

## Service Delivery Statements

Department of State Development, Infrastructure and Planning

# **2014–15 State Budget Papers**

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

## **Appropriation Bills**

## **Concessions Statement**

The suite of Budget Papers is similar to that published in 2013-14.

The Budget Papers are available online at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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## **Service Delivery Statements**

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# Department of State Development, Infrastructure and Planning

## Summary of portfolio budgets

Page	Department of State Development, Infrastructure and Planning	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
2	Department of State Development, Infrastructure and Planning – controlled	320,621	254,878	412,095
38	Department of State Development, Infrastructure and Planning – administered	10,025	37,568	40,231
30	Economic Development Queensland	147,634	142,087	151,317
48	South Bank Corporation	93,416	93,846	100,562

### Notes:

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

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for State Development, Infrastructure and Planning:

<b>Deputy Premier, Minister for State Development, Infrastructure and Planning</b> <b>The Honourable Jeff Seeney MP</b>
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<b>Assistant Minister for Planning Reform</b> <b>Rob Molhoek MP</b>
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<b>Department of State Development, Infrastructure and Planning</b>
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<b>Director General: David Edwards</b>
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<b>Service Area 1:</b> Driving business and economic growth
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<b>Service Area 2:</b> Leading infrastructure policy and planning for the State
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<b>Service Area 3:</b> Reforming Queensland's planning system
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<b>Service Area 4:</b> Major project assessment, approval, facilitation and delivery
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<b>South Bank Corporation</b>
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<b>Chief Executive Officer: Jeffrey Weigh</b>
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<b>Objective:</b> To create and manage the best new urban precinct in the world
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<b>Economic Development Queensland</b>
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<b>Acting General Manager: Paul Eagles</b>
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<b>Service Area 1:</b> Driving business and economic growth
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<b>Service Area 2:</b> Major project assessment, approval, facilitation and delivery
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Additional information about these agencies can be sourced from [www.dsdip.qld.gov.au](http://www.dsdip.qld.gov.au), [www.southbankcorporation.com.au](http://www.southbankcorporation.com.au) and [www.edq.qld.gov.au](http://www.edq.qld.gov.au).

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Department of State Development, Infrastructure and Planning exists to deliver Queensland's economic prosperity by championing the interests of business and industry and delivering on the objectives of driving business and economic growth; leading infrastructure policy and planning for the State; reforming Queensland's planning system; and facilitating major project assessment, approval and delivery. The department underpins its delivery with strong leadership, sound governance and efficient support services, actively working to achieve these objectives through:

- ensuring a clear understanding across government that the economic development agenda is a key driver of government activity
- providing policy and forward planning that improves certainty for the private sector and reduces risk to projects, thereby encouraging investment and economic growth
- ensuring the timely delivery of infrastructure, major and coordinated projects that drive economic growth and provide better value for money
- streamlining processes and reducing red tape and assessment timeframes
- negotiating with the Australian Government to deliver a one-stop-shop for environmental assessments
- reforming the planning system, streamlining approval timeframes and facilitating economic growth.

We achieve this through our reform program with the goal of enhancing Queensland's competitive position by:

- reducing the costs of doing business in Queensland
- providing certainty of policy, process and decision making
- engaging effectively with the Commonwealth by successfully negotiating a bilateral agreement for major project approvals
- engaging effectively with the community, illustrating the benefits of economic development.

Queensland is facing a competitive economic environment with a subdued global economy and cannot rely on population and labour market participation to drive growth in the future. This coincides with Queensland's resources sector switching phases from construction to production and export, and an associated reduction in private sector infrastructure and construction spend. At the same time, there is also an increasing demand for delivery of complex infrastructure projects that impact on the State Government's fiscal position. In response, the department is leading a central effort across government to drive economic growth, and has seen Queensland deliver the strongest employment and Gross Domestic Product growth figures in the nation for the last two years. The private sector is a key driver of economic growth, and the contestability agenda provides consideration of appropriate mechanisms for private sector delivery or partnership. A key role for the department is improving certainty and 'de-risking' projects through policy settings and forward planning. Reducing the complexity of Queensland's planning system will also strengthen the State's property and construction sectors by removing blockages and unnecessary growth constraints.

## Achievements for 2013-14

- Released the Governing for Growth Economic Strategy and Action Plan, a whole-of-government strategy and action plan to deliver economic growth for the next decade.
- Continued reforming the State's planning and development assessment systems including operationalising the State Assessment and Referral Agency (SARA); introducing a single State Planning Policy (SPP); and finalising a new infrastructure funding framework. SARA received recognition through the Planning Institute of Australia's state and national awards, in the Improving Planning Processes and Practices Award category.
- Established the Property and Infrastructure Cabinet Committee, charged with reforming how the State's infrastructure is prioritised and delivered across whole-of-government.
- Progressed reforms to prioritisation, funding, delivery and maintenance of economic infrastructure through the Infrastructure for Economic Development Strategy.
- Launched the Royalties for the Regions second and third funding rounds for infrastructure projects in Queensland's resource communities.
- Progressed legislation and policy reforms to reduce cost and time burdens on the resources industry and facilitated new resource development through the Resources Cabinet Committee. This resulted in improved industry confidence: the Fraser Institute Annual Survey of Mining Companies 2013 registered Queensland at a five year high of 24<sup>th</sup> of 112 jurisdictions.
- Progressed the 10-year Bruce Highway upgrade strategy and released a draft Queensland Ports Strategy, Great Barrier Reef Coastal Zone draft strategic assessment and program reports.
- Implemented a Memorandum of Understanding and revised Assessment Bilateral agreement with the Commonwealth reflecting the commitment to a one-stop-shop for environmental assessment and approval processes.
- Strengthened regional and State economies with new project facilitation and case managed major resource projects to minimise potential delays and costs.
- Established the *Regional Planning Interests Act 2014* and Regional Planning Interests Regulation to manage the impact of resource activities on areas of regional interest.
- Finalised the Darling Downs and Central Queensland Regional Plans, progressed the Cape York Regional Plan and commenced the review of the South East Queensland Regional Plan.
- Conducted the Property Asset Utilisation Review identifying surplus government land assets and planning for divestment, ensuring the sustainable management of land-based assets.
- Continued to deliver a greater than 50 per cent reduction in assessment timeframes across all stages of the Coordinator-General's project assessment process and progressed assessment of coordinated projects to stimulate the Queensland economy and bring jobs to the State.
- The Coordinator-General declared nine Prescribed Projects, enabling intervention in the approvals process to ensure timely project delivery.
- Continued development of Defence Industries Queensland involving; facilitation of Precision Agriculture Trials using unmanned aircraft technology; and delivering Industry Leaders Group meetings across the four defence sector focus areas of air, land, sea and innovation.
- Completed the Economic Directions Statement for Queensland airports.
- Delivered 40 per cent of the Regional and Resource Towns Action Plan, which is addressing housing availability and affordability; balancing competing industrial, commercial and residential land use; and coordinating infrastructure projects in resource impacted townships.
- Implemented risk-based generic terms of reference (ToR) for the Environmental Impact Statement (EIS) that is 75 per cent shorter, offering significant time and cost savings.
- Implemented a risk-based social impact assessment guideline with performance-based outcomes to encourage innovative solutions to manage the social impacts of projects.
- Finalised the EOI process for a new world class Integrated Resort Development (IRD) with 12 international developers expressing interest.

- The Coordinator-General approved five coordinated projects: Galilee Coal, Shell Australia LNG (Arrow LNG Plant), Shute Harbour Marina, Gold Coast International Marine Precinct and the Gold Coast Quarry. Combined, these will potentially attract investment of \$22.2 billion with more than 9,900 peak construction jobs and more than 5,700 operational jobs.
- Released the Galilee Basin Development Strategy to open up a new resource region and drive development of the State's resource sector; progressed the proposed Galilee Basin State development area (SDA) releasing the draft boundary and draft development scheme; and implemented regional infrastructure frameworks and supply chain projects for the Galilee and Bowen Basins and the North West Mineral Province.
- Supported delivery of the Gold Coast 2018 Commonwealth Games through planning and development for the Athletes Village, progressing delivery on sporting venue infrastructure, including an international swimming and diving competition venue.
- Under the new Infrastructure Australia (IA) submission process, coordinated the first of three Queensland Government submissions for 2014. The February IA submission presented current and emerging infrastructure priorities for the State.
- Continued divestment of properties in the Mary Valley: over 230 of 480 properties are now sold or under development leases, including potential for a \$60 million investment to build a new equestrian facility, creating up to 145 jobs, following the granting of a new quarter horse racing license.

## Highlights for 2014-15

- Introduce the Planning and Development Bill to plan for economic prosperity as well as quality of life, opportunity, good infrastructure and environmental sustainability.
- Progress proponent selection for world class IRDs.
- Prepare the Regional Economic Development Framework, Strategy and Action Plan.
- Progress projects under the Royalties for the Regions program, responding to critical community needs resulting from resource sector activities.
- Maximise economic development opportunities in the Mary Valley, including finalising the sale or development lease of most government owned assets and recommissioning railway infrastructure to recommence the Mary Valley Heritage Railway tourist attraction.
- Commence legislative amendments for the *State Development and Public Works Organisation Act 1971* to create a one-stop-shop assessment process to streamline assessment and approval processes for EISs and development in SDAs.
- Coordinate whole-of-government economic infrastructure prioritisation through the newly established Infrastructure CEO Committee, which will ensure only those project proposals in alignment with government objectives commence through the Project Assurance Framework.
- Deliver the Queensland Ports Act, strategy and master planning guidelines.
- Finalise the Strategic Assessment of the Great Barrier Reef Coastal Zone and seek Australian Government endorsement.
- Progress the Inland Rail project through the Inland Rail Implementation Group.
- Incentivise councils to use a new 'fair value schedule of charges' to become eligible for co-investment in Priority Development Infrastructure.
- Continue to facilitate major resource projects, focusing on Galilee and Cooper Basin proponents. For example, facilitating private sector investment in common user infrastructure development for mining, facilitating land acquisition and streamlining planning approvals.
- Adopt and implement a new Gladstone SDA Development Scheme to improve precinct planning to facilitate a broader range of industrial development.
- Finalise EISs for major tourism, transport and agriculture projects including the: Aquis Resort at the Great Barrier Reef; Underground Bus and Train (BAT) project; and Etheridge Integrated Agricultural Project.
- Improve boating in Boat Bay, Mission Beach with construction of maritime infrastructure.

- Deliver the State Infrastructure Plan—aligned to the Queensland Plan—focusing on major economic and other infrastructure; providing clear direction regarding government objectives and policy; facilitating private sector involvement and supporting delivery of value for money and economic growth.
- Prepare the Total Asset Management Framework to assist public sector agencies in taking a more disciplined approach to asset lifecycle management.



## Departmental Budget Summary

The table below shows the total resources available in 2014-15 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of State Development, Infrastructure and Planning	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	65,106	19,515	66,465
Balance of service appropriation	220,128	177,674	281,349
Other revenue	59,287	71,378	66,698
<b>Total income</b>	<b>344,521</b>	<b>268,567</b>	<b>414,512</b>
<b>Expenses</b>			
Driving business and economic growth	122,009	86,813	195,496
Leading infrastructure policy and planning for the State	20,686	4,518	6,020
Reforming Queensland's planning system	78,100	51,644	58,975
Major project assessment, approval, facilitation and delivery	99,826	111,903	151,604
<b>Total expenses</b>	<b>320,621</b>	<b>254,878</b>	<b>412,095</b>
<b>Operating surplus/deficit</b>	<b>23,900</b>	<b>13,689</b>	<b>2,417</b>
<b>Net assets</b>	<b>521,930</b>	<b>427,047</b>	<b>372,999</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation revenue	10,025	28,149	29,428
Other administered revenue	..	9,419	10,803
<b>Total revenue</b>	<b>10,025</b>	<b>37,568</b>	<b>40,231</b>
<b>Expenses</b>			
Transfers to government	..	9,419	10,803
Administered expenses	10,025	28,149	29,428
<b>Total expenses</b>	<b>10,025</b>	<b>37,568</b>	<b>40,231</b>
<b>Net assets</b>	<b>(52)</b>	<b>..</b>	<b>..</b>

Notes:

1. Includes State and Commonwealth funding.

## Budget Measures Summary

The table shows a summary of Budget measures relating to the department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4.

