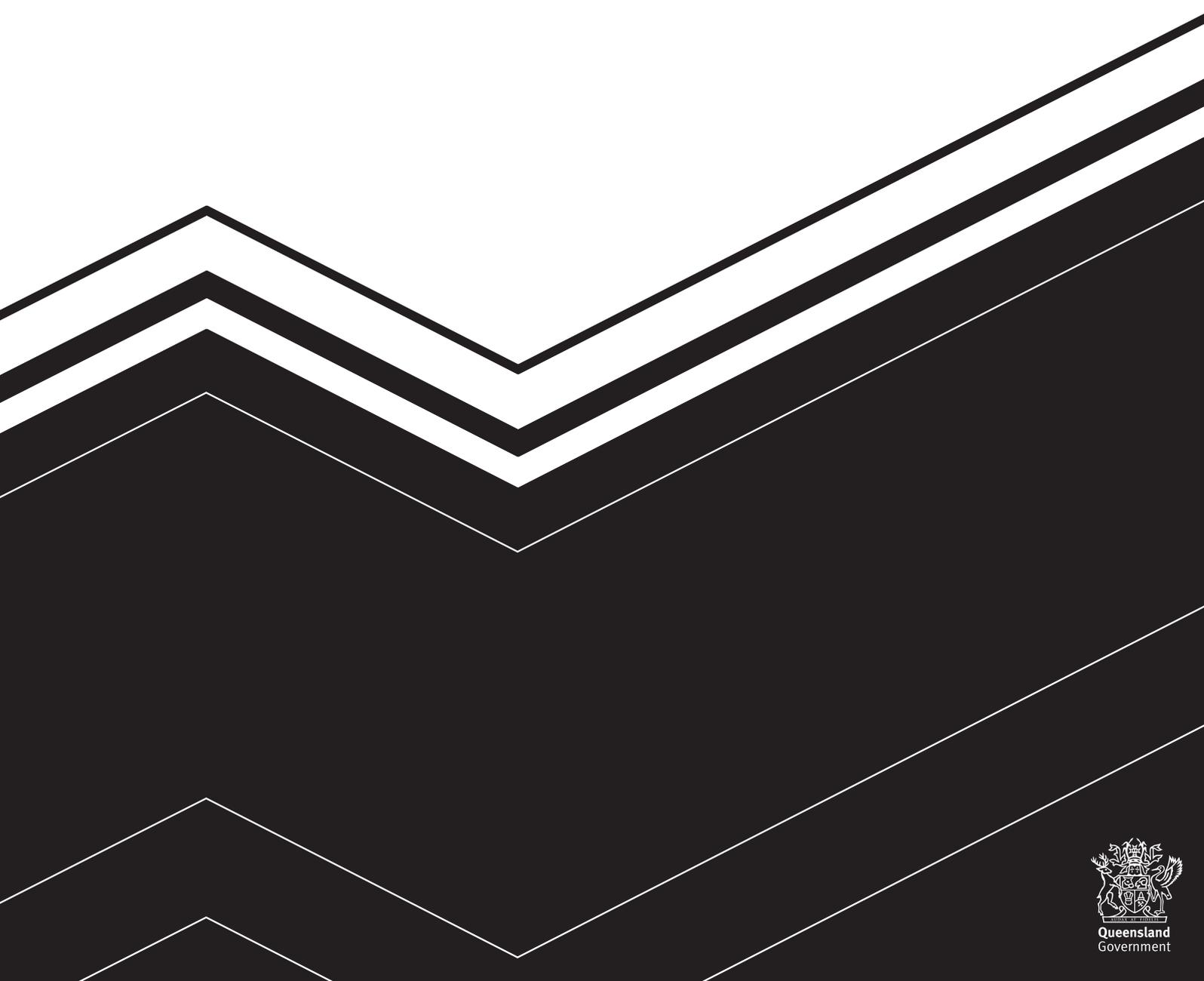


Service Delivery Statements

Department of State Development



2016-17 Queensland Budget Papers

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

Appropriation Bills

Budget Highlights

The Budget Papers are available online at

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Service Delivery Statements

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Department of State Development

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for State Development and Minister for Natural Resources and Mines:

<p style="text-align: center;">Minister for State Development and Minister for Natural Resources and Mines</p> <p style="text-align: center;">The Honourable Dr Anthony Lynham MP</p>
--

<p style="text-align: center;">Department of State Development</p> <p style="text-align: center;">Director-General: Michael Schaumburg</p>
<p>Service area 1: Driving Enterprise Development, Economic Growth and Job Creation</p>
<p>Service area 2: Assessing, Approving, Facilitating and Delivering Major Projects</p>

Additional information can be sourced from www.statedevelopment.qld.gov.au

Departmental overview

The Department of State Development leads the delivery of economic development outcomes for Queensland. Our vision is that Queensland's economy is Australia's strongest and most diverse, and we acknowledge that this is a shared responsibility in government. Within this frame we achieve this through our objectives to:

- influence policy and the investment environment
- facilitate a major projects pipeline
- strengthen the regions
- grow priority, new and emerging industries
- support enterprise and job creation.

