

PART 10

Minister for Mines and Energy

Summary of Portfolio Budgets

Page	Agency	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
2-204	Mines and Energy- controlled	100,154	107,180	144,370
	Mines and Energy - administered	488,153	754,070	485,210
2-225	Energy Ombudsman	3,224	2,912	3,483

Notes:

1. Explanations of variances are provided in the financial statements section.
2. The financial statements reflect adjustments for Machinery of Government changes which took effect during 2007-08. Further detail of these adjustments is contained in the financial statements section.

Department of Mines and Energy

Departmental Overview

Strategic Issues

The Department of Mines and Energy is committed to safe, healthy, reliable, sustainable and competitive minerals and energy industries.

While Queensland enjoys the economic benefits of the resources boom, the department continues to emphasise the importance of safety and health in our mines. The department will continue to play an important role in improving the safety and health of Queenslanders involved in mining, quarrying, explosives, and petroleum and gas industries through active inspection and audit programs, dissemination of health-related standards and information, and the training and research provided by the Safety in mines testing and research station (Simtars). This will assist Queensland in maintaining one of the best mining, petroleum and gas safety records in the world.

Climate change and the management of greenhouse gas emissions present a number of challenges and potential opportunities for the minerals and energy industries. Responding to these challenges and opportunities will require the development of policies and other measures which have a significant global impact.

The department will play a lead role in the research, development and demonstration of clean coal and other emerging low emissions technologies in the energy sector. The CS Energy Oxy-fuel project at Callide and the ZeroGen clean coal project are of strategic importance as part of the contribution of the State's stationary energy sector to a low carbon energy future. There is a necessity to strike the right balance between the need to produce and use coal and the need to protect the environment and the jobs of the men and women who work in the coal industry.

The department seeks to improve the operation of the electricity market to benefit consumers, encourage the growth and development of the electricity and gas sectors, renewable energy technologies and improve the efficiency of energy use. To meet Queensland's current and future energy needs, the department works with private and Government-owned corporations that own and operate electricity generation plants and electricity and gas transmission and distribution networks across the State.

The minerals and energy sectors continue to show strong growth patterns and remain the driving force behind Queensland's strong economy. The department will continue to support the sustainable growth of these industries and to maintain responsible stewardship of the State's resources.

The department will continue to support mineral and petroleum exploration through its Smart Exploration and Smart Mining - Future Prosperity programs which have assisted mineral and energy explorers with better opportunities for targeting prospects that could lead to potential new mines and gas fields.

2008-09 Highlights

During 2008-09, the Department of Mines and Energy will undertake a range of initiatives that will strengthen the delivery of Queensland Government Outcomes.

Energy Efficiency

There is funding of \$12 million in 2008-09 for the Smart Energy Savings Fund (\$50 million over five years commencing in 2007-08) for grants and secured concessional loans to Queensland businesses to implement energy-efficient technologies in buildings, appliances and industrial processes.

Renewable Energy

Funding of \$20 million (\$50 million over five years commencing in 2007-08) is provided in 2008-09 for the Queensland Renewable Energy Fund for grants and secured concessional loans to support the development of proven, innovative renewable energy generation projects in Queensland.

Energy Conservation

To provide financial incentives to households and small businesses located in isolated and remote areas of the State to undertake energy conservation measures, there is funding of \$2.3 million in 2008-09 for the ClimateSmart Homes Rebate Program (\$7.3 million over five years commencing in 2007-08).

Carbon Storage

In 2008-09, funding of \$3.2 million is provided for the Carbon Geosequestration Initiative (\$10 million over five years commencing in 2007-08). In addition, the coal industry and the Australian Government are supporting this initiative to help locate, assess and evaluate sites suitable for the safe long-term underground geological storage of carbon dioxide.

Collingwood Park Assistance Package

To aid the residents of Collingwood Park (near Ipswich) whose houses have been damaged by mine subsidence, additional funding of \$10 million has been provided in 2008-09. The assistance package will include paying for any works necessary to stabilise a property or make it safe; repairs of mining subsidence-related damage where it is cost effective; and the purchase of any property that is beyond economic repair, or has to be demolished. These funds are not reflected in the department's financial statements as they are held in a whole-of-Government contingency fund.

Petroleum And Gas Inspectorate Services

Additional funding of \$0.55 million is provided in 2008-09 (\$0.73 million ongoing) to enhance the service delivery capacity of the Petroleum and Gas Inspectorate. More specialist staff will be employed to increase the frequency of industry monitoring and inspections and audits of a rapidly growing and complex industry.

Mines Safety And Health Services

In 2008-09 additional funding of \$1.8 million is provided for a number of initiatives to enhance the delivery of safety and health services to the mining industry. These relate to the implementation of the recommendations of the review of the content and communication effectiveness of the Queensland Mines and Quarries Annual Safety Performance and Health Report, additional mining inspectors and an investigator, and additional specialist staff at the Simtars research and testing facility.

Information Systems Upgrades

Additional capital funding of \$2.6 million is provided in 2008-09 for the upgrading of hardware and software to the department's critical customer information and processing systems. These systems are the Mineral and Energy Resources Location and Information Network (MERLIN), the Queensland Digital Exploration Reports system (QDEX) and the Interactive Resource and Tenure Maps system (IRTM).

Drill Core Facility

To ensure the safe and secure storage of drill core samples, additional capital funding of \$2.4 million has been provided in 2008-09 (\$4.8 million over three years) for the construction of a new drill core facility at Mount Isa. The new facility will accommodate the increasing supply of drill core samples from surrounding areas and will support the promotion of mining and exploration in the North West Mineral province.

Smart Exploration Program

To further stimulate exploration investment in Queensland, there is funding of \$3.7 million in 2008-09 for the Smart Exploration program (\$20 million over four years commencing in 2005-06). These funds will be used to continue with geophysical data acquisition, geological mapping and data conversion and transcription projects.

Smart Mining - Future Prosperity Program

Funding of \$11.2 million is provided in 2008-09 as part of the four-year \$27.5 million Smart Mining - Future Prosperity program (commencing in 2006-07) aimed at stimulating exploration investment in Queensland by implementing the Queensland Exploration Development Initiative.