Department of State Development, Infrastructure and Planning	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered <sup>1</sup>	..	2,500	2,500	2,500	2,500
Departmental <sup>2</sup>	..	..	..	..	..
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The total reconciles with Budget Paper 4.
2. Departmental Expense measures include funding of \$11.8 million over 5 years internally reallocated for Integrated Resort Developments including Queens Wharf and \$3.5 million over four years internally reallocated for recreation trails.

## Staffing<sup>1,2</sup>

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Driving business and economic growth		285	284	278
Leading infrastructure policy and planning for the State		48	44	43
Reforming Queensland's planning system		182	244	239
Major project assessment, approval, facilitation and delivery		233	238	234
<b>TOTAL</b> <sup>3,4</sup>		<b>748</b>	<b>810</b>	<b>794</b>

Notes:

1. Full-time equivalents (FTEs) as at 30 June. Service Areas have changed from the 2013-14 SDS. The original 2013-14 Budget has been realigned against new service areas based on a percentage split of staff effort across service measures.
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 two departments.
4. The movement between 2013-14 Adjusted budget and 2013-14 Estimated actual is due to temporary resources for limited life projects such as the implementation of the Single Assessment Referral Agency and the Property Asset Utilisation Review team. The difference between 2013-14 Estimated actual, and 2014-15 Budget is mainly attributed to temporary resources for limited life projects; and vacancy management principles.

## SERVICE PERFORMANCE

### Services

Our service areas are:

#### Driving business and economic growth

This service area is delivering on the department's objective to deliver policies and programs that drive business and economic growth consistent with the Government's economic development agenda. This service area will drive the expansion of Queensland's economic growth as benchmarked against the global economy and comparable jurisdictions by:

- enabling new growth in the resource sector and property and construction industries through regulatory reform
- shifting from business welfare to systemic reform that positions government policy as an enabler of economic growth
- generating economic development and revenue from divestment of surplus assets
- creating growth and jobs across the State through efficient assessment of key projects
- continuing to reduce assessment timeframes for coordinated projects and development in SDAs, thereby providing greater certainty for industry and assisting to fast track development and reduce costs
- assisting Queensland-based companies to capture an increased amount of the Commonwealth Government's annual defence spend
- creating growth and jobs in the Mary Valley through the implementation of the Mary Valley Economic Development Strategy.

#### Leading infrastructure policy and planning for the State

This service area is delivering on the department's objective to lead infrastructure policy and planning for the State. Through integrated planning, coordination and delivery of large-scale infrastructure projects of State and regional significance (including private-sector and resource infrastructure) we are working to support existing and new economic development, increase business confidence levels and reduce the cost of doing business in Queensland. This contributes to driving Queensland's economic development by underpinning private sector confidence to plan and invest as well as the Government's objective for the community to 'deliver better infrastructure and better planning'. Of particular focus is:

- strengthening regional Queensland in line with *The Queensland Plan: a 30-year vision for Queensland (current working draft)*—final to be released mid-2014, supported by record infrastructure spending through Royalties for the Regions
- implementing strategies to encourage contestability and attract more entrants into Queensland's infrastructure market
- Establishing the Priority Development Infrastructure Co-Investment scheme to fund catalyst infrastructure that will generate or facilitate major economic development.

#### Reforming Queensland's planning system

Delivering a planning system recognised by industry as being world class and the best in Australia. This service area is delivering on the department's objective for Queensland's planning and development assessment system to be reformed, streamlined and simplified. Improvements to the planning system have and will continue to simplify Queensland's complex planning system, which is constraining growth in the property and construction sectors. This service area is contributing to the Government's objective for the community to 'deliver better infrastructure and better planning' and will deliver:

- confidence, capability and discretion for councils to better plan for their communities in the context of State priorities

- greater certainty of outcome for developers, including reduced costs and quicker outcomes
- whole-of-government facilitation of appropriate development
- confidence for the community that the planning system promotes and protects their interests.

### **Major project assessment, approval, facilitation and delivery**

Facilitating timely planning and delivery of infrastructure and major projects that drive economic growth and provide better value for money. This service area is delivering on the department's objective to ensure that major project assessment, approvals facilitation, and delivery are expedited. The service area provides tailored regulation, advisor, facilitator or delivery of services, to support increased economic activity. It is assisting delivery of the Government's objective for the community to 'build a four pillar economy' (strengthening the tourism, agriculture, resources and construction sectors) by:

- facilitation and delivery of major and coordinated projects that enhance the State's economic development including the development of Queens Wharf Brisbane; the delivery of the Gold Coast 2018 Commonwealth Games athletes village and infrastructure; and proposed tourism developments such as the Aquis Resort at the Great Barrier Reef in Cairns; Capricorn Integrated Resort north of Yeppoon; Cairns Shipping Development project; and Sunshine Coast Airport Expansion project
- streamlining of the environmental approvals process with the introduction of a one-stop-shop for impact assessment under a bilateral approvals agreement with the Commonwealth
- supporting the development of resource industry infrastructure, for example, the Galilee Basin railway construction
- undertaking appropriate land acquisition programs to deliver economic development and infrastructure initiatives
- providing effective project delivery assistance to proponents through the judicious and appropriate use of the Coordinator-General's powers including implementing initiatives to enhance efficiency, such as:
  - implementing an 'Efficiency and Quality Improvement Plan' to streamline the EIS process and reduce assessment timeframes, while ensuring best practice environmental assessment and conditioning;
  - further development of outcome-focused standardised conditions; and
  - developing more rigorous Terms of Reference and assessment guidelines for economic assessment of coordinated projects.

These services are newly defined to provide a more complete and updated description of the services that the department provides for Queensland, and are therefore different to the department's previous services as outlined in the 2013-14 Service Delivery Statements. These were:

- Coordinator-General
- State Development
- Major Projects
- Planning.

## Red tape reduction

In 2013-14, the department contributed to the Government's commitment to red tape reduction with the completion of six red tape reduction initiatives. These are:

- operationalising the State Assessment Referral Agency (SARA) system and new single State Planning Policy (SPP), streamlining the planning and development assessment framework. SARA provides a single point of contact in Government for assessment of development applications, ensuring a coordinated and balanced State Government response. The new SPP clearly expresses in one cohesive policy all the State's interests in planning and development
- conducting a 'Planning Healthcheck' pilot to assist local governments by creating a simple system to assess their processes against the State's expectations of best practice, identify areas for improvement and utilise meaningful performance reporting
- developing a risk-based terms of reference for Environmental Impact Statement (EIS) processes to make this process more efficient, outcomes-focused and less prescriptive
- removing the requirement to have a Social Impact Management Plan and streamlining the Social Impact Assessment Guideline to assist proponents assess projects' social aspects, promote a risk-based approach and focus on outcomes to encourage innovative solutions
- driving regulatory efficiency through change in policy and legislation for the resources sector through the Resources Cabinet Committee and an Industry Case Management role
- evaluating the pilot round of the Royalties for the Regions program and revising the program guidelines for rounds 2 and 3, including a streamlined application and online lodgement process reducing the time and effort required of councils.

The following initiatives are scheduled for progression 2014-15:

- developing an approvals bilateral agreement with the Commonwealth to accredit Queensland to undertake approvals under the *Environment Protection and Biodiversity Conservation Act 1999*; this will remove duplication of assessment and approvals decision by the Commonwealth and Queensland Governments, leading to faster decision timeframes
- commencing legislative amendments for the *State Development and Public Works Organisation Act 1971* to reduce red tape; facilitate timely decision making; more clearly articulate the responsibilities of the Coordinator-General and proponents; provide a streamlined alternative to the full EIS process; create a one-stop-shop assessment process to streamline environmental assessment and approval processes for EISs and to streamline development assessment and approvals in State Development Areas.

All Acts administered by the department, including satellite planning legislation and Agreement Acts are under active consideration for red tape reforms as part of the forward legislative program to March 2018 to streamline legislative requirements and deliver savings to industry.

## 2014-15 Service Summary<sup>1</sup>

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Driving business and economic growth	195,496	191,962	4,310	..	53
Leading infrastructure policy and planning for the State	6,020	5,821	191	..	8
Reforming Queensland's planning system	58,975	57,880	1,049	..	45
Major project assessment, approval, facilitation and delivery	151,604	87,951	60,998	4,200	44
<b>TOTAL</b>	<b>412,095</b>	<b>343,614</b>	<b>66,548</b>	<b>4,200</b>	<b>150</b>

Notes:

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

## Performance Statement

Department of State Development, Infrastructure and Planning	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area:</b> Driving business and economic growth	1			
<b>Service standards</b>				
Percentage of land transactions being delivered, which meet committed timeframes and approved revenue targets	2	75%	75%	90%
Value of private sector capital investment leveraged through industry facilitation	3	\$230 million	\$428 million	\$277 million
Private sector capital investment leveraged per dollar spent on industry facilitation		New measure	New measure	\$23.22
<b>State contribution (\$000)</b>		<b>107,119</b>	<b>68,640</b>	<b>191,962</b>
<b>Other revenue (\$000)</b>		<b>23,987</b>	<b>21,125</b>	<b>4,363</b>
<b>Total cost (\$000)</b>		<b>122,009</b>	<b>86,813</b>	<b>195,496</b>
<b>Service Area:</b> Leading infrastructure policy and planning for the State	4			
<b>Service standards</b>				
Value of infrastructure investment enabled through the Royalties for the Regions program	5	\$200 million	\$217 million	\$230 million
Value of infrastructure investment enabled per dollar invested in the management of the Royalties for the Regions program		New measure	New measure	\$100
<b>State contribution (\$000)</b>		<b>18,161</b>	<b>4,151</b>	<b>5,821</b>
<b>Other revenue (\$000)</b>		<b>4,068</b>	<b>367</b>	<b>199</b>
<b>Total cost (\$000)</b>		<b>20,686</b>	<b>4,518</b>	<b>6,020</b>
<b>Service Area:</b> Reforming Queensland's planning system	6			
<b>Service standards</b>				
Percentage of stakeholders indicating they are satisfied with Queensland's simplified planning system	7	80%	76%	90%

<b>Department of State Development, Infrastructure and Planning</b>	<b>Notes</b>	<b>2013-14 Target/Est.</b>	<b>2013-14 Est. Actual</b>	<b>2014-15 Target/Est.</b>
Percentage of total decisions or referral responses where the state is the Assessment Manager or Concurrence Agency are appealed	8	New measure	New measure	Less than 2%
Percentage of total referral responses or decision notices issued that do not require an additional information request	9	New measure	New measure	70%
<b>State contribution (\$000)</b>		<b>68,579</b>	<b>49,504</b>	<b>57,880</b>
<b>Other revenue (\$000)</b>		<b>15,337</b>	<b>2,140</b>	<b>1,094</b>
<b>Total cost (\$000)</b>		<b>78,100</b>	<b>51,644</b>	<b>58,975</b>
<b>Service Area:</b> Major project assessment, approval, facilitation and delivery	10			
<b>Service standards</b>				
The number of statutory decisions made by the Coordinator-General	11	90	125	100
Average percentage reduction in the assessment timeframes for coordinated projects	12	50%	53%	50%
Percentage of projects being managed, delivered or facilitated, which meet committed timeframes and approved budgets	13	75%	95%	75%
Percentage of industry proponents indicating they are satisfied with services provided for the management, delivery or facilitation of projects	14	75%	82%	75%
<b>State contribution (\$000)</b>		<b>87,645</b>	<b>71,532</b>	<b>87,951</b>
<b>Other revenue (\$000)</b>		<b>19,624</b>	<b>51,109</b>	<b>65,242</b>
<b>Total cost (\$000)</b>		<b>99,826</b>	<b>111,903</b>	<b>151,604</b>

Notes:

1. Driving business and economic growth is a new service area for 2014-15.
2. This service standard was reported in the 2013-14 SDS under the service area 'Major Projects'. The variance of 15% between the 2013-14 Estimated actual and the 2014-15 Target/estimate is due to the staged release of the sale of government owned properties in the Mary Valley over the two reporting periods.