The department brings together the functions of the Coordinator-General; economic, industry and regional development; major project delivery; and government property management into a strong, influential agency. We contribute to the Queensland Government's objectives for the community of creating jobs and a diverse economy; building safe, caring and connected communities; and protecting the environment by delivering policies, projects and programs that seek to:

- support and increase job opportunities through major project development and the growth of new and existing industry sectors
- partner with regional stakeholders and grow regional economies through investment, exports and job creation
- protect the Great Barrier Reef through actioning the Reef 2050 Long-Term Sustainability Plan (Reef 2050) and advancing master plans at priority ports.

This is achieved by:

- efficiently enabling delivery of major resource, industrial development and infrastructure projects
- building and maintaining confidence in government's capacity to lead and deliver on state development opportunities
- identifying regulatory bottlenecks and impediments to investment and job creation
- generating economic and community benefit through achieving value uplift on surplus government property
- creating jobs and growth through efficient and thorough assessment of major projects by streamlining processes and facilitating project delivery
- providing whole-of-government case management to attract increased private capital expenditure
- encouraging major economic development and public infrastructure projects by ensuring suitable land is available
- facilitating cross-sector collaboration and planning of infrastructure to support the integration and delivery of services benefiting Queensland communities.

Queensland has a modern and diversified economy. The State's economy faces continuing external challenges including subdued global economic growth in the near-term and continued weakness in commodity prices. Despite this, it is forecast that the Queensland economy will continue to grow, underpinned by net exports including coal - which is experiencing increased volumes, albeit with reduced values - and Liquefied Natural Gas (LNG) exports. At the same time, the Queensland economy and labour market are transitioning, with a shift away from mining and construction to worker intensive industries. Growth opportunities include residential construction; professional and business related services; retail trade and health. Other growth opportunities include tourism, defence and continuing increased exports of LNG. In this environment, the department's key priorities into the future include:

- implementing priority industry sector roadmaps and action plans to strengthen new and emerging sectors to further diversify the industrial base of the Queensland economy
- facilitating new private sector investment and projects including supply chain development to provide increased job opportunities
- focusing regional economic development strategies to promote competitiveness and growth
- meeting port related actions outlined in Reef 2050 and the *Sustainable Ports Development Act 2015*
- delivering our capital program and increasing private capital expenditure in Queensland through a central point of contact and whole-of-government case management to create jobs
- adding value to government land by minimising risk to investment through value uplift opportunities (such as changes to land tenure) to stimulate economic development and increase opportunities for job creation
- embedding a cross-agency, place-based approach to maximise asset utilisation through opportunities for co-location, shared facilities and better coordination of services.

Service performance

Performance statement

Driving Enterprise Development, Economic Growth and Job Creation

Service area objective

To boost enterprise development, increase economic growth and stimulate job creation opportunities.

Service area description

This service area is delivering policies, projects and programs that drive enterprise development, economic growth and job creation consistent with the Government's economic development agenda. The service area drives the expansion of Queensland's economic growth as benchmarked against the global economy and comparable jurisdictions by:

- realising government policy as an enabler of economic growth
- leading industry and regional growth programs and regulatory reform
- generating economic development from improvement opportunities that result in value uplift for the State's property portfolio and deliver increased public benefit
- assisting Queensland-based companies to increase their supply chain participation
- strengthening regional Queensland through investment enabled by the Building our Regions program
- providing whole-of-government advice on initiatives to boost economic development and increase investment across the whole of Queensland for sustainable job creation
- partnering with all levels of government, industry and community to facilitate more collaborative and cost-efficient uses of current assets and social infrastructure investment.

2016-17 service area highlights

- Develop 10-year roadmaps and action plans for the growth of emerging and priority sectors with global growth potential as part of the Advance Queensland program. Advanced manufacturing; aerospace; biofutures; biomedical and life sciences; defence; and mining equipment, technology and services are identified as sectors with potential to build upon Queensland's competitive strengths.
- Lead delivery of actions under the Biofutures Roadmap. These include innovative activities such as the funding of a biofutures academic Chair and the provision of development grants for innovative biofutures projects.
- Continue to lead the Industry and Manufacturing Advisory Group, which provides high-level industry advice on strategic matters in relation to building and promoting industry and manufacturing in Queensland. This will help drive economic, regional and employment growth throughout the State as well as position Queensland's manufacturing businesses to maximise their domestic and international opportunities into the future.
- Use a tailored whole-of-government approach for the attraction and facilitation of significant private sector companies and projects, and in collaboration with Trade and Investment Queensland and key stakeholders, actively engage with companies to support Australian businesses located outside of Queensland to relocate or establish new projects, and help facilitate reinvestment and expansion of existing Queensland operations.
- Deliver critical infrastructure through the Queensland Government's Regional Infrastructure Fund, Building our Regions, which is supporting jobs and economic development, and improving liveability in our regional communities. Its projects address a broad range of infrastructure needs including water, sewerage and waste, roads, airports, flood mitigation, and social infrastructure such as sport and recreational facilities.
- Develop regional Economic Future Plans, focusing on economic development, investment, innovation and employment.
- Lead investigations and planning for the creation of State Development Areas for placement of particular industries (such as biofuels), and water supply investigations and facilitation of private sector common-user infrastructure projects to support key industries.
- Finalise the North Stradbroke Island Economic Transition Strategy (\$20 million over four years from 2016-17 with an additional \$3.9 million in Queensland Government in-kind contributions and \$5 million for the Sand Mining Workers Assistance Scheme), assisting growth of a more sustainable and diverse local economy.