2007-08 Achievements

- The ZeroGen clean coal project was reconfigured to a two stage project, Stage 1 a demonstration project to accelerate deployment of the technology into Stage 2, a commercial scale project.
- The Callide Oxy-fuel Low Emissions Technology demonstration project completed its funding arrangements and joint venture agreements, enabling construction to commence.
- Opened up more than 100,000 square kilometres of land for tender for petroleum exploration in central Queensland.
- Issued the first Exploration Permit for geothermal energy exploration in Queensland. Two other applications are near the last stage of their permit granting process.
- Conducted unannounced targeted safety audits at a number of coal and metalliferous mines throughout the State.
- Launched the Reticulated Natural Gas Pensioner Rebate that will provide \$55 per year for eligible customers to assist with the new natural gas pricing regime.
- Announced a Solar Bonus Scheme which will offer a feed-in-tariff of 44 cents per kilowatt hour (kWh) for surplus electricity fed into the electricity grid from solar power systems. The scheme will commence from 1 July 2008.
- Launched round one of funding applications for the Smart Energy Savings Fund designed to assist Queensland business to invest in commercial energy saving projects.
- Launched round one of funding applications for the Queensland Renewable Energy Fund to support the development of proven, innovative renewable energy generation projects in Queensland.

- Released thirteen new areas or more than 7,000 square kilometres of land for tender for geothermal exploration across Queensland.
- Geoscience data covering approximately one quarter of the State has been released for public access under the Smart Exploration program. Areas include the Bowen and Surat Basins and the Mount Isa area.
- Finalised contracts for 27 project grants under round one of the Smart Mining-Future Prosperity's Collaborative Drilling, Cluster Formation and Industry Network initiatives.
- Established an assistance package and support framework to assist Collingwood Park residents affected by mine subsidence.

Departmental Outputs

To maximise delivery of the Queensland Government Outcomes and Priorities, the Department of Mines and Energy has reviewed its output structure and has established three new outputs.

Policy and Operations

The Policy and Operations output is responsible for the management of minerals and petroleum tenures systems, including native title and land access issues, and the management of the abandoned mines land program. This output develops policy in relation to the reliable and competitive supply of energy to Queensland's consumers, national energy market reform, minerals and petroleum development and climate change.

This output provides significant contributions to two Government Outcomes – Building on Economic Success and Managing Climate Change and Protecting the Environment.

Safety and Health

The Safety and Health output is responsible for delivering safety and health standards in the mining, explosives, petroleum and gas industries; and public safety associated with the use of gas and fireworks.

This output also includes the world class Simtars research and testing facility, which provides scientific and research services, and training to the mining and associated industries. Simtars facilitates safe industry practices with special emphasis on the underground coal mining industry, manufacturers and suppliers of equipment to the mining industry and other industries requiring its specialist capabilities.

The Safety and Health output contributes to the Government Outcome – Fostering Healthy Individuals and Communities.

Technology, Exploration and Industry Development

The Technology, Exploration and Industry Development output supports and facilitates exploration, innovation, sustainable development, and management and use of Queensland's mineral and energy resources to secure an appropriate economic return to the community through investment attraction. It is also responsible for actively championing and focusing on developing technologies which target emissions reduction options, electricity generation and the development of clean energy technologies involving renewable energy sources and carbon capture and storage.

The output also includes regulation and monitoring of the State's electricity and gas industries, reliability and security of supply and administration of the Government's electricity related energy supply infrastructure. This output provides significant contributions to two Government Outcomes – Building on Economic Success and Managing Climate Change and Protecting the Environment.

Staffing¹

Output	Notes	2007-08 Adjusted Budget	2007-08 Est. Actual	2008-09 Estimate
Outputs				
Policy and Operations	1,2,3	266	268	268
Safety and Health	1,2,3,4	242	245	269
Technology, Exploration and Industry Development	1,2,3	144	150	150
Total outputs		652	663	687
Total		652	663	687

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2008.
2. Corporate FTEs are allocated across the outputs to which they relate.
3. 2007-08 budget figures were based on a two output structure which has been recast.
4. The increase in FTEs for 2008-09 is due to additional staff in the Petroleum and Gas Inspectorate, the Mines Inspectorate and the Simtars research and testing facility.

2008-09 Output Summary¹

Output	Total cost \$'000	Sources of revenue			
		Appropriation \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Policy and Operations	71,068	71,068			
Safety and Health	40,373	30,198	8,770		1,405
Technology, Exploration and Industry Development	32,929	32,929			
Total	144,370	134,195	8,770	..	1,405

Note:

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

Administered Items

Description

The Department of Mines and Energy is responsible for overseeing significant administered items on behalf of the Government. The department's administered responsibilities follow.

Mineral And Petroleum Royalties

Royalty revenue payable under the *Mineral Resources Act 1989*, the *Petroleum and Gas (Production and Safety) Act 2004* and the *Petroleum Act 1923* is collected from the mineral and petroleum industries.

There will be changes to the Queensland mineral royalty regime from 1 July 2008. Coal will be assessed according to a two-tier royalty system which results in an increasing variable rate of royalty once the price of coal exceeds \$100 per tonne per quarter. The Australian Coal Association Low Emissions Technologies (ACALET) levy will now be allowed as a coal royalty deduction. The rate of royalty on bauxite consumed within Queensland has been increased and minor amendments to base and precious metals will take effect from July 2008, with further changes to take effect from January 2011. Other minor amendments have also been introduced.

From July 2008 petroleum royalties will also be due and payable quarterly instead of the current requirement for monthly royalty payments. Industry will be consulted regarding a proposal to amend the royalty regime for petroleum, with details to be included in a Regulatory Impact Statement to be made available to industry and other interested parties for comment.

Mineral and Petroleum Rentals

Annual rent is collected on various permits, authorities, licences and leases issued under the *Mineral Resources Act 1989*, the *Petroleum Act 1923* and the *Petroleum and Gas (Production and Safety) Act 2004*. The department is moving to a more practical due date for rentals on mining claims, mining leases, mineral development licences and petroleum tenures of 31 August, which will be fully implemented by 31 August 2009.