3. This service standard was reported in the 2013-14 SDS under the service area 'State Development'. This measure provides an indication of the effectiveness of project facilitation in assisting Queensland investment. The increase of \$198 million from the 2013-14 Target/estimate to Estimated actual is due primarily to project facilitation expenditure and a one-off attraction project with a high capital expenditure. Projects with such high capital expenditure are rare and unlikely to be repeated in future years. The Estimated actual includes \$4.567 million relating to the Mary Valley.
4. Leading infrastructure policy and planning for the State is a new service area for 2014-15.
5. This service standard was reported in the 2013-14 SDS under the service area 'State Development'. The variance between the 2013-14 Target/estimate and Estimated actual of \$17 million is due to additional Royalties for the Regions funds being committed from the future round, as well as increased contributions from industry and councils.
6. Reforming Queensland's planning system is a new service area for 2014-15.
7. This service standard was reported in the 2013-14 SDS under the service area 'Planning'. The slight difference between the Target/estimate and Estimated actual figures is due to the nature of the ongoing reform program.
8. This is a new measure designed to drive better and more timely decisions.
9. This is a new measure designed to drive better and more timely decisions.
10. Major project assessment, approval, facilitation and delivery is a new service area in 2014-15.
11. This service standard was reported in the 2013-14 SDS under the service area 'Coordinator-General'. This measure is a continuing measure that demonstrates the effectiveness of the Coordinator-General in assessing coordinated projects and providing project delivery services. The variance between the 2013-14 target and the 2013-14 Estimated actual is attributed to a number of streamlining initiatives introduced by the Coordinator-General.
12. This service standard was reported in the 2013-14 SDS under the service area 'Coordinator-General'. This measure is a continuing measure that demonstrates the efficiency of the Coordinator-General in reducing assessment timeframes for declared coordinated projects. The variance between the 2013-14 target and the 2013-14 Estimated actual is attributed to a number of streamlining and efficiency initiatives introduced by the Coordinator-General.
13. This service standard was reported in the 2013-14 SDS under the service area 'Major Projects'. The 2013-14 Target/estimate was set as 75 per cent as a conservative estimate due to some elements of timeframe achievement being outside of the department's control. Due to a focus on realisation of efficiencies, a 20 per cent variance to the Estimated actual of 95 per cent was achieved.
14. This service standard was reported in the 2013-14 SDS under the service area 'Major Projects'. A survey response rate of 42.5 per cent was achieved from a pool of 40 stakeholders, with 29.41 per cent of survey respondents indicating they were very satisfied and 52.94 per cent indicating they were satisfied.

## Administered Items

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

The Department of State Development, Infrastructure and Planning administers funds on behalf of the State for the South Bank Corporation and the GasFields Commission Queensland. Further detail relating to the operations and funds of South Bank Corporation is available at the Statutory Authority, South Bank Corporation section of this document.

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

Established in 2012 in line with government election commitments, the GasFields Commission Queensland recognises both agriculture and the onshore gas industries as vital to Queensland's economy—together contributing to our food, fibre and energy needs.

The Commission established six portfolio areas and related objectives for improving coexistence:

Portfolio	Objective
<b>Community and Business</b>	To improve the long term sustainability of regional communities.
<b>Gas Industry Development</b>	To promote greater transparency about the onshore gas industry's activities.
<b>Local Government and Infrastructure</b>	To assist local governments to better plan and manage potential impacts to services and infrastructure.
<b>Science and Research</b>	To establish working relationships with relevant research agencies to identify and share knowledge.
<b>Land Access</b>	To level the playing field in land access and compensation negotiations.
<b>Water and Salt Management</b>	To ensure the quantity and quality of groundwater is not compromised and promote the beneficial use of produced water and salt as a resource.

Since the inception of the Commission and passing of legislation, community engagement and acceptance of the onshore gas industry has significantly improved. The Commission has played an important role in facilitating co-existence among relevant stakeholders and promoting open and transparent communications between proponents, building relationships and encouraging commitment to creating long term legacy for rural and regional Queensland.

With the emergence of new areas for onshore gas exploration, including unconventional petroleum, the Commission remains vital to ensuring agriculture is considered equally during the industry's development. The Commission's important role in the coexistence debate is further highlighted by the Commission's expanded role provided by the passing of the *Regional Planning Interests Act 2014*.

The Commission's positive impact is evident when considering Queensland's maturity as compared to the southern states in facing the conflicting issues surrounding the onshore gas industry, which have been highlighted in the media in recent months.

Financial statements and variance explanations in relation to Administered Items appear in the departmental Financial Statements.

## CAPITAL

### Capital program

The Department of State Development, Infrastructure and Planning has no significant capital expenditure planned for 2014-15 as the department's focus is on progressing key government priorities of driving business and economic growth, leading infrastructure policy and planning for the state, reforming Queensland's planning system and facilitating major project assessment, approval and delivery.

Economic Development Queensland's capital program includes \$49.1 million for early works on the Commonwealth Games Village, mainly for demolition, bulk earthworks and trunk infrastructure.

### Capital budget statement

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		18,793	9,426	..
Total plant and equipment		17,176	1,216	1,716
Total other capital		2,960	1,442	..
<b>Total Capital Purchases</b>	2	<b>38,929</b>	<b>12,084</b>	<b>1,716</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. The decrease between 2013-14 Adjusted budget and 2013-14 Estimated actual (and subsequent decrease in 2014-15 Budget) is due to the finalisation of the Gold Coast Showgrounds relocation and Surat Basin Rail corridor projects; and the Cairns Shipping Development project reclassification to capital grants. Revised forecasts to finalise land acquisitions for the material transport and services corridors in the Townsville and Gladstone State Development Areas is also contributing to the variance.

# BUDGETED FINANCIAL STATEMENTS

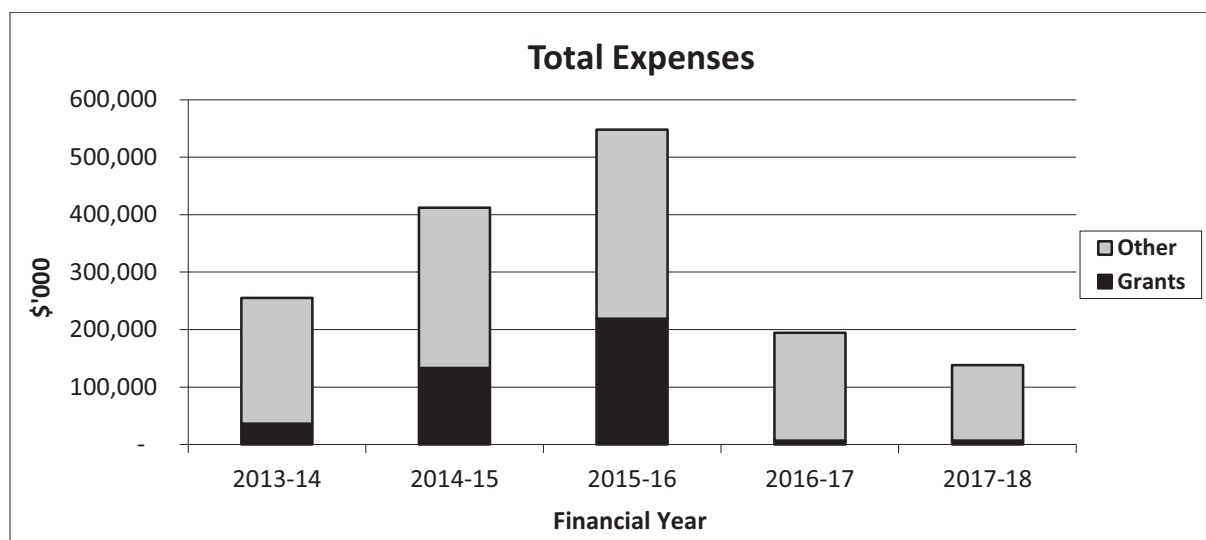
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the department's budgeted financial statements is provided below.

### Departmental income statement

Total expenses are estimated to be \$412.1 million in 2014-15, an increase of \$91.5 million from the 2013-14 financial year. An increase in 2014-15 and 2015-16 is mainly due to the impact of the Royalties for the Regions grant program. In 2013-14 the budget for this program was transferred to the Department of Local Government, Community Recovery and Resilience and the Department of Transport and Main Roads for regional infrastructure projects grants to local councils. A decrease in grants over 2016-17 and 2017-18 relates to the Royalties for the Regions program that requires recognition for ongoing funding. The decline in the other expenses from 2016-17 is mainly due to significant capital grant expenditure being recognised in 2015-16 for the Cairns Shipping Development project.

**Chart: Total departmental expenses across the Forward Estimates period**



### Departmental balance sheet

The department's major assets are in property plant and equipment (\$471 million) and are expected to decrease over the next few years, as land holdings decline mainly as a result of the Mary Valley divestment strategy. The department's main liabilities of \$80 million relate to Queensland Treasury Corporation borrowings predominately for state infrastructure at the Port of Gladstone with repayments in accordance with the loan schedule.

## CONTROLLED INCOME STATEMENT

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,8,13	285,234	197,189	347,814
Taxes		..	..	..
User charges and fees	2,9,14	59,260	56,648	66,548
Royalties and land rents		..	..	..
Grants and other contributions		27	804	150
Interest		..	..	..
Other revenue		..	10	..
Gains on sale/revaluation of assets	3,15	..	13,916	..
<b>Total income</b>		<b>344,521</b>	<b>268,567</b>	<b>414,512</b>
<b>Expenses</b>				
Employee expenses	4,10,16	81,052	89,451	85,712
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	5,11,17	127,470	111,074	176,518
Grants and subsidies	6,12,18	94,432	36,117	133,175
Depreciation and amortisation		9,898	9,893	9,223
Finance/borrowing costs		5,934	5,553	5,453
Other expenses		1,835	1,790	2,014
Losses on sale/revaluation assets	7,19	..	1,000	..
<b>Total expenses</b>		<b>320,621</b>	<b>254,878</b>	<b>412,095</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>23,900</b>	<b>13,689</b>	<b>2,417</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	20,25	..	..	..
Increase/(decrease) in asset revaluation reserve		6,017	32,017	6,043
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>6,017</b>	<b>32,017</b>	<b>6,043</b>
Surplus/(deficit) for the period	21,23,26	23,900	13,689	2,417
<b>Total recognised income and expense for the period</b>		<b>29,917</b>	<b>45,706</b>	<b>8,460</b>
Equity injection/(withdrawal)	22,24,27	10,848	(77,271)	(63,608)
Equity adjustments (inc. MoG transfers)		1,110	543	1,100
<b>Total movement in equity for period</b>		<b>41,875</b>	<b>(31,022)</b>	<b>(54,048)</b>

## CONTROLLED BALANCE SHEET

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	28,41	4,211	8,281	8,145
Receivables	29,42,56	6,728	8,003	3,647
Other financial assets		..	..	..
Inventories	43,57	18,698	18,735	..
Other		776	659	659
Non-financial assets held for sale	30,44,58	17,498	56,384	..
<b>Total current assets</b>		<b>47,911</b>	<b>92,062</b>	<b>12,451</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	45,59	..	..	19,524
Other financial assets		..	..	..
Property, plant and equipment	31,46,60	590,566	471,456	459,960
Intangibles	32,47	14,339	7,326	6,696
Other		11,432	11,432	10,830
<b>Total non-current assets</b>		<b>616,337</b>	<b>490,214</b>	<b>497,010</b>
<b>TOTAL ASSETS</b>		<b>664,248</b>	<b>582,276</b>	<b>509,461</b>
<b>CURRENT LIABILITIES</b>				
Payables	33,48	9,735	29,125	28,695
Accrued employee benefits		2,058	1,702	1,704
Interest-bearing liabilities and derivatives	34,61	10,605	19,969	9,739
Provisions	35,49	33,860	17,362	17,362
Other	36,50	5,951	322	322
<b>Total current liabilities</b>		<b>62,209</b>	<b>68,480</b>	<b>57,822</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	51,62	80,109	80,417	72,308
Provisions	37,52	..	6,332	6,332
Other		..	..	..
<b>Total non-current liabilities</b>		<b>80,109</b>	<b>86,749</b>	<b>78,640</b>
<b>TOTAL LIABILITIES</b>		<b>142,318</b>	<b>155,229</b>	<b>136,462</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>521,930</b>	<b>427,047</b>	<b>372,999</b>
<b>EQUITY</b>				
Capital/contributed equity	38,53,63	845,861	748,887	686,379
Accumulated surplus/(accumulated deficit)	39,54,64	(355,688)	(382,507)	(380,090)
Reserves:				
- Asset revaluation surplus	40,55,65	31,757	60,667	66,710
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>521,930</b>	<b>427,047</b>	<b>372,999</b>

