

# PART 11

## Department of Employment, Economic Development and Innovation

### Summary of departmental portfolio budgets

Page	Agency	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
2-1	Employment, Economic Development and Innovation - controlled	974,818	1,024,163	1,053,535
	Employment, Economic Development and Innovation - administered	461,012	373,785	476,204
2-36	Energy Ombudsman	4,879	4,713	4,943
2-43	Forestry Plantations Queensland Office (FPQO)	30,504	32,905	..
2-50	QRAA	59,655	74,135	20,774
2-58	Australian Agricultural College Corporation	27,725	27,725	25,229
2-65	Tourism Queensland	54,985	78,888	63,700

Note:

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

## DEPARTMENTAL OVERVIEW

### MINISTERIAL RESPONSIBILITY

The Department of Employment, Economic Development and Innovation (DEEDI) has four responsible ministers:

- The Honourable Andrew Fraser MP, Treasurer and Minister for Employment and Economic Development
- The Honourable Stephen Robertson MP, Minister for Natural Resources, Mines and Energy and Minister for Trade
- The Honourable Tim Mulherin MP, Minister for Primary Industries, Fisheries, Rural and Regional Queensland
- The Honourable Peter Lawlor MP, Minister for Tourism and Fair Trading.

### STRATEGIC ISSUES

DEEDI is leading the Government's drive to develop a globally competitive, sustainable Queensland economy by ensuring conditions are right for creating and safeguarding Queensland jobs; increasing the uptake of innovation that drives business productivity; attracting investment; supporting Queensland exports and tourism; and developing our regional communities. DEEDI is also responsible for creating an environment that supports fair, safe and equitable business practices that match market and community expectations.

DEEDI has responsibility for the 100,000 jobs by 2012 target, in addition to lead departmental responsibility for *Toward Q2: Tomorrow's Queensland* targets:

- Strong - *Queensland is Australia's strongest economy, with infrastructure that anticipates growth*
- Strong - *Increase by 50 per cent the proportion of Queensland businesses undertaking research and development or innovation*
- Fair - *Halve the proportion of Queensland children living in a household without a working parent.*

DEEDI contributes to the achievement of the following *Toward Q2: Tomorrow's Queensland* targets:

- Smart – *Three out of four Queenslanders will hold trade, training or tertiary qualifications*
- Green – *Cut by one-third Queenslanders' carbon footprint*

DEEDI's contribution to the achievement of these targets is assessed through the set of services standards in the performance statements of this document. The standards are categorised into the following four broad themes:

- diversify and strengthen Queensland's economy
- assist business to respond to challenges and opportunities
- create a business environment that supports success, ethical and responsible business practices
- linking individuals to increase workforce participation and improve labour supply.

The focus for DEEDI in 2010–11 is to:

- *manage the opportunities and impacts of the global economy on Queensland* – improving the diversity and resilience of the State’s economy by focusing on international supply chains and providing the right business environment
- *build on our regionalised economy* – facilitating jobs and population growth in regional areas; encouraging industry expansion; and enabling regional businesses to participate in global supply chains
- *get enough people with the right skills* – improving labour productivity and connecting employment programs to industry growth
- *lift innovation and productivity* – improving the competitiveness of Queensland firms by supporting innovation and driving productivity.

This is to address population growth and demand for resources from China, India and other emerging economies; low levels of labour productivity in Queensland compared to the rest of the nation; reliance on commodity exports and pressure on regional businesses to shift to global supply chains.

## **2010-11 HIGHLIGHTS**

### **Helping businesses and individuals respond to the economic challenges they face**

Queensland businesses compete in some significant sectors, including resources, agriculture, tourism, services and many others. They each face challenges of competition and growth. During 2010-11, DEEDI will continue helping these businesses to get started, to use innovation to become more productive and competitive, to improve their commercial advantage through changed behaviour and the adoption of new ideas, technologies and knowledge by:

- delivering a suite of extension, support and innovation programs for business aimed at increasing their competitive success through:
  - the delivery of innovation programs by partner organisations across many sectors in the economy, including agriculture, manufacturing and employment;
  - providing an opportunity for Queensland business to maximise benefits from the State’s capital program through a new four year agreement (\$2.3 million per year) with QMI Solutions for the operations of the Industry Capability Network;
  - accelerating the revitalisation of agri-science and agricultural extension in the horticulture, sheep and wool, and beef industries; and
  - developing an innovative food policy, to strengthen value chain development, and cement the links between rural economies and consumers.
- modernising and networking DEEDI service delivery by expanding regional services to reflect their comparative advantages of each region; integrating mobile service delivery and implementing the department’s own business improvement projects for ebusiness and online application, renewal and payment processes
- investing \$3.8 million over three years in the Smart Futures Fellowships to support our best and brightest scientific minds.