Community Service Obligation Transactions

Under the *Electricity Act 1994*, electricity retailers must charge customers who have not entered into market contracts for their electricity supply at Notified Prices determined in accordance with the Act. The Notified Prices for customers of a particular customer class are uniform across the State. Small customers (those using less than 100 megawatt-hours per year) may revert to the uniform tariff at the end of a market contract. The Notified Prices effectively place a cap on the prices that can be charged to consumers who enter the market.

The supply of electricity to customers in regional and remote parts of Queensland generally involves costs which are higher than the uniform tariffs. The Government provides Community Service Obligation payments to Ergon Energy Queensland Pty Ltd, the electricity retailer serving customers in regional Queensland, to cover the significant revenue shortfalls associated with supplying them at the uniform tariffs.

The department scrutinises the non-market electricity sales volumes, revenues and purchase costs of the electricity retailer to ensure that its operations are as efficient as possible and verifies and administers the Community Service Obligation payments.

Safety and Health Services Levy

Safety and health services are provided to the mining and quarrying industries in Queensland under the *Coal Mining Safety and Health Act 1999* and the *Mining and Quarrying Safety and Health Act 1999*. These services include:

- Safety inspections and audits
- Investigation of mining and quarrying accidents
- Collection and reporting of safety and health statistics
- Provision of health and safety mentoring and advice
- Collection and maintenance of mining employee health records
- Dissemination of mining, quarrying and explosives products safety and health standards
- Research, development, and training in mining and quarrying safety and health.

These safety and health regulatory compliance services are undertaken to assist industry to achieve its target of 'zero harm'. The department will collect a levy from industry to recover the cost of these services.

Financial statements and variance explanations in relation to Administered Items appear in the financial statements section.

Departmental Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Policy and Operations				
Royalty outstanding as a percentage of royalty revenue		<1%	<1%	<1%
Average satisfaction rating by users of Mines and Energy web site (1-4 scale)	1	3.5	3.5	3.5
Policy advice, briefings, Ministerial correspondence, key projects and core business functions delivered within agreed standards		90%	90%	90%
Progress against annual rehabilitation schedule for abandoned mines	2, 3	100%	95%	Discontinued
Abandoned mines land program resourced priority projects progressed within agreed timelines	4, 5	New measure	New measure	90%
Percentage of 'intention to grant' of exploration permits issued within 180 business days of the date of lodgement	6	New measure	New measure	90%
Payment of uniform tariff Community Service Obligation claims in accordance with agreed timelines	7	100%	91.7%	100%
Responding to targeted National Energy Market issues within agreed timelines		90%	90%	90%
Implement Government Policy Initiatives within approved timelines	8	New measure	New measure	90%
State contribution (\$000)		42,797	43,914	70,450
Other revenue (\$000)		601	601	618
Total cost (\$000)		43,398	44,515	71,068

Output name: Safety and Health

Number of audits and inspections completed for:

– Mining	9, 10	1,800	1,400	Discontinued
– Petroleum and Gas	9	1,600	1,600	Discontinued
– Explosives	9,10	1,000	650	Discontinued

Number of staff by number of days engaged in audits, inspections and investigations of organisations/locations for:

	11	New measure	New measure	
– Mining				2,400
– Petroleum and Gas				1,300
– Explosives				900

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Number of petroleum and gas compliance actions taken	12	400	400	Discontinued
Number of corrective/compliance action requests issued:				
– Mining		110	110	110
– Explosives		90	90	90
– Petroleum and Gas	13	New measure	New measure	250
Percentage of mine safety research projects completed within agreed timeframes		100%	100%	100%
Simtars revenue targets for commercial activities		\$6.2 million	\$6.2 million	\$6.3 million
Government explosives reserve revenue targets for services provided	14	New measure	New measure	\$3.5 million
Number of persons gaining safety competencies through participation in departmental training		2,800	2,800	2,800
Number of mining employment competency certificates issued	15, 16	75	50	Discontinued
Number of licenses and certificates issued:				
– Mining	17	New measure	New measure	75
– Petroleum and Gas		1,600	1,550	1,600
– Explosives		2,300	2,300	2,300
Percentage of directives issued to organisations under safety compliance legislation that are completed within target timelines	18	New measure	New measure	90%
Maintenance of Simtars accreditation as a registered training organisation		100%	100%	100%
Customers who rate Simtars services as satisfactory or better		80%	80%	80%
Responses through 24 hour technology support services that meet customer service standards	19	100%	100%	Discontinued
Emergency responses to notified incidents that meet customer service standards	20	New measure	New measure	100%
Improvement in Regulatory Services function (Annual Australian Business Excellence Framework Assessment)	21	5%	5%	Discontinued
Audits, inspections completed to schedule:				
– Mining	22	90%	75%	90%
– Petroleum and Gas		90%	90%	90%
– Explosives		90%	90%	90%

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Occupational licences issued within time targets for:				
– Mining		90%	90%	90%
– Petroleum and Gas	23	New measure	New measure	90%
– Explosives		90%	90%	90%
State contribution (\$000)		22,349	23,293	30,816
Other revenue (\$000)		7,679	8,220	9,557
Total cost (\$000)		30,028	31,513	40,373

Output name: Technology, Exploration and Industry Development

Capital investment in DME facilitated mining and petroleum projects reaching construction stage during the year

24,25

\$959 million

\$531 million

Discontinued

Number of direct contacts provided with investment attraction information

26

New measure

New measure

1,300

Increase in exploration expenditure by the mining, petroleum and gas industry

27

New measure

New measure

\$456 million

Increase in percentage of the State covered by:

– Airborne geophysical surveys

11.4%

12.9%

11.0%

– Gravity surveys

28

New measure

New measure

5.5%

– Digital geological maps

28

New measure

New measure

5%

Average monthly number of hits on DME's internet-based geoscience information systems:

– Interactive Resource Tenure Maps

29

New measure

New measure

1 million

– Queensland Digital Exploration Reports

29

New measure

New measure

800,000

Number of Clean Coal research and development projects initiated or joined by local participants as an outcome from international visitations and contacts

30

New measure

New measure

2

Percentage of key projects and core business functions delivered in accordance with project plans/agreed standards

31

90%

90%

Discontinued

Percentage of customers satisfied with investment attraction information and advice