## CONTROLLED CASH FLOW STATEMENT

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	66,76,85	285,234	197,763	347,814
User charges and fees	67,77,86	67,705	115,023	78,691
Royalties and land rent receipts		..	..	..
Grants and other contributions		27	804	150
Interest received		..	..	..
Taxes		..	..	..
Other		23,205	23,215	23,205
<b>Outflows</b>				
Employee costs	68,78,87	(81,052)	(89,444)	(85,712)
Supplies and services	69,79,88	(149,425)	(133,079)	(179,738)
Grants and subsidies	70,80,89	(94,432)	(36,117)	(133,175)
Borrowing costs		(5,934)	(5,553)	(5,453)
Other	71,90	(9,474)	(12,780)	(9,429)
<b>Net cash provided by/(used in) operating activities</b>		<b>35,854</b>	<b>59,832</b>	<b>36,353</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	72,81,91	..	76,640	36,944
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	73,82,92	(38,929)	(12,084)	(1,716)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(38,929)</b>	<b>64,556</b>	<b>35,228</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	(127)	..
Equity injections	74,83,93	133,536	81,401	74,110
<b>Outflows</b>				
Borrowing redemptions		(8,109)	(8,109)	(8,109)
Finance lease payments		..	..	..
Equity withdrawals	75,84,94	(122,688)	(153,328)	(137,718)
<b>Net cash provided by/(used in) financing activities</b>		<b>2,739</b>	<b>(80,163)</b>	<b>(71,717)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(336)</b>	<b>44,225</b>	<b>(136)</b>
<b>Cash at the beginning of financial year</b>		<b>4,547</b>	<b>(35,944)</b>	<b>8,281</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>4,211</b>	<b>8,281</b>	<b>8,145</b>



## ADMINISTERED INCOME STATEMENT

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	95,97	10,025	28,149	29,428
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue	96,98	..	9,419	10,803
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>10,025</b>	<b>37,568</b>	<b>40,231</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies	95,97	10,025	28,149	29,428
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government	96,98	..	9,419	10,803
<b>Total expenses</b>		<b>10,025</b>	<b>37,568</b>	<b>40,231</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		..	..	..
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		..	..	..
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		..	..	..
<b>TOTAL ASSETS</b>		..	..	..
<b>CURRENT LIABILITIES</b>				
Payables		52	..	..
Transfers to Government Payable		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		52	..	..
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		..	..	..
<b>TOTAL LIABILITIES</b>		52	..	..
<b>NET ASSETS/(LIABILITIES)</b>		(52)	..	..
<b>EQUITY</b>				
Capital/contributed equity		9,160	9,212	9,212
Accumulated surplus/(accumulated deficit)		(9,212)	(9,212)	(9,212)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		(52)	..	..

## ADMINISTERED CASH FLOW STATEMENT

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	95,97	10,025	28,149	29,428
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other	96,98	..	9,419	10,803
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services		..	(1,579)	..
Grants and subsidies	95,97	(10,025)	(28,149)	(29,428)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government	96,98	..	(9,419)	(10,803)
<b>Net cash provided by/(used in) operating activities</b>		..	<b>(1,579)</b>	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	<b>(1,579)</b>	..
<b>Cash at the beginning of financial year</b>		..	<b>1,579</b>	..
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		..	..	..

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$3.906 million. The 2013-14 Estimated actual appropriation revenue and employee expenses have been reduced by \$4.356 million.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The decrease primarily relates to the transfer of the Royalties for the Regions program funding to the Department of Transport and Main Roads (DTMR) and the Department of Local Government Community Recovery and Resilience (DLGCRR).
2. The decrease is due to deferral of Callide Infrastructure Liquefied Natural Gas Corridor (LNG) licences and permits revenue to 2015-16.
3. The increase relates to revenue received from the DTMR relating to Mary Valley property transfers.
4. The increase is due to additional staffing costs for the new Government Land and Asset Management (GLAM) program and the extension of temporary staff for the Single Assessment Referral Agency (SARA) program, funded by reallocation of supplies and services budget.
5. The decrease relates to end of year deferrals for a range of high priority projects.
6. The decrease primarily relates to the transfer of the Royalties for the Regions program funding to DTMR and DLGCRR.
7. Losses on sale of Mary Valley properties were not budgeted.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. The increase is mainly due to increased funding for the Royalties for the Regions program.
9. The increase is due to additional funding for Commonwealth Games venues from the Department of Tourism, Major Events, Small Business and Commonwealth Games (DTESB), offset by reduced funding for the Surat Basin Rail Corridor acquisition.
10. The increase is due to additional staffing costs for the new GLAM program and the extension of temporary staff for the SARA program, funded by reallocation of supplies and services budget.
11. The increase relates to the funding of a number of projects including the Mission Beach Safe Boating Infrastructure project and Gold Coast Hospital demolition.
12. The increase is mainly due to increased funding for the Royalties for the Regions program.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

13. The increase is mainly due to increased funding for the Royalties for the Regions program, Mission Beach Safe Boating Infrastructure project, Gold Coast Hospital Demolition and Cairns Shipping Development project.
14. The increase is due to increased funding for Commonwealth Games venues from DTESB, offset by cessation of the funding for Surat Basin Railway Corridor acquisitions.
15. The decrease relates to revenue received from DTMR relating to Mary Valley property transfers.
16. The decrease primarily relates to a reduction in temporary project staff.
17. The increase relates to the funding of a number of projects including the Mission Beach Safe Boating Infrastructure project and the Gold Coast Hospital Demolition.
18. The increase is mainly due to increased funding for the Royalties for the Regions program.
19. Losses on sale of Mary Valley properties were not budgeted.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

20. The increase is due to land received at below fair value.
21. The decrease is primarily due to the conversion of Gold Coast Showgrounds relocation to equity and finalisation of the Surat Basin Railway Corridor acquisition, offset by revenue from DTMR returned to the Consolidated Fund.
22. The decrease primarily relates to the proceeds of sale for Mary Valley properties and Townsville Eastern Access Corridor returned to the Consolidated Fund.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

23. The decrease is primarily due to the conversion of Gold Coast Showgrounds relocation to equity and finalisation of the Surat Basin Rail program.
24. The decrease primarily relates to proceeds of sale for Mary Valley properties and other land returned to the Consolidated Fund.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

25. The decrease is due to the sale of land received at below fair value.
26. The decrease relates to the recognition of revenue from DTMR returned to the Consolidated Fund.
27. The decrease primarily relates to reducing proceeds of sale for Mary Valley properties returned to the Consolidated Fund.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

28. The increase reflects the cash anticipated to be held and movements in payables and receivables.
29. The increase represents increased recoveries for user charge projects.
30. The increase represents Mary Valley properties awaiting settlement and the Townsville Eastern Access Corridor awaiting transfer to DTMR.
31. The decrease represent sales of Mary Valley properties, transfer of Mary Valley properties to land held for sale, deferral of Material Transport and Services Corridor and the finalisation of the Surat Basin Rail Corridor acquisition.
32. The decrease represents deferrals in acquisition of easements in the Callide to Gladstone and Stanwell to Gladstone Infrastructure Corridors.
33. The increase primarily relates to anticipated higher level of creditors due to payments for Commonwealth Games venues and other major projects.
34. The increase relates to recognition of a deposit held from DTMR for land within the Townsville Eastern Access Corridor, awaiting final settlement of compensation claims.
35. The decrease is due to lower than anticipated opening balance at 1 July 2013 as a result of early settlement of claims and movement to non-current provisions.
36. The decrease is due to lower than anticipated opening balance at 1 July 2014.
37. The increase reflects provisions not expected to settle within 12 months.
38. The decrease mainly represents Mary Valley properties and Townsville Eastern Access Corridor proceeds of sale returned to the Consolidated Fund.
39. The increase is primarily due to the conversion of Gold Coast Showgrounds relocation to equity and finalisation of the Surat Basin Rail program and the reduction of Callide to Gladstone LNG licence revenue returned to the Consolidated Fund.
40. The increase is mainly due to land received at below fair value.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

41. The increase reflects the cash anticipated to be held and movements in payables and receivables.
42. The decrease represents decreased recoveries for user charge projects.
43. The decrease is due to the sale of land at Yeerongpilly to Economic Development Queensland (EDQ).
44. The budget reduction is due to current sales under the Mary Valley Divestment strategy forecast to be finalised during 2014-15 resulting in a nil balance at 30 June 2015.
45. The increase is due to the recognition of the deferred settlement from EDQ for sale of land at Yeerongpilly.
46. The decrease represent sales of Mary Valley properties, transfer of Mary Valley properties to land held for sale, deferral of Material Transport and Services Corridor and the finalisation of the Surat Basin Rail Corridor acquisition.
47. The decrease represents deferrals in the Callide to Gladstone and Stanwell to Gladstone Infrastructure Corridor acquisitions.
48. The increase primarily relates to anticipated higher level of creditors due to payments for Commonwealth Games venues and other major projects.
49. The decrease is due to lower than anticipated opening balance at 1 July 2013 as a result of early settlement of claims and movement to non-current provisions.
50. The decrease reflects the movement from current to non-current other liabilities.
51. The decrease reflects payment of debt.
52. The increase reflects provisions not expected to settle within 12 months.

53. The decrease mainly represents Mary Valley properties and other land proceeds of sale returned to the Consolidated Fund.
54. The increase is primarily due to the conversion of Gold Coast Showgrounds relocation to equity and finalisation of the Surat Basin Rail program.
55. The increase is mainly due to land received at below fair value and indexation of property, plant and equipment.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

56. The decrease represents decreased recoveries for user charge projects.
57. The decrease is due to the sale of land at Yeerongpilly to EDQ.
58. The budget reduction is due to current sales under the Mary Valley Divestment strategy forecast to be finalised during 2014-15 resulting in a nil balance at 30 June 2015 and the Townsville Eastern Access Corridor awaiting transfer to DTMR.
59. The increase is due to the recognition of the deferred settlement from EDQ for sale of land at Yeerongpilly.
60. The decrease represents minimal forecast capital acquisitions in 2014-15 and the movement of Mary Valley properties to non-financial assets held for sale.
61. The decrease relates to the anticipated settlement of land within the Townsville Eastern Access Corridor.
62. The decrease reflects payment of debt.
63. The decrease mainly represents Mary Valley properties and other land proceeds of sale returned to the Consolidated Fund.
64. The decrease primarily represents Callide to Gladstone LNG companies' contribution returned to the Consolidated Fund.
65. The increase represents indexation of property, plant and equipment.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

66. The decrease primarily relates to the transfer of the Royalties for the Regions program funding to the DTMR and DLGCRR.
67. The increase is due to payment of outstanding 30 June 2013 receivables from the Department of Science, Information Technology, Innovation and the Arts (DSITIA) which will be finalised during 2013-14.
68. The increase is due to additional staffing costs for the new GLAM program and the extension of temporary staff for the SARA program, funded by reallocation of supplies and services budget.
69. The decrease primarily relates to end of year deferrals for high priority projects.
70. The decrease primarily relates to the transfer of the Royalties for the Regions program funding to DTMR and DLGCRR.
71. The increase is due to movements in provisions.
72. The increase is due to the recognition of sales of Mary Valley properties and Townsville Eastern Access Corridor.
73. The decrease is due to the finalisation of Gold Coast Showgrounds relocation and Surat Basin Rail Corridor projects.
74. The decrease primarily relates to the retention and reclassification of funding in the department.
75. The increase relates to proceeds of sale for Mary Valley properties returned to the Consolidated Fund offset by the retention and reclassification of funding in the department.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

76. The increase is mainly due to increased funding for Royalties for the Regions program.
77. The increase is primarily for Commonwealth Games venues from DTESB.
78. The increase is due to additional staffing costs for the new GLAM program and the extension of temporary staff for the SARA program, funded by reallocation of supplies and services budget; offset by the cessation of temporary project positions.
79. The increase relates to the funding of a number of projects including the Mission Beach Safe Boating Infrastructure project and Gold Coast Hospital demolition.
80. The increase is mainly due to increased funding for Royalties for the Regions program.
81. The increase is due to anticipated Mary Valley property sales in 2014-15.