- Finalise a review of the GasFields Commission Queensland to determine whether the current model works effectively and to identify whether an alternative model, such as a resources ombudsman, may be appropriate.
- Progress the master planning of priority ports at Gladstone, Abbot Point, Townsville and Hay Point/Mackay, looking beyond port boundaries to optimise infrastructure and address operational, economic, environmental and community relationships, as well as supply chains and surrounding land uses. Finalise the master plan for the priority Port of Gladstone, including all statutory and regulatory documentation by mid-2017.
- Derive significant community benefit from the use of surplus and underutilised government property by unlocking opportunities for value uplift, economic development, job creation and improved service delivery outcomes.
- Progress the delivery of government property-focused market-led proposals and transactions, including the assessment of the Queensland Aquarium and Maritime Museum market-led proposal and the delivery of the Government Land for Accommodation and Support Services program.

Department of State Development	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Driving Enterprise Development, Economic Growth and Job Creation¹				
Service standards		\$260 million (SD)	\$260 million (EID)	
<i>Effectiveness measures</i>				
Value of private sector capital investment leveraged through industry facilitation	2, 3	\$4 million (MPO)	\$3.8 million (MPP)	\$300 million
Value of infrastructure investment enabled through the Building our Regions and Royalties for the Regions programs	4, 5	\$230 million	\$512.9 million	\$145.1 million
Estimated number of jobs leveraged through industry facilitation	2, 6	New measure	New measure	930
<i>Efficiency measures</i>				
Private sector capital investment leveraged per dollar spent on industry facilitation	2, 7	\$31(SD) \$15 (MPO)	\$31(EID) \$18 (MPP)	\$33.70
Value of infrastructure investment enabled per dollar invested in the management of the Building our Regions (BoR) and Royalties for the Regions programs	5, 8	\$207	\$352.90	\$99.83

Notes:

- This service area was previously 'Driving Business Development, Economic Growth and Job Creation' in the 2015-16 *Service Delivery Statement* (SDS) and has been changed to better reflect the department's strategic objective to 'support enterprise and job creation'.
- Industry facilitation is defined as significant activities conducted by the department that support the realisation of additional capital investment in Queensland, including departmental services to assist with a broad range of projects that save industry time and money.
- The value of private sector capital investment leveraged departmental activities in industry facilitation gives an indication of the effectiveness of departmental support for attracting and increasing private sector capital investment in Queensland. This includes private sector capital investment in priority industry sectors such as biofutures; advanced manufacturing; defence and aerospace; mining equipment, technology and services; and biomedical and life sciences. In the department's 2015-16 SDS the performance for this service standard was indicated separately for the departmental groups of State Development (SD) and Major Projects Office (MPO). As a result of departmental structure changes, the SD group has become the Economic and Industry Development (EID) group, and the MPO has become the Major Projects and Property (MPP) group. Performance results in 2015-16 are reported in line with the new departmental structure. To future-proof ongoing reporting from changes in departmental structure, from 2016-17 the performance for this service standard will be reported as a consolidated result. The calculation methodology for this service standard has not changed.
- This service standard was previously worded: Value of infrastructure investment enabled through the Final Round Royalties for the Regions in the 2015-16 SDS. The methodology for calculation of infrastructure investment enabled has not changed.
- The 2015-16 Estimated Actual is higher compared to 2015-16 Target/Estimate due to BoR funding being brought forward. The 2015-16 Estimated Actual is reporting both Final Round Royalties for the Regions and Round 1 BoR. The 2016-17 Target/Estimate is lower due to reporting only Round 2 BoR.
- The 2016-17 Target/Estimate is calculated using Queensland Treasury's job estimation methodology, which is 3.1 jobs per \$1 million capital investment, based on the 2016-17 Target/Estimate for the 'Value of private sector capital investment leveraged through industry

facilitation'. This service standard provides an indication of the effectiveness of the department's industry facilitation services in supporting and generating jobs associated with private sector capital investment.

7. This service standard provides an indication of the efficiency of the industry facilitation process by providing the amount of private sector capital investment leveraged per dollar spent by the department on providing industry facilitation services.
8. This service standard was previously worded: 'Value of infrastructure investment enabled per dollar invested in the management of the Final Round Royalties for the Regions' in the 2015-16 SDS. The methodology for calculation of infrastructure investment enabled per dollar invested in management has not changed. This service standard reflects the efficiency of the department's management of the BoR program by reporting the value of infrastructure investment enabled per dollar expended by the department on the program management service.

Assessing, Approving, Facilitating and Delivering Major Projects

Service area objective

To assess, approve, facilitate and deliver major projects that stimulate economic growth and job creation.