32

New measure

New measure

85%

Geological and resource data releases which meet targeted timeframes

33

85%

85%

Discontinued

Percentage of requests for geological and resource advice provided to customers in a timely manner

34

90%

90%

Discontinued

Delivery of regulatory functions and responsibilities under energy legislation within applicable timeframes

90%

90%

90%

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Number of Regional Electricity Council meetings outside Brisbane		24	24	24
State contribution (\$000)		26,728	31,152	32,929
Other revenue (\$000)	
Total cost (\$000)		26,728	31,152	32,929

Notes:

1. This measure has been amended to include the department's website as a whole rather than being specific to the Energy Services website.
2. The variance between the 2007-08 target and the 2007-08 estimated actual was a result of severe weather in the third quarter.
3. This performance indicator has been replaced by a more specific measure of performance of scheduled priority projects completed (see note 4).
4. This measure is more specific and a better indicator of performance as it clearly relates to the work expected to be completed in the financial year determined on a safety risk assessed basis.
5. The target for the abandoned mines program has been adjusted for 2008-09 to allow for unexpected eventualities including adverse weather and emergency activities that were not foreseen.
6. This measure has been included as an indicator of output performance toward supporting exploration investment.
7. The variance relates to the requirement for clarification in relation to one payment.
8. This is a measure of performance relating to the implementation of policy initiatives (eg. Smart Energy Policy) in accordance with the implementation schedule.
9. This performance indicator has been replaced with a more specific indicator, which is a better indicator of performance (see note 11).
10. The variance between the 2007-08 target and 2007-08 estimated actual is due to revised operational plans which increased the number of comprehensive mine audits rather than narrowly focused inspections. Full system audits require 40 working days to complete whereas an inspection can be completed in one day.
11. This measure is more specific and is a better indicator of performance as it clearly shows the number of days staff are engaged in statutory responsibilities in the field.
12. This measure has been included in the following measure to better reflect overall performance (see note 13).
13. This measure has been adjusted to include all three inspectorates and therefore better reflects overall performance.
14. New Measure. This measure has been included to reflect revenue obtained from Government Explosives Reserves.
15. Discontinued. This measure has been included in the following measure to better reflect overall performance (see note 17).
16. The variance is a result of fewer than expected applications being received during the period.
17. This measure has been adjusted to include all three inspectorates and therefore better reflects overall performance.
18. This indicator provides details of the timely completion of statutory compliance by industry in accordance with the findings of audits and inspections undertaken.
19. This measure has been amended to provide a clearer indication of output performance as it was previously limited to Simtars (see note 20).
20. New measure. This measure has been amended to include all output activities and therefore better reflects overall performance.
21. The Australian Business Excellence Framework is one of number of mechanisms for measuring client service performance. It is considered that this framework no longer provides a clear indication of overall performance. Output performance in relation to improvement to regulatory services functions has been assessed using other mechanisms such as customer surveys, in accordance with training industry standards.
22. The variance between the 2007-08 target and 2007-08 estimated actual is due to revised operational plans which increased the number of comprehensive mine audits rather than narrowly focused inspections. Full system audits require 40 working days to complete whereas an inspection can be completed in one day.
23. This measure has been adjusted to include all three inspectorates and therefore better reflects overall performance.
24. This indicator is industry driven and subject to a range of variables outside the control of the department.
25. The variance between the 2007-08 estimated target and the 2007-08 estimated actual target relates to a smaller than expected number of DME facilitated mining and petroleum projects reaching construction stage and being progressed by mining companies.
26. This measure provides a quantitative indicator of information provision events associated with investment attraction.
27. This measure indicates the effectiveness of the support provided to industry in exploration investment and attraction.
28. The release of geophysical survey data indicates a measure of support provided to industry for targeting of prospects that could lead to potential new mines and gas fields.
29. This measure indicates customer usage of new geological tenure and resource information.
30. This measure is an indicator of the effectiveness of the Clean Coal Technology Development program.
31. This has been incorporated in the measure relating to delivery of regulatory functions and responsibilities under energy legislation.
32. This measure has been included to better reflect overall output performance of customer satisfaction.
33. Geological data releases have changed from being records, reports and maps to being predominantly releases of geophysical survey data (see note 28).
34. This measure has been incorporated into a new quality measure relating to percent of customers satisfied with information and advice (see note 32).

Income Statement

Department of Mines and Energy	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
Output revenue	1,7,14	91,874	98,359	134,195
User charges	8,15	8,280	8,601	9,970
Grants and other contributions		..	..	..
Other revenue		..	220	205
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total Income		100,154	107,180	144,370
Expenses				
Employee expenses	2,9,16	52,602	54,997	62,780
Supplies and services	3,10	27,164	37,790	40,100
Grants and subsidies	4,11,17	12,162	9,580	35,595
Depreciation and amortisation		3,492	3,492	3,678
Finance/borrowing costs		..	..	..
Other expenses	5,12,18	4,734	1,321	2,217
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total Expenses		100,154	107,180	144,370
OPERATING SURPLUS /(DEFICIT)		..	..	..

Statement of Changes in Equity

Department of Mines and Energy	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net Income Recognised Directly In Equity		..	..	..
Surplus/(deficit) for the period		..	..	..
Total recognised income and expense for the period		..	..	..
Equity injection/(withdrawal)	6,13,19	47,056	45,834	38,108
Equity adjustments (MoG transfers)		41,932	41,932	..
Total movement in equity for period		88,988	87,766	38,108