82. The decrease is due to the finalisation of Gold Coast Showgrounds relocation, delays in finalising land acquisitions associated with access corridors and state development areas; and the Cairns Shipping Development project.
83. The decrease primarily relates to the retention and reclassification of funding in the department.
84. The increase relates to proceeds of sale for Mary Valley properties returned to the Consolidated Fund offset by the retention and reclassification of funding in the department.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

85. The increase is mainly due to increased funding for the Royalties for the Regions program, Mission Beach Safe Boating Infrastructure project, Gold Coast Hospital demolition and Cairns Shipping Development project.
86. The decrease is due to payment of outstanding 30 June 2013 receivables from DSITIA which will be finalised during 2013-14, offset by an increase for Commonwealth Games venues.
87. The decrease primarily relates to a reduction in temporary project staff.
88. The increase relates to the funding of a number of projects including the Mission Beach Safe Boating Infrastructure project and Gold Coast Hospital demolition.
89. The increase is mainly due to increased funding for the Royalties for the Regions program.
90. The decrease is due to movements in provisions.
91. The decrease is the reduction in anticipated Mary Valley property sales.
92. The decrease is primarily due to the finalisation of the Gold Coast Showgrounds relocation and land corridor acquisitions.
93. The decrease primarily relates to the deferral of funding for the settlement of land corridor acquisitions.
94. The decrease reflects reduced sales for Mary Valley properties.

## **Administered income and cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

95. The variance relates to funding for Brisbane City Council for the management and operation of the Southbank and Roma Street Parklands; and increased funding to support the continuation of the GasFields Commission Queensland.
96. The variance relates to the reimbursement from Southbank Corporation to the Consolidated Fund for the transfer of management and operation of the parklands from Southbank Corporation to Brisbane City Council.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

97. The variance relates to funding for Brisbane City Council for the management and operation of the parklands, and increased funding to support the continuation of the GasFields Commission Queensland.
98. The variance relates to the reimbursement from Southbank Corporation to the Consolidated Fund for transfer of management and operation of the parklands from Southbank Corporation to Brisbane City Council.





# COMMERCIALISED BUSINESS UNIT

## ECONOMIC DEVELOPMENT QUEENSLAND

### OVERVIEW

#### Strategic direction

Economic Development Queensland (EDQ) focuses on complex property issues and fast tracking opportunities for urban, residential and industrial development across Queensland. Its role includes enabling or undertaking land development activities, facilitating infrastructure, and providing a streamlined planning framework for declared areas. EDQ's priorities include:

- delivering or facilitating projects to support economic development e.g. new CBDs for Southport and Maroochydore, Toondah Harbour and Weinam Creek
- progressing the delivery of the Gold Coast 2018 Commonwealth Games Village™.

### RESOURCES AND PERFORMANCE

#### Achievements for 2013-14

- Released the master plan for Gold Coast 2018 Commonwealth Games Village™ site. Also, completed the first stage demolition and early works.
- Declared Priority Development Areas (PDAs) in Southport and Maroochydore to support economic development through the creation of new central business districts for the Gold and Sunshine Coasts.
- In close consultation with councils, finalised development schemes for the Parklands PDA on the Gold Coast, Blackwater East PDA and the Toondah Harbour and Weinam Creek PDAs in Redland.
- Continued reduction of industrial land inventory levels and increased focus on sites of strategic consideration for the State, consistent with the 2013 Commission of Audit recommendation.
- Achieved \$45 million in sales of industrial land including the sale of unutilised State land within the Burdekin and over 100 hectares of land within Ripley Valley.
- Settled over 500 lots across EDQ's eight residential communities in Brisbane and regional Queensland to meet housing demand with award recognition from the Urban Development Institute of Australia for Fitzgibbon Chase, Brisbane.

#### Highlights for 2014-15

- Continue development of Gold Coast 2018 Commonwealth Games Village™ including the completion of civil works and start of building construction.
- Work with the Gold Coast and Sunshine Coast Councils to facilitate approval of development schemes for the Southport and Maroochydore PDAs.
- Investigate industrial land supply for regional Queensland to identify and assess possible triggers to enable economic development and develop industrial land strategies.
- Continue delivery of Regional and Resource Town Action Plan commitments, including starting work on the \$6 million upgrade of sewer and water infrastructure in Roma.
- Complete significant upgrades to roads and public realm within Northshore Hamilton and identify opportunities for the Yeerongpilly urban precinct next to the Queensland Tennis Centre.

## STATEMENTS

### Staffing<sup>1</sup>

Economic Development Queensland	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Driving business and economic growth				
Major project assessment, approval, facilitation and delivery	2	97	89	87

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The reduction in numbers is a result of staff in development assessment, HR and IT being relocated into other business areas following EDQ's transition into the Department of State Development, Infrastructure and Planning.

### Performance Statement

Economic Development Queensland	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area:</b> Driving business and economic growth	1			
<b>Service standards</b>				
Value of private sector investment generated through land sales	2	New measure	\$426 million	\$402.6 million
Value of private sector investment generated through land sales per dollar spent on sales management	3	New measure	\$7.43	\$6.70
<b>Service Area:</b> Major project assessment, approval, facilitation and delivery	4			
<b>Service standard</b>				
Percentage of projects managed, facilitated or delivered that meet committed timeframes and approved budgets	5	75%	90%	90%

Notes:

1. Driving business and economic growth is a new service area for 2014-15.
2. The variation between the 2013-14 Estimated actual and the 2014-15 Target/estimate is due to fewer lots being available for sale across some resident projects as they near completion and the completion of stages of projects within the Northshore Hamilton Priority Development Area.
3. The variation between the 2013-14 Estimated actual and the 2014-15 Target/estimate is due to the reduced activity on the projects noted above.
4. Major project assessment, approval, facilitation and delivery is a new service area for 2014-15.
5. The variation between the 2013-14 Target/estimate and the 2013-14 Estimated actual is due to a greater number of sales being executed on time than originally forecast.

## INCOME STATEMENT

Economic Development Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,13	165,270	156,039	166,357
Grants and other contributions	2,8,14	350	4,350	6,000
Interest		5,291	5,752	5,198
Other revenue		..	292	62
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>170,911</b>	<b>166,433</b>	<b>177,617</b>
<b>Expenses</b>				
Employee expenses	3,9	14,729	11,616	12,108
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	4,15	107,383	100,529	108,928
Grants and subsidies	5,10,16	..	4,465	6,000
Depreciation and amortisation		694	449	115
Finance/borrowing costs	6,11	..	6,666	6,504
Other expenses		17,313	18,362	17,662
Losses on sale/revaluation of assets	7,12	7,515	..	..
<b>Total expenses</b>		<b>147,634</b>	<b>142,087</b>	<b>151,317</b>
<b>Surplus or deficit before related income tax</b>		<b>23,277</b>	<b>24,346</b>	<b>26,300</b>
Income tax expense/revenue		6,983	5,762	7,890
<b>OPERATING SURPLUS/(DEFICIT) after related income tax</b>		<b>16,294</b>	<b>18,584</b>	<b>18,410</b>

## STATEMENT OF CHANGES IN EQUITY

Economic Development Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		(152)	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>(152)</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		16,294	18,584	18,410
<b>Total recognised income and expense for the period</b>		<b>16,142</b>	<b>18,584</b>	<b>18,410</b>
Equity injection/(withdrawal)	17,19,21	63,543	14,009	25,318
Equity adjustments (inc. MoG transfers)	18,20,22	..	32,024	6,368
Dividends paid or provided		..	..	..
<b>Total movement in equity for period</b>		<b>79,685</b>	<b>64,617</b>	<b>50,096</b>

## BALANCE SHEET

Economic Development Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	23,33	94,471	112,677	113,476
Receivables		16,582	12,392	11,429
Other financial assets		..	..	..
Inventories	24,34,44	519,208	413,986	430,141
Other		1,295	1,206	1,206
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>631,556</b>	<b>540,261</b>	<b>556,252</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	25,35	18,668	26,431	32,413
Other financial assets		..	..	..
Property, plant and equipment	26,36,45	433,734	404,379	456,548
Deferred tax assets		3,099	8,882	8,882
Intangibles		47	13	13
Other		151	1	1
<b>Total non-current assets</b>		<b>455,699</b>	<b>439,706</b>	<b>497,857</b>
<b>TOTAL ASSETS</b>		<b>1,087,255</b>	<b>979,967</b>	<b>1,054,109</b>
<b>CURRENT LIABILITIES</b>				
Payables	27,37,46	40,807	55,885	46,320
Current tax liabilities		12,177	4,940	8,611
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	28,38	87,532	7,638	4,438
Provisions		..	..	..
Other	29,39	2,771	21,296	21,296
<b>Total current liabilities</b>		<b>143,287</b>	<b>89,759</b>	<b>80,665</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables	40,47	..	..	19,524
Deferred tax liabilities	30,41	93,929	81,590	81,590
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	42,48	64,174	68,069	81,685
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>158,103</b>	<b>149,659</b>	<b>182,799</b>
<b>TOTAL LIABILITIES</b>		<b>301,390</b>	<b>239,418</b>	<b>263,464</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>785,865</b>	<b>740,549</b>	<b>790,645</b>
<b>EQUITY</b>				
Capital/contributed equity	31,49	752,934	724,601	756,287
Accumulated surplus/(accumulated deficit)		28,413	15,948	34,358
Reserves:				
- Asset revaluation surplus	32,43	4,518	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>785,865</b>	<b>740,549</b>	<b>790,645</b>

## CASH FLOW STATEMENT

Economic Development Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		167,877	167,722	166,366
Grants and other contributions	50,63	350	4,350	6,000
Interest received		5,779	6,414	5,198
Other	51,75	..	4,094	704
<b>Outflows</b>				
Employee costs	52,64	(14,729)	(11,664)	(12,108)
Supplies and services	53,65,76	(91,929)	(59,071)	(114,126)
Grants and subsidies	54,66,77	..	(4,465)	(6,000)
Borrowing costs	55,67	..	(6,666)	(6,504)
Taxation equivalents paid	56,68,78	(16,636)	(35,047)	(5,170)
Other	57,69	(95,790)	(3,100)	(10,841)
<b>Net cash provided by/(used in) operating activities</b>		<b>(45,078)</b>	<b>62,567</b>	<b>23,519</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		7,349	3,900	..
Investments redeemed		..	..	..
Loans and advances redeemed		6,504	4,707	3,313
<b>Outflows</b>				
Payments for non-financial assets	58,70,79	(83,482)	(70,433)	(52,784)
Payments for investments		..	..	..
Loans and advances made	59,71,80	(20)	(4,763)	(8,983)
<b>Net cash provided by/(used in) investing activities</b>		<b>(69,649)</b>	<b>(66,589)</b>	<b>(58,454)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings	60,72,81	140,242	67,986	93,566
Equity injections	61,73	93,543	48,318	48,373
<b>Outflows</b>				
Borrowing redemptions	62,82	(81,975)	(62,827)	(83,150)
Finance lease payments		..	..	..
Equity withdrawals	74,83	(30,000)	(33,000)	(23,055)
<b>Net cash provided by/(used in) financing activities</b>		<b>121,810</b>	<b>20,477</b>	<b>35,734</b>
<b>Net increase/(decrease) in cash held</b>		<b>7,083</b>	<b>16,455</b>	<b>799</b>
<b>Cash at the beginning of financial year</b>		<b>87,388</b>	<b>96,222</b>	<b>112,677</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>94,471</b>	<b>112,677</b>	<b>113,476</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The decrease is mainly due to lower than budgeted land sales as a result of changing market conditions.
2. The increase is mainly due to funding for the Regional and Resource Town Action Plan program not included in the 2013-14 budget.
3. The decrease is due to the transfer of some staff to other parts of the department.
4. The decrease is mainly due to decreased cost of goods sold, as a result of lower than budgeted sales.
5. The increase is mainly due to expenditure related to funding received for the Regional and Resource Town Action Plan program.
6. The increase is due to a change in accounting treatment for borrowing costs. These costs are now expensed when incurred in line with the departments accounting policy.
7. The decrease is mainly due to a revaluation of assets which occurred in the previous financial year.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. The increase is mainly due to funding for the Regional and Resource Town Action Plan program not included in the 2013-14 Adjusted budget.
9. The decrease is due to the transfer of some staff to other parts of the department.
10. The increase is mainly due to expenditure related to funding received for the Regional and Resource Town Action Plan program.
11. The increase is due to a change in accounting treatment for borrowing costs. These costs are now expensed when incurred in line with the department's accounting policy.
12. The decrease is mainly due to a revaluation of assets which occurred in the previous financial year.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

13. The increase is mainly due to a forecast increase in land sales.
14. The increase is due to an increase in the Regional and Resource Town Action Plan program for 2014-15.
15. The increase is mainly due to increased cost of goods sold, as a result of higher budgeted land sales.
16. The increase is due to an increase in the Regional and Resource Town Action Plan program for 2014-15.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

17. The decrease is mainly due to the retention and reclassification of funding in the department.
18. The increase is primarily due to a non-cash transfer of land at Parklands for the Commonwealth Games Village.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

19. The decrease is mainly due to reallocation of funding budgeted to be received from the department in 2013-14 subsequently redirected to other departmental priorities.
20. The increase is due to the retention of equivalents of local authority charges on non-industrial land which is recognised as an expense but retained as Contributed Equity.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include

21. The increase is due to the receipt of additional funding for construction of the Athletes Village for the 2018 Commonwealth Games.
22. The reduction is due to the non-cash receipt of land at Parklands in 2013-14 not being repeated in 2014-15.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

23. The increase reflects operating receipts and payments.
24. The decrease is due to EDQ's changing role as a facilitator of development rather than a developer, management of the construction programs in line with demand; also the retention and reclassification of funding in the department.
25. The increase is mainly due to catalyst infrastructure funding reclassified from Property, plant and equipment.

