ARRs—section 14.2	28–29
	• Internal audit	ARRs—section 14.3	29–30
	• External scrutiny	ARRs—section 14.4	31–32
	• Information systems and recordkeeping	ARRs—section 14.5	32–33
Governance – human resources	• Strategic workforce planning and performance	ARRs—section 15.1	34–36
	• Early retirement, redundancy and retrenchment	*Directive 16/16: early retirement, redundancy and retrenchment* *Directive 04/18: early retirement, redundancy and retrenchment* ARRs—section 15.2	36
Open data	• Statement advising publication of information	ARRs—section 16	36
	• Consultancies	ARRs—section 33.1	36
	• Overseas travel	ARRs—section 33.2	36
	• *Queensland language services policy*	ARRs—section 33.3	36
Financial statements	• Certification of financial statements	FAA—section 62 FPMS—sections 42, 43 and 50 ARRs—section 17.1	102
	• Independent auditor's report	FAA—section 62 FPMS—section 50 ARRs—section 17.2	103–107

ARRs *Annual report requirements for Queensland Government agencies*
FAA *Financial Accountability Act 2009*
FPMS Financial and Performance Management Standard 2009

GLOSSARY

ARRs	*Annual report requirements for Queensland Government agencies*
CWP	coal worker's pneumoconiosis
DEWS	Department of Energy and Water Supply
DNRM	Department of Natural Resources and Mines
DNRME	Department of Natural Resources, Mines and Energy
FAA	*Financial Accountability Act 2009*
FPMS	Financial and Performance Management Standard 2009
GST	goods and services tax
IAS	Internal Audit Service
ICT	information and communications technology
LGBTIQ+	lesbian, gay, bisexual, transgender, intersex and queer
QAO	Queensland Audit Office

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