Service area description

This service area facilitates the timely planning and delivery of major projects that drive economic growth and provide job creation opportunities. It provides tailored regulation, advisory, facilitation and delivery services, to support increased economic activity. It is contributing to the Government's objectives for the community of creating jobs and a diverse economy, and protecting the environment by:

- facilitating and delivering major and coordinated projects that boost the State's economy including the development of Queen's Wharf Brisbane (QWB) and the Gold Coast 2018 Commonwealth Games venues and village
- enabling growth and jobs and facilitating large scale industrial development, infrastructure delivery and projects through efficient project assessment as well as planning, development and management of State Development Areas (SDAs)
- ongoing improvement of the coordinated project environmental impact and material change of use assessment processes
- facilitating the development of resource industry infrastructure that encourages private sector capital investment
- undertaking appropriate land acquisition programs to deliver economic development and infrastructure initiatives
- conducting early feasibility assessment of public and private projects of state significance for economic development.

2016-17 service area highlights

- Continue the preliminary site investigations for QWB in order to deliver vacant possession to the proponent on 1 January 2017. QWB will be an iconic integrated resort development in the Brisbane CBD that invigorates the entire precinct and delivers striking landmark architecture.
- Complete the construction of the Gold Coast 2018 Commonwealth Games sporting venues.
- Continue development of the Gold Coast 2018 Commonwealth Games village in readiness to be handed over to the Gold Coast 2018 Commonwealth Games Corporation for overlay works in October 2017.
- Work with industry to facilitate progress through government processes and regulations, assisting to reduce the cost of doing business in Queensland and forming an important service offering in attracting new investment.
- Progress assessment of coordinated projects, and investigation of potential coordinated projects, in the minerals, energy, tourism, agriculture and infrastructure sectors.
- Work with mining proponents to track and facilitate required approvals and work with resource communities to assist them to be active participants and capitalise on the opportunities stemming from developments.
- Work to implement the Queensland Government's decisions regarding Galilee Basin resource development.
- Support the development and implementation of the legislative and policy framework to manage the social and economic impacts of fly-in fly-out work practices in regional resource communities.
- Assess development applications within SDAs, and investigate options for new SDAs.
- Progress funding discussions for the North Queensland stadium with the Australian Government, Townsville City Council, the National Rugby League and other potential funding contributors.
- Continue to progress opportunities for significant regional Integrated Resort Developments.
- Complete the construction of the \$18 million Bundaberg Gas Pipeline, forecast to provide a major economic boost for the broader Bundaberg region, fuelling new businesses and industry.

Department of State Development	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Assessing, Approving, Facilitating and Delivering Major Projects				
Service standards				
<i>Effectiveness measures</i>				
Percentage of projects managed, facilitated or delivered which meet committed timeframes	1, 2	75%	97%	75%
Percentage of Property Queensland projects managed, facilitated or delivered that achieve value uplift	3	New measure	New measure	75%
Proportion of total Coordinator-General's imposed conditions on coordinated projects under construction or early operation for which there has been full compliance with those conditions, or action has been taken to identify and correct non-compliance	4	New measure	New measure	100%
<i>Efficiency measures</i>				
Percentage of projects managed, facilitated or delivered which meet approved budgets	1, 5	75%	97%	75%
Average number of business days taken by the department to process coordinated projects (CP) and development applications in State Development Areas (SDA) under the <i>State Development and Public Works Organisation Act 1971</i> (SDPWO Act)	6	New measure	New measure	(CP) 385 days (SDA) 106 days

Notes:

1. This service standard will include land transaction projects from 2016-17.
2. The 2015-16 Target/Estimate was set at 75% in line with industry standards. Estimated Actual performance during 2015-16 is due to only one project not currently meeting the committed timeframe. Detail regarding the 2015-16 Estimated Actual performance of this service standard including any projects underperforming will be included in the department's Annual Report.
3. This service standard provides an indication of the effectiveness of the department's work in managing, facilitating and delivering projects that result in increasing value for Queensland through generating a financial return to the State and/or social or community benefits for Queenslanders from government land holdings.
4. This service standard covers a key outcome of the project delivery process, which is compliance with the Coordinator-General's imposed conditions. During the environmental assessment process under the SDPWO Act, the Coordinator-General may apply conditions and recommendations to a project to manage project impacts. Where no existing regulatory head of power is available to manage a project impact, the Coordinator-General may impose a condition on the project. Compliance with Coordinator-General imposed conditions is an indicator that projects are proceeding lawfully in line with government and community expectations.
5. The 2015-16 Target/Estimate was set at 75% in line with industry standards. Estimated Actual performance during 2015-16 is due to only one project not currently meeting the approved budget. Detail regarding the actual performance of this service standard including any projects underperforming will be included in the department's Annual Report.
6. This service standard is an efficiency measure as it demonstrates improvements for CP on previous practices and, for SDA efficiency improvements on statutory timeframes.