26. The decrease is due to the reclassification of catalyst infrastructure funding to receivables.
27. The movement reflects the timing and amount of operating payments.
28. The decrease is due to a reclassification of the catalyst infrastructure loan from current liabilities to non-current liabilities.
29. The increase is due to receipt of revenue which will be recognised as income in future periods.
30. The decrease relates to the provision for taxation on the revaluation of non-inventory land that occurred in the previous financial year.
31. The decrease is mainly due to the retention and reclassification of funding in the department.
32. The decrease results from the revaluation of assets to reflect market decreases in 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

33. The increase reflects operating receipts and payments.
34. The decrease is due to EDQ's changing role as a facilitator of development rather than a developer, management of the construction programs in line with demand; also the retention and reclassification of funding in the department.
35. The increase is mainly due to catalyst infrastructure funding reclassified from property, plant and equipment.
36. The increase is due to forecast expenditure on the Commonwealth Games Village offset by a decrease due to the reclassification of catalyst infrastructure funding to receivables.
37. The movement reflects the timing and amount of operating payments.
38. The decrease is due to a reclassification of the catalyst infrastructure loan from current liabilities to non-current liabilities.
39. The increase is due to receipt of revenue which will be recognised as income in future periods.
40. The increase is due to a deferred payment for land.
41. The decrease relates to the provision for taxation on the revaluation of non-inventory land that occurred in the previous financial year.
42. The increase is mainly due to a reclassification of catalyst infrastructure loans from current to non-current interest-bearing liabilities.
43. The decrease results from the revaluation of assets to reflect market decreases in 2013-14.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

44. The increase is due to budgeted development program with sales occurring in subsequent years.
45. The increase is due to forecast spend on the Commonwealth Games Village.
46. The movement reflects the timing and amount of operating payments.
47. The increase is due to a deferred payment for land.
48. The increase is mainly due to catalyst infrastructure loans budgeted to be provided in 2014-15.
49. The increase is due to lower equity returned to the Consolidated Fund in accordance with approved payment directions in 2014-15.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

50. The increase is mainly due to funding for the Regional and Resource Town Action Plan not included in the 2013-14 budget.
51. The increase is mainly due to licence fees received in 2013-14 not included in the budget.
52. The decrease is due to the transfer of some staff to other parts of the department.
53. The decrease is mainly due to the timing of development expenditure in response to changing market conditions and the classification of expenditure as Payments for non-financial assets.
54. The increase is mainly due to expenditure related to funding received for Regional and Resource Town Action Plan program.
55. The increase is due to a change in accounting treatment for interest expense, which was previously classified as supplies and services outflow.
56. The increase is mainly due to the timing of the payment of tax equivalents.
57. The decrease is mainly due to the retention and reclassification of funding in the department.
58. The decrease is due to the reclassification and reduction of catalyst infrastructure expenditure to Loans and advances made.
59. The increase is mainly due to catalyst infrastructure loans provided reclassified from payments for non-financial assets.



60. The decrease is mainly due to lower than budgeted levels of borrowing required for catalyst infrastructure and residential developments.
61. The decrease is mainly due to the retention and reclassification of funding in the department.
62. The decrease is mainly due to timing of loan repayments due to lower sales rates than budgeted and lower borrowings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

63. The increase is mainly due to funding for the Regional and Resource Town Action Plan not included in the 2013-14 budget.
64. The decrease is due to the transfer of some staff to other parts of the department.
65. The increase is mainly due to development expenditure now expected to occur in 2014-15.
66. The increase is mainly due to expenditure related to funding received for the Regional and Resource Town Action Plan program.
67. The increase is due to a change in accounting treatment for interest expense, which was previously classified as supplies and services outflow.
68. The decrease is mainly due to the timing of the payment of tax equivalents.
69. The decrease is mainly due to the retention and reclassification of funding in the department.
70. The decrease is due to the reclassification and reduction of catalyst infrastructure expenditure to loans and advances made.
71. The increase is mainly due to catalyst infrastructure loans provided reclassified from payments for non-financial assets.
72. The decrease is mainly due to lower than budgeted levels of borrowing required for catalyst infrastructure funding and residential developments.
73. The decrease is mainly due to the retention and reclassification of funding in the department.
74. The decrease reflects the lower return to the Consolidated Fund in accordance with approved payment directions.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

75. The decrease is mainly due to licence fees received in 2013-14 which are not expected to be received in 2014-15.
76. The increase is mainly due to development expenditure now expected to occur in 2014-15 and reclassification of expenditure from payments for non-financial assets.
77. The increase is due to an increase in the Regional and Resource Town Action Plan program for 2014-15.
78. The decrease is mainly due to the timing of the payment of tax equivalents.
79. The decrease is due to the reclassification of expenditure in 2014-15 to supplies and services.
80. The increase is mainly due to catalyst infrastructure loans budgeted to be provided in 2014-15.
81. The increase is mainly due to borrowing for catalyst infrastructure funding budgeted in 2014-15.
82. The increase is mainly due to timing of loan repayments due to sales rates budgeted for 2014-15 and repayment of catalyst infrastructure loans.
83. The decrease reflects the lower return to the Consolidated Fund in accordance with approved payment directions.



# Department of State Development, Infrastructure and Planning Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of State Development, Infrastructure and Planning (excluding administered); and
- Economic Development Queensland.

## REPORTING ENTITY INCOME STATEMENT

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,9,16	285,234	197,189	347,814
Taxes		..	..	..
User charges and fees	2,10,17	224,822	206,555	231,842
Royalties and land rents		..	..	..
Grants and other contributions		377	1,154	150
Interest		4,953	5,752	5,198
Other revenue		46	302	62
Gains on sale/revaluation of assets	3,18	..	13,916	..
<b>Total income</b>		<b>515,432</b>	<b>424,868</b>	<b>585,066</b>
<b>Expenses</b>				
Employee expenses	4,11,19	95,781	101,067	97,820
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	5,12,20	234,853	205,471	284,383
Grants and subsidies	6,13,21	94,432	36,582	133,175
Depreciation and amortisation		10,592	10,342	9,338
Finance/borrowing costs	7,14	5,934	12,219	11,957
Other expenses		19,148	20,152	19,676
Losses on sale/revaluation of assets	8,15	7,515	1,000	..
<b>Total expenses</b>		<b>468,255</b>	<b>386,833</b>	<b>556,349</b>
Surplus or deficit before related income tax		47,177	38,035	28,717
Income tax expense/revenue		6,983	5,762	7,890
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>40,194</b>	<b>32,273</b>	<b>20,827</b>

## REPORTING ENTITY STATEMENT OF CHANGES IN EQUITY

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	22,29	5,865	32,017	6,043
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>5,865</b>	<b>32,017</b>	<b>6,043</b>
Surplus/(deficit) for the period	23,26,30	40,194	32,273	20,827
<b>Total recognised income and expense for the period</b>		<b>46,059</b>	<b>64,290</b>	<b>26,870</b>
Equity injection/(withdrawal)	24,27,31	74,391	(63,262)	(38,290)
Equity adjustments (inc. MoG transfers)	25,28,32	1,110	32,567	7,468
Dividends paid or provided		..	..	..
<b>Total movement in equity for period</b>		<b>121,560</b>	<b>33,595</b>	<b>(3,952)</b>

## REPORTING ENTITY BALANCE SHEET

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	33,48	98,682	120,958	121,621
Receivables	49,64	23,310	20,395	15,076
Other financial assets		..	..	..
Inventories	34,50	537,906	432,721	430,141
Other		2,071	1,865	1,865
Non-financial assets held for sale	35,51,65	17,498	56,384	..
<b>Total current assets</b>		<b>679,467</b>	<b>632,323</b>	<b>568,703</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	36,52	18,668	26,431	32,413
Other financial assets		..	..	..
Property, plant and equipment	37,53,66	1,024,300	875,835	916,508
Deferred tax assets		3,098	8,882	8,882
Intangibles	38,54	14,386	7,339	6,709
Other		11,583	11,433	10,831
<b>Total non-current assets</b>		<b>1,072,036</b>	<b>929,920</b>	<b>975,343</b>
<b>TOTAL ASSETS</b>		<b>1,751,503</b>	<b>1,562,243</b>	<b>1,544,046</b>
<b>CURRENT LIABILITIES</b>				
Payables	39,55,67	50,542	85,010	75,015
Current tax liabilities		12,177	4,940	8,611
Accrued employee benefits		2,058	1,702	1,704
Interest-bearing liabilities and derivatives	40,56,68	98,137	27,607	14,177
Provisions	41,57	33,860	17,362	17,362
Other	42,58	8,722	21,618	21,618
<b>Total current liabilities</b>		<b>205,496</b>	<b>158,239</b>	<b>138,487</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Deferred tax liabilities	43,59	93,929	81,590	81,590
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	44,60,69	144,283	148,486	153,993
Provisions	45,61	..	6,332	6,332
Other		..	..	..
<b>Total non-current liabilities</b>		<b>238,212</b>	<b>236,408</b>	<b>241,915</b>
<b>TOTAL LIABILITIES</b>		<b>443,708</b>	<b>394,647</b>	<b>380,402</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,307,795</b>	<b>1,167,596</b>	<b>1,163,644</b>
<b>EQUITY</b>				
Capital/contributed equity	46,62,70	1,598,795	1,473,488	1,442,666
Accumulated surplus/(accumulated deficit)		(327,275)	(366,559)	(345,732)
Reserves:				
- Asset revaluation surplus	47,63,71	36,275	60,667	66,710
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,307,795</b>	<b>1,167,596</b>	<b>1,163,644</b>

## REPORTING ENTITY CASH FLOW STATEMENT

Department of State Development, Infrastructure and Planning	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	72,88,102	285,234	197,763	347,814
User charges and fees	73,89,103	235,874	276,613	243,994
Royalties and land rent receipts		..	..	..
Grants and other contributions		377	1,154	150
Interest received		5,538	6,414	5,198
Taxes		..	..	..
Other	74,104	23,154	27,309	23,909
<b>Outflows</b>				
Employee costs	75,90,105	(95,781)	(101,108)	(97,820)
Supplies and services	76,91,106	(336,913)	(186,018)	(312,325)
Grants and subsidies	77,92,107	(94,432)	(36,582)	(133,175)
Borrowing costs	78,93	(5,934)	(12,219)	(11,957)
Taxation equivalents paid	79,94,108	(16,636)	(35,047)	(5,170)
Other	80,95,109	(9,705)	(15,880)	(20,270)
<b>Net cash provided by/(used in) operating activities</b>		<b>(9,224)</b>	<b>122,399</b>	<b>40,348</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	81,96,110	7,349	80,540	56,468
Investments redeemed		..	..	..
Loans and advances redeemed		6,504	4,707	3,313
<b>Outflows</b>				
Payments for non-financial assets	82,97,111	(122,411)	(82,517)	(54,500)
Payments for investments		..	..	..
Loans and advances made	83,98,112	(20)	(4,763)	(8,983)
<b>Net cash provided by/(used in) investing activities</b>		<b>(108,578)</b>	<b>(2,033)</b>	<b>(3,702)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings	84,99,113	140,242	67,859	93,566
Equity injections	85,100,114	227,079	88,352	70,110
<b>Outflows</b>				
Borrowing redemptions	86,115	(90,084)	(70,936)	(91,259)
Finance lease payments		..	..	..
Equity withdrawals	87,101,116	(152,688)	(144,961)	(108,400)
<b>Net cash provided by/(used in) financing activities</b>		<b>124,549</b>	<b>(59,686)</b>	<b>(35,983)</b>
<b>Net increase/(decrease) in cash held</b>		<b>6,747</b>	<b>60,680</b>	<b>663</b>
<b>Cash at the beginning of financial year</b>		<b>91,935</b>	<b>60,278</b>	<b>120,958</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>98,682</b>	<b>120,958</b>	<b>121,621</b>