Balance Sheet

Department of Mines and Energy	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	20,33	5,683	9,723	6,022
Receivables	21,31	3,056	4,197	4,197
Other financial assets		..	..	..
Inventories		37	17	17
Other	32	229	175	175
Non-financial assets held for sale		..	..	..
Total current assets		9,005	14,112	10,441
NON-CURRENT ASSETS				
Receivables	27,34	..	..	14,200
Other financial assets	22,28,35	86,361	86,361	102,500
Property, plant and equipment	23,29,36	40,075	48,710	58,584
Intangibles		1,510	697	2,293
Other				
Total non-current assets		127,946	135,768	177,577
TOTAL ASSETS		136,951	149,880	187,988
CURRENT LIABILITIES				
Payables	24,30	7,147	9,127	9,127
Employee benefit obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		1,956	968	968
Total current liabilities		9,103	10,095	10,095
NON-CURRENT LIABILITIES				
Payables		355	1,380	1,380
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		355	1,380	1,380
TOTAL LIABILITIES		9,458	11,475	11,475
NET ASSETS/ (LIABILITIES)		127,493	138,405	176,513
EQUITY				
Capital/contributed equity	25,31,37	125,543	120,838	158,946
Retained surplus/(accumulated deficit)		1,950	2,048	2,048
Reserves:				
- Asset revaluation reserve	26,32	..	15,519	15,519
- Other (specify)		..	..	..
TOTAL EQUITY		127,493	138,405	176,513

Cash Flow Statement

Department of Mines and Energy	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	38,47,57	91,874	100,294	134,195
User charges	39,48,58	8,280	14,194	9,970
Grants and other contributions		..	..	..
Other		..	220	205
Outflows:				
Employee costs	40,49,59	(52,602)	(54,997)	(62,780)
Supplies and services	41,50	(27,164)	(37,790)	(40,100)
Grants and subsidies	42,51,60	(12,162)	(9,580)	(35,595)
Borrowing costs		..	..	..
Other	43,52,61	(4,734)	(46,713)	(2,217)
Net cash provided by/(used in) operating activities		3,492	(34,372)	3,678
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	44,53,62	(6,122)	(3,104)	(15,148)
Payments for investments	45,54,63	(44,351)	(44,351)	(16,139)
Loans and advances made	55,64	..	..	(14,200)
Net cash provided by/(used in) investing activities		(50,473)	(47,455)	(45,487)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	45,56,65	47,456	46,243	38,739
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(400)	(400)	(631)
Net cash provided by/(used in) financing activities		47,056	45,834	38,108
Net increase/(decrease) in cash held		75	(35,993)	(3,701)
Cash at the beginning of financial year	46	5,543	45,651	9,723
Cash transfers from restructure		65	65	..
Cash at the end of financial year		5,683	9,723	6,022

Income Statement

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	4, 7	4,562	4,562	23,961
Royalties, property income and other territorial revenue	5, 8	1,367,494	1,378,222	3,572,988
Interest		2	2	2
Administered revenue	1, 9	488,153	754,070	485,210
Other	2, 6, 10	25,000	14,231	..
Total revenues		1,885,211	2,151,087	4,082,161
Expenses				
Supplies and services		57	55	122
Depreciation and amortisation		120	120	120
Grants and subsidies	3, 11	487,976	753,895	484,968
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		488,153	754,070	485,210
Net surplus or deficit before transfers to Government		1,397,058	1,397,017	3,596,951
Transfers of administered revenue to Government		1,397,058	1,397,017	3,596,951
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance Sheet

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	12, 16	23,337	33,735	33,735
Receivables	13, 17	387,668	343,295	343,295
Inventories				
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		..	..	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		19,374	18,076	18,215
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		19,374	18,076	18,215
TOTAL ADMINISTERED ASSETS		430,379	395,106	395,245
CURRENT LIABILITIES				
Payables	14, 18	1,577	41,721	41,721
Transfers to Government payable	15, 19	396,077	315,895	315,895
Interest-bearing liabilities		..	..	..
Other		12,877	19,322	19,322
Total current liabilities		410,531	376,938	376,938
NON-CURRENT LIABILITIES				
Payables		243	243	243
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		243	243	243
TOTAL ADMINISTERED LIABILITIES		410,774	377,181	377,181
ADMINISTERED NET ASSETS/(LIABILITIES)		19,605	17,925	18,064
EQUITY				
Capital/Contributed equity		19,605	17,854	17,993
Retained surplus/(Accumulated deficit)		..	71	71
Reserves:		..	..	..
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		19,605	17,925	18,064

Cash Flow Statement

CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE-OF-GOVERNMENT	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	20, 29	488,153	754,126	485,210
Grants and other contributions		..	..	..
Taxes, fees and fines	25, 30	4,562	4,562	23,961
Royalties, property income and other territorial revenues	26, 31	1,367,494	1,378,222	3,572,988
Other	21,27,32	25,002	14,233	2
Outflows:				
Transfers to Government	33	(1,397,058)	(1,397,017)	(3,596,951)
Grants and subsidies	22	(487,976)	(753,895)	(484,968)
Supplies and services		(57)	(55)	(122)
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		120	176	120
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(259)	..	(259)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(259)	..	(259)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	23,28,34	140,259	10,000	259
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments				
Equity withdrawals	24,28,34	(140,120)	(10,120)	(120)
Net cash provided by/(used in) financing activities		139	(120)	139
Net increase/(decrease) in cash held		..	56	..
Administered cash at beginning of financial year		23,337	33,679	33,735
Administered cash at end of financial year		23,337	33,735	33,735

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. Increased revenue is due to additional funding provided for Carbon Geosequestration Initiative, ClimateSmart Home Rebates Program and carryover of funding from 2006-07.
2. Increased expenditure is due to the employment of additional mining inspectors.
3. Estimated actual is higher than budget due to the reclassification of operating lease expenses from "Other expenses" and the carryover of Smart Exploration and Smart Mining expenditure from 2006-07.
4. Decreased expenditure is due to less than anticipated payments under the Gas Rebate Scheme.
5. Decreased expenditure is higher than budget for 2007-08 due to the reclassification of operating lease expenses to "Supplies and services".
6. Equity injection in 2007-08 primarily reflects provision of funding to ZeroGen Pty Ltd.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