Discontinued measures

Performance measures included in the 2015-16 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of State Development	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Driving Enterprise Development, Economic Growth and Job Creation				
Percentage of land transactions being delivered which meet committed timeframes	1	90%	100%	Discontinued measure
Percentage of land transactions being delivered which meet approved revenue targets	2	90%	100%	Discontinued measure
Service area: Assessing, Approving, Facilitating and Delivering Major Projects				
Average percentage reduction in assessment timeframes resulting from streamlined processes	3	50% (CP) 45% (SDA)	53% (CP) 67% (SDA)	Discontinued measure

Notes:

1. To be reported within Percentage of projects managed, facilitated or delivered which meet committed timeframes measure presented in the service area Assessing, Approving, Facilitating and Delivering Major Projects.
2. Due to a change in focus, land transactions often do not have revenue targets.
3. To be reported within 'Average number of business days taken by the department to process coordinated projects (CP) and development applications in State Development Areas (SDA) under the *State Development and Public Works Organisation Act 1971*' in the service area Assessing, Approving, Facilitating and Delivering Major Projects.

Administered items

Administered activities are those undertaken by departments on behalf of the Government.

The Department of State Development administers funds on behalf of the State for the GasFields Commission Queensland.

The GasFields Commission Queensland is provided with a grant of \$2.5 million per annum, administered through the department, and exists to manage and improve sustainable coexistence among rural landholders, regional communities and the onshore gas industry in Queensland.

Financial statements and variance explanations in relation to administered items appear in the department financial statements.

Departmental budget summary

The table below shows the total resources available in 2016-17 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of State Development	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	76,452	97,971	116,123
Balance of service appropriation	318,430	53,129	194,390
Other revenue	226,385	203,687	167,650
Total income	621,267	354,787	478,163
Expenses			
Driving business development, economic growth and job creation	331,033	82,013	198,789
Assessing, approving, facilitating and delivering major projects	289,105	273,476	276,324
Total expenses	620,138	355,489	475,113
Operating surplus/deficit	1,129	(702)	3,050
Net assets	228,444	236,470	253,975
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	2,500	2,500	2,500
Other administered revenue	..	..	..
Total revenue	2,500	2,500	2,500
Expenses			
Transfers to government	..	..	..
Administered expenses	2,500	2,500	2,500
Total expenses	2,500	2,500	2,500
Net assets	..	..	..

Note:

1. Appropriation revenue includes State and Commonwealth funding.

Service area sources of revenue¹

Sources of revenue 2016-17 Budget					
Department of State Development	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Driving Business Development, Economic Growth and Job Creation	198,789	194,249	3,928	986	..
Assessing, Approving, Facilitating and Delivering Major Projects	276,324	111,379	163,722	3,899	..
Total	475,113	305,628	167,650	4,885	..

Note:

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

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2015-16 State Budget. Further details are contained in *Budget Paper 4*.

Department of State Development	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	..	..	..	..
Departmental ¹	109	32,466	83,255	6,045	1,625
Capital measures					
Administered	..	..	..	..	..
Departmental	..	..	25,000	15,000	..

Note:

- Figures reconcile with *Budget Paper 4*, including the whole-of-government expense measures 'Brisbane CBD government office agency rental impacts' and 'Reprioritisation allocations'.

Departmental capital program

The focus of the department's capital expenditure for 2016-17 is on progressing key government priorities of driving business development, economic growth and job creation; as well as assessing, approving, facilitating and delivering major projects. This includes \$12.3 million for land acquisition in the Materials Transport and Services Corridor, Gladstone State Development Area; \$9.8 million for the development of the Bundaberg Gas Pipeline; \$5 million for the development of the North Queensland Stadium and \$6 million for land acquisition in the Targinnie Precinct, Gladstone State Development Area.

Capital budget

Department of State Development	Notes	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure	2,3	3,804	11,104	33,176
Total plant and equipment		521	205	110
Total other capital		31	..	157
Total capital purchases		4,356	11,309	33,443

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.
2. The increase between 2015-16 Budget and 2015-16 Estimated Actual is primarily due to the approval and development of the Bundaberg Gas Pipeline after the published Budget.
3. The increase between the 2015-16 Budget and 2016-17 Budget is primarily due to anticipated land acquisitions in the Materials Transport Services Corridor, Gladstone State Development Area, development of the North Queensland Stadium, land acquisitions in the Targinnie Precinct, Gladstone State Development Area and development of the Bundaberg Gas Pipeline.

Staffing¹

Department of State Development	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Driving Enterprise Development, Economic Growth and Job Creation		396	312	313
Assessing, Approving, Facilitating and Delivering Major Projects		192	295	286
TOTAL	2, 3, 4	588	607	599

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple agencies.
4. The increase in the 2015-16 Estimated Actual and subsequent decrease in the 2016-17 Budget is primarily due to temporary staff engaged for high priority projects including new industry sector teams and the construction of the Gold Coast 2018 Commonwealth Games venues and athletes' village.