## EXPLANATION OF VARIANCES IN THE REPORTING ENTITY FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The decrease mainly relates to the transfer of the Royalties for the Regions program funding to Department of Transport and Main Roads (DTMR) and Department of Local Government Community Recovery and Resilience (DLGCRR).
2. The decrease is mainly due to lower than budgeted Economic Development Queensland (EDQ) land sales.
3. The increase relates to revenue received from the DTMR for Mary Valley property transfers.
4. The increase is due to additional staffing costs for the new Government Land and Asset Management (GLAM) program and the extension of temporary staff for the Single Assessment Referral Agency (SARA) program, funded by reallocation of supplies and services budget.
5. The decrease relates to end of year deferrals for a range of high priority projects and EDQ cost of goods sold decline due to lower than budgeted sales.
6. The decrease mainly relates to the transfer of the Royalties for the Regions program funding to DTMR and DLGCRR, offset by EDQ Regional and Resource Town Action Plan (RRTAP) program expenditure.
7. The increase is due to a change in accounting treatment for EDQ borrowing costs which are now expensed to align with Government accounting policy.
8. The decrease is mainly due to a revaluation of assets which occurred in the previous financial year.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

9. The increase is mainly due to the Royalties for the Regions program.
10. The increase is due to additional Commonwealth Games venues funding from the Department of Tourism, Major Events, Small Business and Commonwealth Games (DTESB), offset by reduced funding for the Surat Basin Rail Corridor acquisition.
11. The increase is due to additional staffing costs for the new GLAM program and the extension of temporary staff for the SARA program, funded by reallocation of supplies and services budget.
12. The increase relates to a number of projects including the Mission Beach Safe Boating Infrastructure project and Gold Coast Hospital demolition.
13. The increase is due to the Royalties for the Regions program funding and EDQ RRTAP expenditure.
14. The increase is due to a change in accounting treatment for EDQ borrowing costs which are now expensed to align with Government accounting policy.
15. The decrease is mainly due to a revaluation of assets having occurred in the previous financial year.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

16. The increase is mainly due to increased funding for the Royalties for the Regions program, Mission Beach Safe Boating Infrastructure project, Gold Coast Hospital demolition and Cairns Shipping Development project.
17. The increase is mainly due to increased funding for Commonwealth Games venues from DTESB, offset by cessation of the funding for Surat Basin Railway Corridor acquisitions.
18. The decrease relates to revenue received from DTMR for Mary Valley property transfers.
19. The decrease primarily relates to a reduction in temporary project staff.
20. The increase relates to the funding of a number of projects including the Mission Beach Safe Boating Infrastructure project and the Gold Coast Hospital demolition.
21. The increase is due to Royalties for the Regions funding and a larger portion of the RRTAP spend forecast in 2014-15.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

22. The increase is due to land received below fair value.
23. The decrease is primarily due to the conversion of Gold Coast Showgrounds relocation to equity and finalisation of the Surat Basin Railway Corridor acquisition, offset by unbudgeted revenue from DTMR returned to the Consolidated Fund.
24. The decrease primarily relates to the conversion of funding from equity injection to appropriation revenue and the proceeds of sale for Mary Valley properties and other land returned to the consolidated fund.

25. The increase is primarily due to a non-cash transfer of land at Parklands for the Commonwealth Games Village.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. The decrease is primarily due to the conversion of Gold Coast Showgrounds relocation to equity and finalisation of the Surat Basin Rail corridor program.
27. The decrease primarily relates to the reprioritisation of funding previously allocated to EDQ and the proceeds of sale for Mary Valley properties and other land returned to the Consolidated Fund.
28. The increase is due to the retention of equivalents of local authority charges on non-industrial land owned by EDQ which is recognised as an expense but retained as Contributed Equity.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

29. The decrease is due to the sale of land previously received at below fair value.
30. The decrease relates to the recognition of revenue from DTMR returned to the Consolidated Fund.
31. The decrease is mainly due to reducing proceeds of sale for Mary Valley properties returned to the Consolidated Fund.
32. The decrease is primarily due to the non-cash receipt of land at Parklands in 2013-14.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

33. The increase in cash anticipated to be held is largely the result of a net increase in funds provided by relative movements in payables and receivables.
34. The decrease is due to EDQ's changing role as a facilitator of development rather than a developer, management of the construction programs in line with demand, also the retention and reclassification of funding in the department.
35. The increase represents Mary Valley properties awaiting settlement and the Townsville Eastern Access Corridor awaiting transfer to DTMR.
36. The increase is mainly due to EDQ catalyst infrastructure funding reclassified from property, plant and equipment.
37. The decrease represent sales of Mary Valley properties, deferral of funding for settlement of land corridor acquisitions, finalisation of the Surat Basin Rail Corridor acquisition and the reclassification of EDQ catalyst infrastructure funding to receivables.
38. The decrease represents deferrals in acquisition of easements in the Callide to Gladstone and Stanwell to Gladstone Infrastructure Corridors.
39. The increase primarily relates to anticipated higher level of creditors due to payments for Commonwealth Games venues and other major projects.
40. The decrease is due to a reclassification of the catalyst infrastructure loan from current liabilities to non-current liabilities, offset by the recognition of a deposit held from DTMR for land within the Townsville Eastern Access Corridor, awaiting final settlement of compensation claims.
41. The decrease is due to lower than anticipated opening balance at 1 July 2013 resulting from the early settlement of claims and movement to non-current provisions.
42. The increase is due to receipt of revenue which will be recognised as income in future periods
43. The decrease relates to the provision for taxation on the revaluation of non-inventory land that occurred in the previous financial year.
44. The increase is due to a reclassification of catalyst infrastructure loans from current to non-current.
45. The increase reflects provisions not expected to settle within 12 months.
46. The decrease mainly represents Mary Valley properties and Townsville Eastern Access Corridor proceeds of sale returned to the Consolidated Fund.
47. The increase is mainly due to land received at below fair value.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

48. The increase in cash anticipated to be held is largely the result of a net increase in funds provided by relative movements in payables and receivables.
49. The decrease is mainly due to a reduction in recoveries for user charge projects.
50. The decrease is due to EDQ's changing role as a facilitator of development rather than a developer, management of the construction programs in line with demand; also the retention and reclassification of funding in the department.
51. The budget reduction is due to current sales under the Mary Valley Divestment strategy forecast to be finalised during 2014-15 resulting in a nil balance at 30 June 2015.

52. The increase is mainly due to EDQ catalyst infrastructure funding reclassified from property, plant and equipment.
53. The decrease represent sales of Mary Valley properties, deferral of funding for the settlement of land corridor acquisitions, finalisation of the Surat Basin Rail Corridor acquisition and the reclassification of EDQ catalyst infrastructure funding to receivables.
54. The decrease represents deferrals in Callide to Gladstone and Stanwell to Gladstone Infrastructure Corridors.
55. The increase primarily relates to anticipated higher level of creditors due to payments for Commonwealth Games venues and other major projects.
56. The decrease is due to a reclassification of the catalyst infrastructure loan from current liabilities to non-current liabilities.
57. The decrease is due to lower than anticipated opening balance at 1 July 2013 due to early settlement of claims and movement to non-current provisions.
58. The increase is due to receipt of revenue which will be recognised as income in future periods.
59. The decrease relates to the provision for taxation on the revaluation of non-inventory land that occurred in the previous financial year.
60. The increase is due to a reclassification of catalyst infrastructure loans from current to non-current.
61. The increase reflects provisions not expected to settle within 12 months.
62. The decrease mainly represents Mary Valley properties and other land proceeds of sale returned to the Consolidated Fund.
63. The increase is mainly due to land received at below fair value and indexation of property, plant and equipment.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

64. The decrease is mainly due to a reduction in recoveries for user charge projects.
65. The budget reduction is due to current sales under the Mary Valley Divestment strategy forecast to be finalised during 2014-15 resulting in a nil balance at 30 June 2015 and the Townsville Eastern Access Corridor awaiting transfer to DTMR.
66. The increase is due to forecast spend on the Commonwealth Games Village, offset by a reduction in the department's capital acquisitions and the movement of Mary Valley properties to non-financial assets held for sale.
67. The decrease reflects the timing and amount of EDQ operating payments.
68. The decrease relates to the anticipated settlement of land within the Townsville Eastern Access Corridor.
69. The increase represents indexation of property, plant and equipment.
70. The decrease mainly represents Mary Valley properties and other land proceeds of sale returned to the Consolidated Fund.
71. The increase represents indexation of property, plant and equipment.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

72. The decrease primarily relates to the transfer of the Royalties for the Regions program funding to the DTMR and DLGCRR.
73. The increase is mainly due to RRTAP funding not included in the 2013-14 budget and the payment of outstanding 30 June 2013 receivables from the Department of Science, Information Technology, Innovation and the Arts (DSITIA) which will be finalised during 2013-14.
74. The increase is mainly due to licence fees received by EDQ in 2013-14 not included in the budget.
75. The increase is due to additional staffing costs for the new GLAM program and the extension of temporary staff for the SARA program, funded by reallocation of supplies and services budget.
76. The decrease is mainly due to the timing of EDQ development projects expenditure and end of year deferrals for high priority projects.
77. The decrease primarily relates to the transfer of the Royalties for the Regions program funding to DTMR and DLGCRR.
78. The increase is due to a change in accounting treatment for interest expense, which was previously capitalised to inventory.
79. The increase is mainly due to the timing of the payment of tax equivalents.
80. The increase is due to movements in provisions.
81. The increase is mainly due to the recognition of sales of Mary Valley properties and Townsville Eastern Access Corridor.



82. The decrease is due to the reclassification of catalyst infrastructure expenditure to loans and advances made; and the finalisation of Gold Coast Showgrounds relocation and Surat Basin Rail Corridor projects.
83. The increase is mainly due to catalyst infrastructure loans provided reclassified from payments for non-financial assets.
84. The decrease is mainly due to lower than previously budgeted levels of borrowing required for catalyst infrastructure and residential developments.
85. The decrease is mainly due to the reclassification of funding from equity injection to appropriation revenue for funding that has been reprioritised.
86. The decrease is mainly due to timing of loan repayments due to lower sales rates than budgeted and lower borrowings.
87. The decrease relates to the finalisation of the Surat Basin Rail agreement and a deferral of equity returns relating to revenue not yet received in respect of the Gladstone LNG arrangements.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

88. The increase is mainly due to increased funding for Royalties for the Regions program.
89. The increase is primarily for Commonwealth Games venues from DTESB.
90. The increase is due to additional staffing costs for the new GLAM program and the extension of temporary staff for the SARA program, funded by reallocation of supplies and services budget.
91. The decrease relates to the funding of a number of projects including the Mission Beach Safe Boating Infrastructure project and Gold Coast Hospital demolition, offset by an increase in EDQ development projects expenditure.
92. The increase is mainly due to RRTAP related expenditure not previously budgeted.
93. The increase is due to a change in accounting treatment for interest expense, which was previously classified as a supplies and services outflow.
94. The decrease is mainly due to the timing of the payment of tax equivalents.
95. The increase is mainly due to the reclassification of expenses to supplies and services.
96. The increase is due to anticipated Mary Valley property sales in 2014-15.
97. The decrease is due to the finalisation of Gold Coast Showgrounds Relocation and Surat Basin Rail Corridor projects and delays in finalising other land acquisitions as well as the reclassification of EDQ catalyst infrastructure spend to loans and advances made.
98. The increase is mainly due to catalyst infrastructure loans provided reclassified from Payments for non-financial assets.
99. The decrease is mainly due to lower than previously budgeted levels of borrowing required for catalyst infrastructure and residential infrastructure.
100. The decrease is mainly due to the reclassification of funding from equity injection to appropriation revenue for funding that has been reprioritised.
101. The decrease relates primarily to the reclassification of funding between equity and appropriation funding.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

102. The increase is mainly due to increased funding for the Royalties for the Regions program, Mission Beach Safe Boating Infrastructure Project, Gold Coast Hospital demolition and Cairns Shipping Development project.
103. The decrease is due to payment of outstanding 30 June 2013 receivables from DSITIA finalised during 2013-14, offset by an increase for Commonwealth Games venues.
104. The decrease is mainly due to a reduction in licence fees to be received by EDQ.
105. The decrease primarily relates to a reduction in temporary project staff.
106. The increase relates to the funding of a number of projects including the Mission Beach Safe Boating Infrastructure project, Gold Coast Hospital demolition and the timing of EDQ development projects expenditure.
107. The increase is mainly due to increased funding for the Royalties for the Regions program.
108. The decrease is mainly due to the timing of the payment of tax equivalents.
109. The increase is due to movements in provisions.
110. The decrease is the reduction in anticipated Mary Valley property sales.
111. The decrease is primarily due to the finalisation of Gold Coast Showgrounds relocation, land corridor acquisitions and the reclassification of EDQ expenditure in 2014-15 to supplies and services.
112. The increase is mainly due to the increase in catalyst infrastructure loans provided.
113. The increase is mainly due to borrowing for catalyst infrastructure funding budgeted in 2014-15.
114. The decrease primarily relates to the deferral of funding for the settlement of land corridor acquisitions.