7. Increased revenue is due to additional funding for enterprise bargaining increases, Queensland Renewable Energy Fund, Smart Energy Savings Fund, Carbon Geosequestration Initiative, ClimateSmart Home Rebates Program, energy market reform initiatives, upgrading of systems and additional safety and health staff.
8. Increased revenue is primarily due to increases in government explosives reserve fees.
9. Increased expenditure is due to enterprise bargaining increases, additional staff to manage the Queensland Renewable Energy Fund, Smart Energy Savings Fund and Carbon Geosequestration Initiative, additional safety and health staff and additional staff to implement national energy market reform initiatives.
10. Increased expenditure is due to the transfer of lease costs from "Other expenses", upgrading of systems programming, implementation of national market reform initiatives and additional expenditure under the Smart Exploration and Smart Mining programs carried over from 2007-08.
11. Increased expenditure is due to the payment of grants under the Queensland Renewable Energy Fund and Smart Energy Savings Fund and the carryover of unexpended funds from 2007-08 for the Gas Rebate Scheme.
12. Decreased expenditure is due to the transfer of lease expenses to "Supplies and services" partially offset by increased expenditure on rehabilitation of abandoned mines.
13. Decreased equity injection represents the timing of funding to ZeroGen Pty Ltd partially offset by funding for loans granted under the Queensland Renewable Energy Fund and Smart Energy Savings Fund.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

14. Increased revenue is to fund enterprise bargaining increases additional and new initiatives for Queensland Renewable Energy Fund, Smart Energy Savings Fund, Carbon Geosequestration Initiative, ClimateSmart Home Rebates Program, energy market reform initiatives, upgrading systems and additional safety and health staff.
15. Increased revenue is due to an increase in government explosives reserves fees.
16. Increased expenditure is for enterprise bargaining increases, additional staff to manage the Carbon Geosequestration Initiative and ClimateSmart Home Rebates Program, additional safety and health staff and additional staff to implement national energy market reform initiatives.
17. Increased expenditure is for payment of grants under the Queensland Renewable Energy Fund and Smart Energy Savings Fund and carryover of funding from 2007-08 for the Gas Rebate Scheme and Smart Exploration and Smart Mining programs.
18. Increased expenditure is for work on rehabilitation of abandoned mines.
19. Decreased equity injection represents the timing of funding to ZeroGen Pty Ltd partially offset by funding for loans granted under the Queensland Renewable Energy Fund and Smart Energy Savings Fund.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

20. Increase is due to a larger than anticipated level of payables (refer note 24) and a higher than anticipated cash balance carried over from 2006-07 due to under expenditure in capital purchases.
21. Increase relates to a receivable from the Office of the Energy Ombudsman Queensland for expenses incurred on its behalf by the department.
22. Other financial assets represents investment in ZeroGen Pty Ltd.
23. Increase relates to revaluation of assets, offset by lower than anticipated purchases of plant and equipment which have been carried over to 2008-09. See also note 53.
24. Increase is due to expenditure incurred on behalf of the department by the Department of Natural Resources and Water which was not anticipated.
25. Decrease is due to capital purchases being carried over to 2008-09.
26. Increase is due to the initial revaluation of assets for the department.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

27. Increase is due to the provision of loans for Queensland Renewable Energy Fund and Smart Energy Savings Fund.
28. Increase is due to additional investment in ZeroGen Pty Ltd.
29. Increase relates to revaluation of assets.
30. A higher level of payables has been estimated to reflect the higher level of expenditure for the department in 2008-09.
31. Increase is due to additional investment in ZeroGen Pty Ltd and the provision of loans under the Queensland Renewable Energy Fund and the Smart Energy Savings Fund.
32. Increase is due to the initial revaluation of assets for the department.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

33. Decrease reflects a reduced carryover of funding from 2007-08.
34. Increase is due to the provision of loans for Queensland Renewable Energy Fund and Smart Energy Savings Fund.
35. Increase is due to additional investment in ZeroGen Pty Ltd.
36. Increase is due to purchases of property, plant and equipment.
37. Increase is due to additional investment in ZeroGen Pty Ltd, provision of loans under the Queensland Renewable Energy Fund and the Smart Energy Savings Fund and purchases of plant and equipment.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

38. Increased revenue is due to additional funding provided for Carbon Geosequestration Initiative, ClimateSmart Home Rebates Program and carryover of funding from 2006-07.
39. Increase is due to cash collected on behalf of the department by the Department of Natural Resources and Water in 2006-07 that was reimbursed in 2007-08.
40. Increased expenditure is due to the employment of additional mining inspectors.
41. Estimated actual is higher than budget due to the reclassification of operating lease expenses from "Other expenses" and the carryover of Smart Exploration and Smart Mining expenditure from 2006-07.
42. Decreased expenditure is due to less than anticipated payments under the Gas Rebate Scheme.
43. Increase relates to a reimbursement to the Department of Natural Resources and Water for expenditure that was incurred on behalf of the department in 2006-07 partially offset by the reclassification of operating lease expenses to "Supplies and services".
44. Decrease is due to less than anticipated purchases for plant and equipment.
45. Equity injection in 2007-08 primarily reflects provision of funding to ZeroGen Pty Ltd.
46. Increase is due to expenditure incurred by the Department of Natural Resources and Water in 2006-07 on behalf of the department that was not reimbursed until 2007-08.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

47. Increased revenue is due to additional funding for enterprise bargaining increases, Queensland Renewable Energy Fund, Smart Energy Savings Fund, Carbon Geosequestration Initiative, ClimateSmart Home Rebates Program, energy market reform initiatives, upgrading of systems and additional safety and health staff.
48. Increased revenue is primarily due to increases in government explosives reserve fees.
49. Increased expenditure is due to enterprise bargaining increases, additional staff to manage the Queensland Renewable Energy Fund, Smart Energy Savings Fund and Carbon Geosequestration Initiative, additional safety and health staff and additional staff to implement national energy market reform initiatives.
50. Increased expenditure is due to the transfer of lease costs from "Other expenses", upgrading of systems programming, implementation of national market reform initiatives and additional expenditure under the Smart Exploration and Smart Mining programs carried over from 2007-08.
51. Increased expenditure is due to the payment of grants under the Queensland Renewable Energy Fund and Smart Energy Savings Fund and the carryover of unexpended funds from 2007-08 for the Gas Rebate Scheme.
52. Decreased expenditure is due to the transfer of lease expenses to "Supplies and services" partially offset by increased expenditure on rehabilitation of abandoned mines.
53. Increase is due to carryover of funding for the Mount Morgan Lime Dosing Plant to 2008-09.
54. Decrease is due to the timing of funding to ZeroGen Pty Ltd.
55. Increase is due to the provision of loans for Queensland Renewable Energy Fund and Smart Energy Savings Fund.
56. Decreased equity injection represents the timing of funding to ZeroGen Pty Ltd partially offset by funding for loans granted under the Queensland Renewable Energy Fund and Smart Energy Savings Fund.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