DEEDI will continue helping businesses expand their domestic and international markets by:

- an integrated approach to trade and investment. A new in-market trade representative will be established in Santiago, Chile
- further developing trading relationships with Papua New Guinea, South Africa, North Asia, China, Africa, and Eastern Europe where food and agricultural exports will be promoted; and strengthening closer relationships with the United Arab Emirates.

DEEDI will target support to industry growth sectors and encourage new investment in Queensland by:

- driving development of Queensland's Liquefied Natural Gas (LNG) industry by working directly with project proponents to individually case manage major LNG projects
- investing \$115 million over five years for a range of solar energy initiatives that will increase support for solar energy, create green jobs, drive community participation in solar programs, and encourage investment in solar technologies, including the Solar Hot Water Rebate scheme which will provide \$1,000 rebates for pensioners/low income earners and \$600 for other Queenslanders for solar hot water systems or heat pumps
- improving the productivity of agriculture and food businesses, which together employ one in eight Queenslanders, through investment in research and adoption of farm management systems and other steps to grow the associated value chains
- allocating \$12.5 million over four years to speed up and streamline government mining and petroleum tenure approval and regulatory processes to help industry get projects up and running faster
- allocating capital investment of \$10.7 million over three years towards the development of a fully integrated electronic tenure management system, as part of the Streamlining Mining and Tenure Approvals initiative
- competitively positioning the tourism sector through delivering the grants targeting product and infrastructure development, including the \$0.5 million Eco-tourism Places Development Grants; \$0.3 million Tourism Projects Pre-feasibility Grants; and the \$0.6 million Minor Tourism Infrastructure Grants Program
- delivering on the three year \$36 million commitment to help the \$9.2 billion tourism industry counteract the impact of the Global Financial Crisis.

DEEDI will assist individuals improve job opportunities by:

- providing more than 24,000 Queenslanders, who are jobless or under-employed, with job-related assistance and skills training under the Skilling Queenslanders for Work initiative. This initiative incorporates the three-year, \$57 million, Green Army commitment to provide 3,000 jobs in Queensland and the Rapid Response Teams initiative supporting retrenched workers to transition to new employment.

DEEDI will help to grow knowledge intensive industries and support the discovery and application of knowledge and technologies to improve business outcomes by:

- providing \$33.3 million through the Innovation Building Fund for key research infrastructure including Queensland University of Technology (QUT) Science, Technology, Engineering and Mathematics Institute, Queensland Tropical Health Alliance including a node at James Cook University's Cairns campus, the Tropical Science and Innovation precinct at James Cook University and the Smart Water Research facility at Griffith University
- providing \$6.5 million through the Smart Futures Fund for university research organisations under the Queensland National and International Research Alliances Program (NIRAP) and Research-Industry Partnerships Program (RIPP)
- providing \$4 million towards the National Collaborative Research Infrastructure Strategy that will leverage funding from the Australian Government and Queensland universities
- allocating \$25.9 million towards the construction of the Smart State Medical Research Centre which will provide world-class health and medical research infrastructure with an estimated completion date of 2012-13

- designing and implementing an agri-science, extension and skills strategy focussed on accelerated adoption and change management
- developing policies to facilitate the launch of bio-based industrial enterprises, including advanced bio-fuels.

DEEDI will help communities to develop local solutions to priority needs by:

- providing \$7.5 million over four years to support economic development projects across six regions through the Queensland Regional Development Initiative
- aligning regional service delivery with regional needs and opportunities reflective of regional economies.