115. The increase is mainly due to timing of loan repayments due to sales rates budgeted for 2014-15 and repayment of catalyst infrastructure loans.
116. The decrease reflects reduced sales for Mary Valley properties and the lower return to the Consolidated Fund in accordance with approved payment directions for EDQ.



# STATUTORY BODY

## SOUTH BANK CORPORATION

### AGENCY OVERVIEW

#### Strategic direction

After nearly 25 years of strategic development and urban planning, the South Bank precinct is almost complete, with only the Southpoint site remaining for development. The *South Bank Corporation Act 1989* states that the Corporation's management responsibilities would transfer back to Brisbane City Council once development was substantially complete within the South Bank precinct. As such, on 1 July 2013, the Corporation's management responsibilities for the Parklands transferred to Council.

The Government is in the process of assessing options for the remainder of the Corporation's assets and activities, and the timing and process for transition. The Corporation has been directed to defer capital expenditure and to exercise financial prudence to ensure that any cash reserves are able to be applied to its long term debt obligations. In this context, the budget for the 2014-15 year has been prepared with the Corporation to operate on a business as usual basis.

The objects of the Corporation (as outlined in the *South Bank Corporation Act 1989*) are to:

- promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation area
- achieve an appropriate balance between the Corporation's commercial and non-commercial functions
- ensure the Corporation area complements, rather than duplicates, other public use sites in the inner-city Brisbane area
- provide for a diverse range of recreational, cultural and educational pursuits for local, regional and international visitors
- accommodate public events and entertainment that benefit the general community
- achieve excellence and innovation in the management of open space and park areas.

### RESOURCES AND PERFORMANCE

Recent achievements that contribute to the Government's objectives for the community include:

- increasing and improving the retail activation and public offering across the precinct with the attraction of flagship tenants
- continuing to manage and enhance the distinct elements of the precinct that make South Bank Brisbane's favourite place to live, work and play
- successful negotiation of the development lease of Corporation land to allow for commencement of the significant Southpoint development on Grey Street
- the opening of new public facilities in the cafe and restaurant areas.

## STATEMENTS

### Staffing

South Bank Corporation	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
South Bank Corporation	1	27	24	24

Notes:

1. Full-time equivalents (FTEs) as at 30 June.

### Performance Statement

As the services of South Bank Corporation have been significantly altered, its service standards and other measures have been discontinued from the Service Delivery Statements.

For details on measures which have been discontinued from 2013-14 and where this information may be accessed, please refer to the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

## INCOME STATEMENT

South Bank Corporation	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,8,12	87,153	74,773	83,011
Grants and other contributions	2	..	589	..
Interest		250	290	150
Other revenue		..	..	..
Gains on sale/revaluation of assets	3	2,800	2,000	2,800
<b>Total income</b>		<b>90,203</b>	<b>77,652</b>	<b>85,961</b>
<b>Expenses</b>				
Employee expenses	4	3,353	3,018	3,285
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	5,9,13	64,513	54,474	60,374
Grants and subsidies		..	..	..
Depreciation and amortisation		23,600	24,400	24,400
Finance/borrowing costs		1,950	1,950	1,700
Other expenses	6,10	..	9,414	10,803
Losses on sale/revaluation of assets		..	590	..
<b>Total expenses</b>		<b>93,416</b>	<b>93,846</b>	<b>100,562</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	7,11	<b>(3,213)</b>	<b>(16,194)</b>	<b>(14,601)</b>

## STATEMENT OF CHANGES IN EQUITY

South Bank Corporation	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		12,000	12,000	15,000
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>12,000</b>	<b>12,000</b>	<b>15,000</b>
Surplus/(deficit) for the period		(3,213)	(16,194)	(14,601)
<b>Total recognised income and expense for the period</b>		<b>8,787</b>	<b>(4,194)</b>	<b>399</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>8,787</b>	<b>(4,194)</b>	<b>399</b>

## BALANCE SHEET

South Bank Corporation	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	16,18	20,008	20,958	10,171
Receivables		1,216	2,698	2,698
Other financial assets		..	..	..
Inventories		339	365	365
Other		427	302	302
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>21,990</b>	<b>24,323</b>	<b>13,536</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		670,909	676,055	674,241
Intangibles		..	..	..
Other		4,827	5,329	5,329
<b>Total non-current assets</b>		<b>675,736</b>	<b>681,384</b>	<b>679,570</b>
<b>TOTAL ASSETS</b>		<b>697,726</b>	<b>705,707</b>	<b>693,106</b>
<b>CURRENT LIABILITIES</b>				
Payables		10,286	9,013	9,013
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		67	110	110
Other	14,17	6,138	18,977	18,977
<b>Total current liabilities</b>		<b>16,491</b>	<b>28,100</b>	<b>28,100</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		645	696	696
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	15,16,18	18,878	13,622	622
Provisions		69	85	85
Other		..	..	..
<b>Total non-current liabilities</b>		<b>19,592</b>	<b>14,403</b>	<b>1,403</b>
<b>TOTAL LIABILITIES</b>		<b>36,083</b>	<b>42,503</b>	<b>29,503</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>661,643</b>	<b>663,204</b>	<b>663,603</b>
<b>EQUITY</b>				
Capital/contributed equity		291,624	291,624	291,624
Accumulated surplus/(accumulated deficit)		9,828	(6,277)	(20,878)
Reserves:				
- Asset revaluation surplus		360,191	377,857	392,857
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>661,643</b>	<b>663,204</b>	<b>663,603</b>

## CASH FLOW STATEMENT

South Bank Corporation	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	19,26,31	91,153	89,496	87,011
Grants and other contributions	20	..	589	..
Interest received		250	290	150
Taxes		..	..	..
Other		4,000	4,000	4,000
<b>Outflows</b>				
Employee costs		(3,353)	(3,018)	(3,285)
Supplies and services	21,32	(68,513)	(59,464)	(64,374)
Grants and subsidies		..	..	..
Borrowing costs		(1,950)	(1,950)	(1,700)
Other	22,27	(4,000)	(13,414)	(14,803)
<b>Net cash provided by/(used in) operating activities</b>		<b>17,587</b>	<b>16,529</b>	<b>6,999</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	23,28	7,300	..	8,500
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	24,29	(20,306)	(5,751)	(13,286)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(13,006)</b>	<b>(5,751)</b>	<b>(4,786)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions	25,30	(4,550)	(10,000)	(13,000)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(4,550)</b>	<b>(10,000)</b>	<b>(13,000)</b>
<b>Net increase/(decrease) in cash held</b>		<b>31</b>	<b>778</b>	<b>(10,787)</b>
<b>Cash at the beginning of financial year</b>		<b>19,977</b>	<b>20,180</b>	<b>20,958</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>20,008</b>	<b>20,958</b>	<b>10,171</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The decrease is due to weaker trading conditions experienced by the Brisbane Convention and Exhibition Centre (BCEC) than forecast for 2013-14.
2. Final 2011 floods grant funding received from the Queensland Reconstruction Authority.
3. A gain on sale of an asset has been deferred to the 2014-15 year.
4. The decrease in employee expenses is due to several staff appointments not being renewed.
5. The decrease is primarily due to forecast weaker than expected trading by the BCEC resulting in reduced expenditure.
6. The amount of reimbursement to the Consolidated Fund for the South Bank Parklands management by Brisbane City Council (BCC) was unknown when setting the 2013-14 budget.
7. The decrease is primarily due to the requirement to fund the BCC's management of the Parklands and weaker than expected trading by the BCEC.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. The decrease is due to BCEC weaker trading conditions forecast in 2014-15 compared to the 2013-14 budget.
9. The decrease is primarily due to forecast weaker than expected trading by the BCEC resulting in reduced expenditure.
10. The amount of reimbursement to the Consolidated Fund for the South Bank Parklands management by BCC was unknown when setting the 2013-14 budget.
11. The increase is primarily due to the requirement to fund the BCC's management of the Parklands.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

12. The increase is mainly due to forecast improved trading in 2014-15 by the BCEC.
13. The increase is primarily due to forecast improved trading by the BCEC resulting in increased expenditure.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

14. The increase is receipt of future development land sales recognised as unearned income.
15. The decrease in the loan balance follows additional loan repayments.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

16. A decrease in both the cash and loan balances is due to further loan repayments.
17. The increase is receipt of future development land sales recognised as unearned income.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

18. A decrease in both the cash and loan balances is due to further loan repayments.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

19. The decrease is due to weaker trading conditions experienced by the BCEC than forecast for 2013-14.
20. Final 2011 floods grant funding received from the Queensland Reconstruction Authority.
21. The decrease is primarily due to forecast weaker than expected trading by the BCEC resulting in reduced expenditure.
22. The variance is due to the reimbursement to the Consolidated Fund for the South Bank Parklands management by BCC which was previously unbudgeted.
23. The sale of an asset has been deferred to the 2014-15 year.
24. Planned capital works have been deferred.
25. Funds have been directed to additional loan repayments.



Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. The decrease is due to BCEC weaker trading conditions forecast in 2014-15 compared to the 2013-14 budget.
27. The variance is due to the reimbursement to the Consolidated Fund for the South Bank Parklands management by BCC which was previously unbudgeted.
28. The sale of an asset has been deferred to the 2014-15 year.
29. Planned capital works have been deferred.
30. Funds have been directed to additional loan repayments.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

31. A decrease in user charges and fees in the 2014-15 budget is offset by receipt in the 2013-14 Estimated actual of unearned income of \$10 million for future development land sales.
32. The increase is primarily due to forecast improved trading by the BCEC resulting in increased expenditure.

# GLOSSARY OF TERMS

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<b>Accrual Accounting</b>	— 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.
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<b>Administered Items</b>	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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<b>Agency/Entity</b>	— 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.
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<b>Appropriation</b>	— Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"><li>– delivery of agreed services</li><li>– administered items</li><li>– adjustment of the Government’s equity in agencies, including acquiring of capital.</li></ul>
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<b>Balance Sheet</b>	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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<b>Capital</b>	— 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.
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<b>Cash Flow Statement</b>	— A financial statement reporting the cash inflows and outflows for an entity’s operating, investing and financing activities in a particular period.
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<b>Controlled Items</b>	— 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.
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<b>Depreciation</b>	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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<b>Equity</b>	— 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.
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<b>Equity Injection</b>	— An increase in the investment of the Government in a public sector agency.

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<b>Financial Statements</b>	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income Statement</b>	— 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.
<b>Outcomes</b>	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-Source Revenue</b>	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	— Key policy areas that will be the focus of Government activity.
<b>Services</b>	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

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](http://www.budget.qld.gov.au).