Budgeted financial statements

Analysis of budgeted financial statements

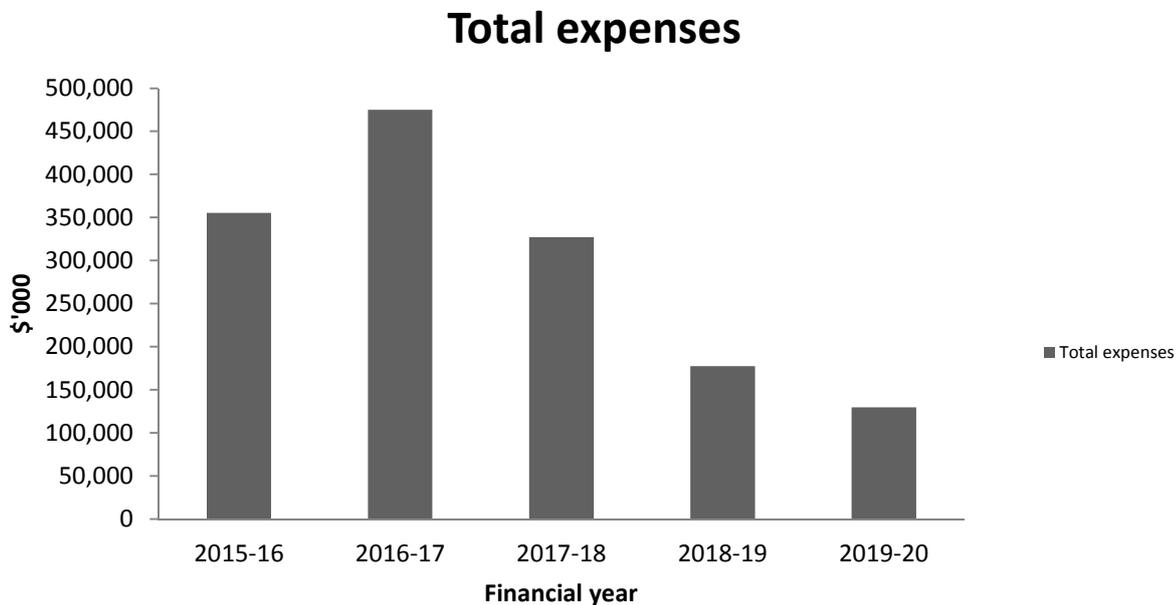
An analysis of the department's financial position, as reflected in the department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$475.1 million in 2016-17, an increase of \$119.6 million from 2015-16. The increase primarily relates to Building our Regions grants anticipated to be paid in 2016-17, new funding received for Building our Regions in 2016-17 and the realignment of Royalties for the Regions funding from 2015-16 to 2016-17.

The total expense estimate in 2018-19 onwards decreases due to limited life funding and the reduction in Gold Coast 2018 Commonwealth Games venues spending as the projects are completed.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's major assets consist of property, plant and equipment (\$318.8 million). This figure is expected to increase with the development of the North Queensland Stadium. The department's main liability is \$73 million relating to Queensland Treasury Corporation borrowings predominately for state infrastructure at the Port of Gladstone.

Controlled income statement

Department of State Development	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue	1,7,12	394,882	151,100	310,513
Taxes		..	..	..
User charges and fees	2,8,13	226,235	201,316	167,650
Royalties and land rents		..	..	..
Grants and other contributions		150	..	..
Interest		..	183	..
Other revenue		..	420	..
Gains on sale/revaluation of assets	3	..	1,768	..
Total income		621,267	354,787	478,163
EXPENSES				
Employee expenses	4,9	68,438	70,349	69,871
Supplies and services	5,10	310,136	244,083	242,804
Grants and subsidies	6,11,14	230,498	29,324	152,117
Depreciation and amortisation		8,298	9,113	7,915
Finance/borrowing costs		2,276	2,276	2,062
Other expenses		492	344	344
Losses on sale/revaluation of assets		..	..	..
Total expenses		620,138	355,489	475,113
OPERATING SURPLUS/(DEFICIT)		1,129	(702)	3,050

Controlled balance sheet

Department of State Development	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets		6,644	4,509	6,487
Receivables	15,20	3,490	13,861	13,203
Other financial assets		..	..	..
Inventories		..	..	..
Other		690	673	673
Non-financial assets held for sale	16,21,26	30,390	17,165	14,165
Total current assets		41,214	36,208	34,528
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	17,22,27	291,684	307,014	318,822
Intangibles		4,081	4,111	4,219
Other		10,229	10,229	9,627
Total non-current assets		305,994	321,354	332,668
TOTAL ASSETS		347,208	357,562	367,196
CURRENT LIABILITIES				
Payables		18,527	18,772	18,342
Accrued employee benefits		2,324	1,853	1,855
Interest bearing liabilities and derivatives		9,343	9,336	9,556
Provisions		14,554	13,478	13,478
Other	18,23	2,551	5,961	5,961
Total current liabilities		47,299	49,400	49,192
NON-CURRENT LIABILITIES				
Payables		..	298	298
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	24,28	65,724	65,601	57,962
Provisions		5,467	5,457	5,457
Other		274	336	312
Total non-current liabilities		71,465	71,692	64,029
TOTAL LIABILITIES		118,764	121,092	113,221
NET ASSETS/(LIABILITIES)		228,444	236,470	253,975
EQUITY				
TOTAL EQUITY	19,25,29	228,444	236,470	253,975