### **Creating the conditions for business success**

DEEDI will strive to strengthen regional and the Queensland economies for the future through:

- investing \$18 million over four years in the Greenfields 2020 program to target under-explored geological terrains which have the potential to develop into major new mineral and energy resource provinces for Queensland
- continuing to implement the Sustainable Resource Communities Policy, including monitoring distribution of \$23.6 million for the Surat Basin region and \$10.1 million for the Bowen Basin region for economic and social infrastructure projects
- enhancing the service delivery capacity of the Petroleum Gas Inspectorate with additional petroleum and gas inspectors across the regions to manage the risks and hazards of new industry sectors such as LNG
- completing the \$377.9 million Ecosciences Precinct and the Health and Food Sciences Precinct to provide Queensland with world-class research facilities to support the application of knowledge and new technologies by businesses
- investing \$17.5 million in beef research infrastructure which includes a new 4,000 head beef research and development facility in the dry tropics as part of the 2020 Beef Plan growing Queensland's \$3.4 billion beef industry
- delivering the Racing Industry Capital Development Scheme which will provide over \$80 million over four years for the Queensland Racing Industry
- supporting Tourism Queensland to implement the Queensland Tourism Action Plan to 2012 by:
  - establishing a tourism attraction program to attract investment for tourism products and infrastructure in Queensland;
  - tourism development in regional planning; and
  - finalising the State-wide needs analysis and economic assessment of the mega and smaller expedition, adventure/boutique cruise ship markets.

DEEDI will continue to protect human health, social amenity, business integrity, the environment and economic growth through:

- \$3.5 million to deliver the Biosecurity Strategy and a single Biosecurity Bill to protect the State's industry from invasive pests and diseases
- an additional \$3 million, to be matched by the Australian Government, to maintain the National Red Imported Fire Ant Eradication Program for 2010-11
- advocating joint responsibility for the economic development and sustainability of Queensland's \$459 million fisheries industry as detailed in the Fisheries Strategy
- reducing the harm to individuals, families and the community through liquor and gambling regulatory initiatives, including contributing to any nationally agreed approaches to harm minimisation.

DEEDI will continue to work to ensure Queensland's economy is competitive on the world stage and seen as an attractive place to invest by:

- creating a potential 18,000 new jobs in future years through the development of the LNG industry
- releasing the generic Cumulative Growth Management Framework as the basis for making transparent the cumulative impacts of major projects in resource regions to better inform the decision making process on issues including infrastructure provision, skills requirements and service delivery.

In delivering on these two focus areas, DEEDI will work to strengthen Queensland's regions by capitalising on their unique competitive strengths, laying the foundation for a regionalisation strategy.

## **RECENT ACHIEVEMENTS**

### **Helping businesses and individuals respond to the economic challenges they face**

During 2009-10, DEEDI provided assistance to businesses to start operations, continue to innovate, and implement new technologies by:

- continuing to support economic growth and innovation in business by provision of financial incentives to eight companies to the value of \$1.5 million through the Business and Industry Transformation Incentives scheme.

DEEDI undertook trade and market development, supported promotions, developed relationships and conducted marketing campaigns during 2009-10, with:

- over 400 exporter development seminars and workshops, trade shows and exhibitions across the State and overseas, including major trade missions supported by Trade Queensland's global network in 16 overseas locations
- Export Week 2009, incorporating the Premier of Queensland's Export Awards, providing a range of State-wide activities to support and continue to grow Queensland businesses exporting to the world. Over 3,000 business representatives attended.

DEEDI continued to support business and trade investment to Queensland by targeting support to businesses in growing industry sectors by:

- delivering the Blueprint for Queensland's LNG Industry which includes a focus on royalties, beneficial use of produced water, security of domestic gas supply, management of groundwater impacts and case management of the permitting processes associated with major projects for the LNG industry
- developing and implementing the \$36 million *Tourism Action Plan to 2012*, in partnership with Tourism Queensland to protect and support tourism jobs
- assisting 1,220 Queensland small-to-medium size manufacturing companies by March 2010, through State Government-funded support programs delivered by QMI Solutions
- advancing the Biopharmaceuticals Australia scale-up manufacturing facility
- increasing exports in the creative industries sector (HEAT)
- putting the infrastructure in place and providing expert advice to help business by delivering on the *ICT for Tomorrow's Queensland* strategy



- assisting nine mining industry companies complete 11 projects, under the Collaborative Drilling Initiative, with grant funding of \$0.93 million
- identifying 32 drilling sites, under the Coastal Geothermal Energy initiative, as possible sources of hot rocks to increase production of geothermal energy.

DEEDI continued to attract investment to Queensland by:

- continuing the implementation of Invest Queensland's investment attraction strategy, securing new investment in key sectors
- securing 1,060 new construction jobs and protecting 2,173 existing jobs in the coal, minerals and coal seam gas industries through case management of eight projects to approval. Additionally, preliminary approvals have been facilitated for other projects to secure investment in Queensland of up to \$625 million.