57. Increased revenue is to fund enterprise bargaining increases additional and new initiatives for Queensland Renewable Energy Fund, Smart Energy Savings Fund, Carbon Geosequestration Initiative, ClimateSmart Home Rebates Program, energy market reform initiatives, upgrading systems and additional safety and health staff.
58. See note 39. The reimbursement of cash collected on behalf of the department will not recur in 2008-09.
59. Increased expenditure is for enterprise bargaining increases, additional staff to manage the Carbon Geosequestration Initiative and ClimateSmart Home Rebates Program, additional safety and health staff and additional staff to implement national energy market reform initiatives.
60. Increased expenditure is for payment of grants under the Queensland Renewable Energy Fund and Smart Energy Savings Fund and carryover of funding from 2007-08 for the Gas Rebate Scheme and Smart Exploration and Smart Mining programs.
61. See note 43. The reason for the large payment in 2007-08 will not recur in 2008-09.
62. The increase is due to the deferral of expenditure from 2007-08 for the Mount Morgan Lime Dosing Plant (see note 53) plus capital expenditure in 2008-09.
63. Increase is due to additional investment in ZeroGen Pty Ltd.
64. Increase is due to the provision of loans for Queensland Renewable Energy Fund and Smart Energy Savings Fund.
65. Decreased equity injection represents the timing of funding to ZeroGen Pty Ltd partially offset by funding for loans granted under the Queensland Renewable Energy Fund and Smart Energy Savings Fund.

Income Statement

Expenses and Revenues Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. Increase in revenue relates to increased Community Service Obligation payments to Ergon Energy Queensland and grant funding to Energex for costs associated with the sale of Allgas, Sun Gas and Sun Retail energy assets.
2. Decrease in revenue relates to cessation of sales of Gas Electricity Certificates.
3. Increased expenditure relates to increased Community Service Obligation payments to Ergon Energy Queensland and grant funding to Energex for costs associated with the sale of Allgas, Sun Gas and Sun Retail energy assets, partially offset by a decrease in facilitation payments to Enertrade.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

4. Increased revenue is due to the collection of the new safety and health levy.
5. Increase in revenue is due to the combined influence of external factors such as foreign exchange rates, production levels, commodity prices and changes to the way royalties are levied from 1 July 2008. Commodity prices are predominately set in US\$ with subsequent changes in foreign exchange rates having a significant effect. For example, in relation to 2008-09 a sustained \$0.01 increase in the exchange rate reduces revenue by approximately \$43 million in one year.
6. Decrease in revenue relates to cessation of sales of Gas Electricity Certificates.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

7. Increased revenue is due to the collection of the new safety and health levy.
8. Increase in revenue is due to the combined influence of external factors such as foreign exchange rates, production levels, commodity prices and changes to the way royalties are levied from 1 July 2008. Commodity prices are predominately set in US\$ with subsequent changes in foreign exchange rates having a significant effect. For example, in relation to 2008-09 a sustained \$0.01 increase in the exchange rate reduces revenue by approximately \$43 million in one year.
9. Decrease in revenue primarily relates to an estimated decrease in Community Service Obligation payments to Ergon Energy Queensland.
10. Decrease in revenue relates to cessation of sales of Gas Electricity Certificates.
11. Decrease in revenue primarily relates to an estimated decrease in Community Service Obligation payments to Ergon Energy Queensland.

Balance Sheet

Assets and Liabilities Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

12. Increase is due to unexpended funding for an equity injection payment to Tarong Power Station.
13. Decrease is due to a reduction in receivables for Community Services Obligations and royalties offset with increase in appropriation receivable.
14. Increase is due to an unanticipated Community Service Obligation payable to Ergon Energy.
15. Decrease is due to reduced receivables for royalties' receivable and Community Service Obligations (see note 11).

Major variations between 2007-08 Budget and 2008-09 Estimate include:

16. Increase is due to unexpended funding for an equity injection payment to Tarong Power Station.
17. Decrease is due to a reduction in receivables for Community Services Obligations and royalties offset with increase in appropriation receivable.
18. Increase is due to an unanticipated Community Service Obligation payable to Ergon Energy.
19. Decrease is due to reduced receivables for royalties' receivable and Community Service Obligations (see note 11).

Cash Flow Statement

Cash Flows Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

20. Increase in revenue relates to increased Community Service Obligation payments to Ergon Energy Queensland and grant funding to Energex for costs associated with the sale of Allgas, Sun Gas and Sun Retail energy assets.
21. Decrease in revenue relates to cessation of sales of Gas Electricity Certificates.
22. Increased expenditure relates to increased Community Service Obligation payments to Ergon Energy Queensland and grant funding to Energex for costs associated with the sale of Allgas, Sun Gas and Sun Retail energy assets, partially offset by a decrease in facilitation payments to Enertrade.
23. Decrease in funding relates to the reversal of an estimated equity injection for Tarong Power Station that was not required.
24. Decrease in funding relates to the reversal of an estimated equity injection for Tarong Power Station that was not required.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

25. Increased revenue is due to the collection of the new safety and health levy.
26. Increase in revenue is due to the combined influence of external factors such as foreign exchange rates, production levels, commodity prices and changes to the way royalties are levied from 1 July 2008. Commodity prices are predominately set in US\$ with subsequent changes in foreign exchange rates having a significant effect. For example, in relation to 2008-09 a sustained \$0.01 increase in the exchange rate reduces revenue by approximately \$43 million in one year.
27. Decrease in revenue relates to cessation of sales of Gas Electricity Certificates.
28. Decrease in funding relates to the reversal of an estimated equity injection for Tarong Power Station that was not required.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

29. Decrease in revenue primarily relates to an estimated decrease in Community Service Obligation payments to Ergon Energy Queensland.
30. Increased revenue is due to the collection of the new safety and health levy.