Controlled cash flow statement

Department of State Development	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	30,39,49	394,882	140,630	310,513
User charges and fees	31,40,50	232,762	203,898	176,095
Royalties and land rent receipts		..	..	..
Grants and other contributions		150	..	..
Interest received		..	183	..
Taxes		..	..	..
Other		23,205	23,625	23,205
Outflows:				
Employee costs	32,41	(68,438)	(70,349)	(69,871)
Supplies and services	33,42	(331,914)	(265,861)	(264,759)
Grants and subsidies	34,43,51	(230,498)	(29,324)	(152,117)
Borrowing costs		(2,276)	(2,276)	(2,062)
Other	44,52	(7,482)	(7,334)	(9,283)
Net cash provided by or used in operating activities		10,391	(6,808)	11,721
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	35,45,53	53,040	38,297	17,764
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	36,46,54	(4,356)	(11,309)	(33,443)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		48,684	26,988	(15,679)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	37,47,55	23,505	21,216	47,812
Outflows:				
Borrowing redemptions		(7,205)	(7,205)	(7,419)
Finance lease payments		..	..	..
Equity withdrawals	38,48,56	(75,610)	(48,557)	(34,457)
Net cash provided by or used in financing activities		(59,310)	(34,546)	5,936
Net increase/(decrease) in cash held		(235)	(14,366)	1,978
Cash at the beginning of financial year		6,879	18,875	4,509
Cash transfers from restructure		..	..	..
Cash at the end of financial year		6,644	4,509	6,487

Administered income statement

Department of State Development	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue		2,500	2,500	2,500
Taxes	
User charges and fees	
Royalties and land rents	
Grants and other contributions	
Interest	
Other revenue	
Gains on sale/revaluation of assets	
Total income		2,500	2,500	2,500
EXPENSES				
Employee expenses	
Supplies and services	
Grants and subsidies		2,500	2,500	2,500
Depreciation and amortisation	
Finance/borrowing costs	
Other expenses	
Losses on sale/revaluation of assets	
Transfers of Administered Revenue to Government	
Total expenses		2,500	2,500	2,500
OPERATING SURPLUS/(DEFICIT)	

Administered balance sheet

Department of State Development	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	
Receivables	
Other financial assets	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets	
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Intangibles	
Other	
Total non-current assets	
TOTAL ASSETS	
CURRENT LIABILITIES				
Payables	
Transfers to Government payable	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total current liabilities	
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES	
NET ASSETS/(LIABILITIES)	
EQUITY				
TOTAL EQUITY	

Administered cash flow statement

Department of State Development	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		2,500	2,500	2,500
User charges and fees	
Royalties and land rent receipts	
Grants and other contributions	
Interest received	
Taxes	
Other	
Outflows:				
Employee costs	
Supplies and services	
Grants and subsidies		(2,500)	(2,500)	(2,500)
Borrowing costs	
Other	
Transfers to Government	
Net cash provided by or used in operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets	
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals	
Net cash provided by or used in financing activities	
Net increase/(decrease) in cash held	
Cash at the beginning of financial year	
Cash transfers from restructure	
Cash at the end of financial year	

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The decrease primarily relates to the realignment to out years of high priority projects (including Building our Regions, the North Queensland Stadium and Safe Anchorage at Mission Beach), and the conversion of Bundaberg Gas Pipeline from operating to capital expenditure.
2. The decrease primarily relates to recovery of costs for the Gold Coast 2018 Commonwealth Games (GC2018) venues with funding received from the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB).
3. The increase is due to a gain on sale of land at Coomera.
4. The increase is primarily due to the realignment of funds from supplies and services as temporary staff were engaged to assist with high priority projects in preference to engaging contractors.
5. The decrease primarily relates to the rescheduling of milestones for GC2018 venues as the projects advance; and realignment to out years of high priority projects (including Safe Anchorage at Mission Beach and the North Queensland Stadium).
6. The decrease primarily relates to the realignment of Building our Regions funding to 2017-18 and transfer of funding to the Department of Transport and Main Roads (DTMR) for Royalties for the Regions.

Major variations between 2015-16 Budget and 2016-17 Budget include:

7. The decrease primarily relates to the transfer of Royalties for the Regions funding to DTMR and the realignment of Building our Regions funding to 2017-18.
8. The decrease primarily relates to a reduction in the recovery of costs for GC2018 venues as projects advance.
9. The increase is primarily due to funding received for Queensland Biofutures 10-Year Roadmap and Community Hubs and Partnerships.
10. The decrease primarily relates to a reduction in the recovery of costs for GC2018 venues as the projects advance.
11. The decrease primarily relates to the transfer of funding to DTMR for Royalties for the Regions and the realignment of Building our Regions funding to 2017-18.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. The increase primarily relates to the realignment of funding from 2015-16 for high priority projects (including Royalties for the Regions, the North Queensland Stadium and Safe Anchorage at Mission Beach) and new funding received for Economy Building Initiatives, Queensland Biofutures 10-Year Roadmap and Building our Regions.
13. The decrease primarily relates to the reduction in the recovery of costs for GC2018 venues as projects advance.
14. The increase primarily relates to Building our Regions grants anticipated to be paid in 2016-17, new funding received for Building our Regions in 2016-17 and the realignment of Royalties for the Regions funding from 2015-16 to 2016-17.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

15. The increase represents recoveries for user charge projects and transfer of amounts from non-current assets to current receivables due to accounting policy changes.
16. The decrease represents the settlement of a land parcel at Coomera, the realignment of amounts to receivables and property, plant and equipment due to an accounting policy change, offset by the transfer in of land relating to Mary Valley properties awaiting settlement.
17. The increase represents work in progress for the construction of the Bundaberg Gas Pipeline and the valuation increase of land in the Brisbane Commercial Business District.