During 2009-10, a key focus for DEEDI was securing jobs and improving participation in the labour force by:

- delivering programs under the Skilling Queenslanders for Work initiative. At 31 March 2010:
  - 7,231 people were provided with intensive customised assistance under the Community Employment and Infrastructure Program;
  - Queensland's Green Army created 684 full-time jobs through paid work placements of up to six months and green traineeships of 12 months duration; and
  - Participate in Prosperity provided intensive case management and other assistance to 283 people from low-socio economic households to help them more easily access government services, develop skills and ultimately enter the workforce.
- coordinating Rapid Response Teams to support retrenched workers. A total of 79% of displaced workers who were registered for assistance for 30 days or more had returned to work while a further 19% indicated they no longer needed assistance
- assisting 1,527 firms in financial difficulty (as at 23 April 2010) to develop plans to retain or increase their workforces through the Jobs Assist Program
- supporting the Australian Agricultural Colleges Corporation to implement the Reconnecting Agricultural Education initiative and provide training and skilled services to industry needs.

Science and technology development in DEEDI continued by:

- providing significant investment in agri-science and related development
- leading, in partnership with industry, the design of the national framework for agricultural research and development
- creating a Science and Training Precinct for Horticulture in the Bundaberg region through a whole of government partnership with industry
- strengthening tropical food and fibre research and development in partnership with Queensland universities, including, the University of Queensland (UQ) through the establishment of the Queensland Alliance for Agriculture and Food Innovation, and James Cook University.

## Creating the conditions for business success

Queensland's regions enjoy diverse and increasingly vibrant economies. During 2009-10, DEEDI continued to strengthen support for businesses in regions and help them to prepare for the future through:

- implementing the \$100 million Sustainable Resource Communities Policy to help resource communities manage the impacts of resource development, including monitoring the distribution of funding for economic and social infrastructure projects
- launching the new Solar Hot Water Rebate Scheme to help Queenslanders save money on their electricity bills
- providing \$2.3 million to build the capacity of rural and regional communities including the delivery of projects and activities under the Our Place Our Future funding program
- the next phase of the Blueprint for the Bush initiative to ensure the livability, sustainability and prosperity of rural and remote communities
- continuing to provide support for the activities of a wide range of community groups through the Gambling Community Benefit Fund and the Jupiters Casino, Breakwater Island Casino and Reef Hotel Casino community benefit funds.

DEEDI continued to ensure business and community interests are looked after through regulatory reform, developing industry solutions, risk reduction and resource management by:

- making bodies corporate more accountable and transparent
- amalgamating the three current racing industry control bodies to strengthen the industry and increase return of their revenues
- introducing responsible gambling initiatives including mandatory training to hotel and club staff and a voluntary roll-out of card-based pre-commitment gaming technology to hotels and clubs
- progressing the Queensland Government response to the Council of Australian Governments (COAG) reforms in the areas of Australian Consumer Law, Trade Measurement, Consumer Credit, Personal Property Securities and national licensing initiatives
- progressing legislation that will contribute to a single national law for all Australians for the regulation of consumer credit which also reduces the regulatory burden for business
- streamlining the development of new regulations and reducing unnecessary regulatory burden on businesses, community and government
- progressing legislation for a single national register to replace approximately 40 registers across the country recording security interests in personal property; finalised legislation and the transition of staff to the Australian Government for a single national trade measurement system from 1 July 2010
- setting the direction for the future of fisheries by adopting a collaborative approach with industry as outlined in the *Queensland Fisheries Strategy 2009-2014*
- delivering new ecotourism infrastructure on or near protected areas under the *Tourism Action Plan to 2012* to grow Queensland's tourism sector.

## DEPARTMENTAL SERVICES

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.



All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

DEEDI is leading the State Government's drive to develop a globally competitive, sustainable Queensland economy. Our core services are:

**Employment and Economic Development (EED)** which focuses on employment services, economic policy and strategies, encouraging innovative business activity to create high value jobs, and assisting Queensland companies in accessing overseas markets.

**Mines, Energy and Manufacturing (MEM)** which drives industry development in mining, energy and manufacturing industries. It also protects the safety and health of workers employed in the mining, quarrying, explosives, petroleum and gas industries; and facilitate clean energy developments and the growth of the clean energy sector.

**Agriculture, Food, Tourism and Regional Services (AFTRS)** which drives industry development in agriculture, food and tourism and provides services to regional Queensland. It also manages our fisheries resources and biosecurity threats.