31. Increase in revenue is due to the combined influence of external factors such as foreign exchange rates, production levels, commodity prices and changes to the way royalties are levied from 1 July 2008. Commodity prices are predominately set in US\$ with subsequent changes in foreign exchange rates having a significant effect. For example, in relation to 2008-09 a sustained \$0.01 increase in the exchange rate reduces revenue by approximately \$43 million in one year.
32. Decrease in revenue relates to cessation of sales of Gas Electricity Certificates.
33. Increased revenue is due to the collection of the new safety and health levy.
34. Decrease in funding relates an equity injection for CS Energy in 2007-08 that is not anticipated to recur in 2008-09.

Energy Ombudsman Queensland

Overview

The Energy Ombudsman Queensland (EOQ) commenced operations under the *Energy Ombudsman Act 2006* (the Act) on 1 July 2007 to receive, investigate and facilitate the resolution of disputes between small electricity and reticulated gas customers and energy entities, and if necessary to make final orders against energy sector entities. EOQ contributes to a fair, equitable and accountable energy sector within Queensland that protects individual rights and concerns through the provision of free, accessible, and effective dispute resolution services to meet the diverse needs of all small electricity and reticulated gas consumers. EOQ also identifies, investigates, reports and provides feedback to the Government, industry, consumers and jurisdictional regulators on systemic consumer issues about the performance of electricity and reticulated gas suppliers. EOQ is fully funded by an industry levy, imposed on electricity and gas distributors and retailers who service small energy consumers.

As at 1 July 2007, EOQ had a staff establishment of 24 full-time equivalent positions and it is anticipated that it will have 26 full-time equivalent positions as at 30 June 2008.

Review of Performance

Recent achievements

Since 1 July 2007 the Energy Ombudsman has:

- dealt with over 5,000 cases from Queensland energy consumers
- provided best practice dispute resolution processes in a full retail competition environment to assist the resolution of complaints between small electricity and gas customers and their energy suppliers
- maintained and developed ongoing relationships with key energy sector participants and other stakeholders through regular presentations and updates on services
- raised awareness of the services offered to energy consumers across Queensland through various marketing activities
- investigated, reported and provided feedback to the Government and industry participants on systemic consumer issues
- referred matters to jurisdictional regulators for action under their legislative powers
- implemented corporate services systems and processes to support the operations of EOQ.

Future Developments

In 2008-09, the Energy Ombudsman Queensland will continue to focus on the following key priorities:

- achieve best practice, fairness and confidence in the resolution of disputes between small electricity and reticulated gas customers and energy suppliers in a dynamic Queensland energy industry environment
- raise awareness of EOQ services offered to energy consumers across Queensland
- maintain and further develop relationships between EOQ and consumers, key energy sector participants and other stakeholders
- investigate, report and provide feedback to Government, jurisdictional regulators, industry participants and consumers on systemic energy consumer issues.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Percentage of complaints received which are completed by the Energy Ombudsman Queensland		95%	95%	95%
Percentage of customers who rate the performance of the Energy Ombudsman Queensland as satisfactory or better	1	80%	82%	-
Energy consumer complaints resolved within agreed standards		90%	99%	95%
State contribution (\$'000)		..	..	..
Other revenue(\$'000)		3,224	3,112	3,483
Total cost (\$'000)		3,224	2,912	3,483

Note:

1. Advisory Council to the Energy Ombudsman Queensland has agreed with the Energy Ombudsman Queensland that the Client Satisfaction Survey will be undertaken bi-annually. The next survey will be reported in 2009-10.

Income Statement

Energy Ombudsman Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		3,224	3,080	3,483
Grants and other contributions		..	..	..
Other revenue		..	32	..
Gains on sale/revaluation of property, plant and equipment and investments				
Total income		3,224	3,112	3,483
Expenses				
Employee expenses	1,2,3	2,200	1,915	2,417
Supplies and services		624	991	1,066
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		400	6	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		3,224	2,912	3,483
OPERATING SURPLUS/(DEFICIT)		..	200	..

Statement of Changes in Equity

Energy Ombudsman Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		..	200	..
Total recognised income and expense for the period		..	200	..
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)		..	108	..
Total movement in equity for period		..	308	..

Balance Sheet

Energy Ombudsman Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		..	230	230
Receivables		..	1,322	1,322
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	2	2
Non-financial assets held for sale		..	..	..
Total current assets		..	1,554	1,554
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	108	108
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	108	108
TOTAL ASSETS	4,5	..	1,662	1,662
CURRENT LIABILITIES				
Payables		..	401	401
Employee benefits obligations		..	142	142
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	775	775
Total current liabilities		..	1,318	1,318
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	36	36
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	36	36
TOTAL LIABILITIES	4,5	..	1,354	1,354
NET ASSETS/(LIABILITIES)		..	308	308
EQUITY				
Capital/contributed equity		..	108	108
Retained surplus/(Accumulated deficit)		..	200	200
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY	4,5	..	308	308

Cash Flow Statement

Energy Ombudsman Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		3,224	2,960	3,483
Grants and other contributions		..	..	..
Other		..	32	..
Outflows:				
Employee costs	6,7,8	(2,220)	(1,915)	(2,417)
Supplies and services		(599)	(991)	(1,066)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(400)	(6)	..
Net cash provided by/(used in) operating activities		25	80	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(25)	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(25)	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		..	..	..
Cash at the beginning of financial year		..	..	230
Cash transfers from restructure		..	150	..
Cash at the end of financial year		..	230	230

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. Projected Estimated Actual is underspent because several temporarily vacant investigation positions were not filled.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

2. Increased 2008-09 budget reflects full staff complement, compulsory Enterprise Bargaining Agreement increase, new Information Technology position and increased regional travel.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

3. Projected Estimated Actual is underspent because several temporarily vacant investigation positions were not filled.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

4. There were no balances for 2007-08 Budget as EOQ is a new public sector entity that commenced operations on 1 July 2007.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

5. There were no balances for 2007-08 Budget as EOQ is a new public sector entity that commenced operations on 1 July 2007.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

6. Projected Estimated Actual is underspent because several temporarily vacant investigation positions were not filled.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

7. Increased 2008-09 budget reflects full staff complement, compulsory Enterprise Bargaining Agreement increase, new Information Technology position and increased regional travel.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

8. Projected Estimated Actual is underspent because several temporarily vacant investigation positions were not filled.