18. The increase reflects the revenue received for projects in 2015-16 that will not be completed until 2016-17 such as GC2018 venues and village projects.
19. The increase primarily relates to the contribution made for the construction of the Bundaberg Gas Pipeline and comprehensive revaluations of land.

Major variations between 2015-16 Budget and 2016-17 Budget include:

20. The increase represents increased recoveries for user charge projects such as GC2018 venues and village.
21. The decrease represents the planned decline in Mary Valley properties awaiting settlement.
22. The increase represents planned work in progress for the North Queensland Stadium and Bundaberg Gas Pipeline.
23. The increase reflects the revenue received for projects in 2015-16 that will not be completed until 2016-17 such as GC2018 venues and village projects.
24. The decrease reflects payment of loan principal for Common User Infrastructure at Port of Gladstone.
25. The increase primarily relates to the North Queensland Stadium, Bundaberg Gas Pipeline, Materials Transport and Services Corridor and revaluations of land.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

26. The decrease represents the planned decline in Mary Valley properties awaiting settlement.
27. The increase represents planned work in progress for the North Queensland Stadium and Bundaberg Gas Pipeline.
28. The decrease reflects payment of loan principal for Common User Infrastructure at Port of Gladstone.
29. The increase primarily relates to the North Queensland Stadium and Materials Transport and Services Corridor.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

30. The decrease primarily relates to the realignment to out years of high priority projects (including Building our Regions and Safe Anchorage at Mission Beach), and the conversion of Bundaberg Gas Pipeline from operating to capital expenditure.
31. The decrease primarily relates to recovery of costs for GC2018 venues with funding received from DTESB.
32. The increase is due to the realignment of funds from supplies and services as temporary staff were engaged to assist with high priority projects in preference to engaging contractors.
33. The decrease primarily relates to the rescheduling of milestones for GC2018 venues as the projects advance and realignment to out years of high priority projects (including Safe Anchorage at Mission Beach and the North Queensland Stadium).
34. The decrease primarily relates to the realignment of Building our Regions funding to 2017-18 and transfer of funding to DTMR for Royalties for the Regions.
35. The decrease primarily reflects the sales pattern in Mary Valley properties.
36. The increase represents purchases of assets relating to the Materials Transport Services Corridor and the construction of the Bundaberg Gas Pipeline.
37. The decrease primarily represents funding for Airport Link no longer being held within the department, offset by increased funding for the Bundaberg Gas Pipeline.
38. The decrease is predominately due to less than anticipated sales of Mary Valley properties.

Major variations between 2015-16 Budget and 2016-17 Budget include:

39. The decrease primarily relates to the transfer of Royalties for the Regions funding to DTMR and the realignment of Safe Anchorage at Mission Beach post 2016-17.
40. The decrease primarily relates to the reduction in the recovery of costs for GC2018 venues as projects advance.
41. The increase is primarily due to funding received for Queensland Biofutures 10-Year Roadmap and Community Hubs and Partnerships.

42. The decrease primarily relates to a reduction in the recovery of costs for GC2018 venues as the projects advance.
43. The decrease primarily relates to the transfer of funding to DTMR for Royalties for the Regions and the realignment of Building our Regions funding to 2017-18.
44. The increase is due to movements in provisions for land claims.
45. The decrease primarily reflects the planned decrease in Mary Valley properties and the sale of land in Coomera in 2015-16.
46. The increase represents purchases of assets relating to the Materials Transport Services Corridor, and the development of the North Queensland Stadium and the Bundaberg Gas Pipeline.
47. The increase represents purchases of assets relating to the Materials Transport Services Corridor, and the development of the North Queensland Stadium and the Bundaberg Gas Pipeline.
48. The decrease primarily relates to the planned reduction in sales of Mary Valley properties.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

49. The increase primarily relates to the realignment of funding from 2015-16 for high priority projects (including the North Queensland Stadium and Safe Anchorage at Mission Beach) and new funding received for Economy Building Initiatives, Queensland Biofutures 10-Year Roadmap and Building our Regions.
50. The decrease primarily relates to a reduction in the recovery of costs for GC2018 venues due to projects nearing completion.
51. The increase primarily relates to Building our Regions grants anticipated to be paid in 2016-17, new funding received for Building our Regions in 2016-17 and the realignment of Royalties for the Regions funding from 2015-16 to 2016-17.
52. The increase is due to movements in provisions for land claims.
53. The decrease primarily reflects the planned decrease in Mary Valley properties available to sell.
54. The increase represents purchases of assets relating to the Materials Transport Services Corridor, and the development of the North Queensland Stadium and the Bundaberg Gas Pipeline.
55. The increase represents planned purchases of assets relating to the Materials Transport Services Corridor, Targinnie Precinct projects, the development of the Bundaberg Gas Pipeline and the North Queensland Stadium.
56. The decrease primarily relates to the planned reduction in sales of Mary Valley properties.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.
Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.

Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at www.budget.qld.gov.au