**Liquor, Gaming, Racing and Fair Trading (LGRFT)** which provides a modern, proactive regulatory and consumer protection environment across the liquor, gaming, racing and general services sectors. It encourages marketplace and industry integrity fostering business and consumer confidence while implementing initiatives that minimise harm from liquor and gambling and educating and protecting vulnerable consumers.

DEEDI's transition from "outputs" to "services" is summarised as follows:

2009-10 Outputs	2010-11 Services
<b>Employment, Industry Development and Innovation:</b>	
<i>Industry and Regional Development</i>	Employment and Economic Development
<i>Employment Initiatives</i>	Employment and Economic Development
<b>Trade Queensland:</b>	
<i>International Trade Development</i>	Employment and Economic Development
<b>Mines and Energy:</b>	
<i>Policy and Tenures Services</i>	Mines, Energy and Manufacturing
<i>Safety and Health Services</i>	Mines, Energy and Manufacturing
<i>Technology, Resources and Energy Services</i>	Mines, Energy and Manufacturing
<i>Clean Energy Services</i>	Mines, Energy and Manufacturing
<b>Queensland Primary Industries and Fisheries</b>	
<i>Primary Industries Development</i>	Agriculture, Food, Tourism and Regional Services
<i>Biosecurity</i>	Agriculture, Food, Tourism and Regional Services
<i>Fisheries</i>	Agriculture, Food, Tourism and Regional Services
<i>Rural and Regional Communities Services</i>	Agriculture, Food, Tourism and Regional Services
<b>Tourism, Office of Fair Trading and Office of Liquor, Gaming and Racing</b>	
<i>Liquor, Gaming and Racing</i>	Liquor, Gaming, Racing and Fair Trading
<i>Fair Trading (including Tourism)</i>	Liquor, Gaming, Racing and Fair Trading (and Agriculture, Food, Tourism and Regional Services)

## STAFFING<sup>1</sup>

Service	Notes	2009-10 Adjusted Budget	2009-10 Est. actual	2010-11 Estimate
<b>Services<sup>2,3</sup></b>				
Employment and Economic Development	4,8	784	794	815
Mines, Energy and Manufacturing	5,9	783	813	822
Agriculture, Food, Tourism and Regional Services	6,10	2,838	3,018	2,816
Liquor, Gaming, Racing and Fair Trading	7,11	800	716	708
<b>Total services</b>		<b>5,205</b>	<b>5,341</b>	<b>5,161</b>
<b>Total</b>		<b>5,205</b>	<b>5,341</b>	<b>5,161</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the services to which they relate.
3. The 2009-10 Adjusted Budget FTEs have been recast to reflect resource movements between services.
4. The increase in the Employment and Economic Development 2009-10 Estimated actual FTEs above the 2009-10 Adjusted Budget is largely attributable to the establishment of the Shanghai World Expo Project.
5. The increase in the Mines, Energy and Manufacturing FTEs between the 2009-10 Adjusted Budget and 2009-10 Estimated actual is largely due to resource increases in tenure administration and renewable energy projects.
6. The increase in the Agriculture, Food, Tourism and Regional Services 2009-10 Estimated actual FTEs over the 2009-10 Adjusted Budget is primarily due to funding and personnel for the National Red Imported Fire Ant Eradication Program (NRIFAEP).
7. The reduction of FTEs between the 2009-10 Adjusted Budget and the 2009-10 Estimated actual reflects settled figures following the transfer of the Office of Fair Trading and the Office of Liquor, Gaming and Racing into DEEDI as a result of the March 2009 Machinery of Government changes.
8. The increase in the Employment and Economic Development FTEs between the 2009-10 Estimated actual and the 2010-11 Estimate can be largely attributed to staff expected to return from secondments and temporary projects.
9. The increase in the Mines, Energy and Manufacturing FTEs between the 2009-10 Estimated actual and the 2010-11 Estimate reflects an increase in service delivery capacity in tenure administration and additional Gas and Petroleum inspectorate staff. This is offset by a reduction in FTEs due to projects being finalised on 30 June 2010.
10. The decrease in the Agriculture, Food, Tourism and Regional Services FTEs between the 2009-10 Estimated actual and the 2010-11 Estimate is mainly due to FTEs being excluded for the NRIFAEP because funding is still being negotiated and has not been approved by the Ministerial Council.
11. The decrease between the 2009-10 Estimated actual and the 2010-11 Estimated FTEs is largely due to the transfer of Trade Measurement officers to the Australian Government from 1 July. The decrease is partially offset by filling of vacant positions and additional FTEs for club gaming machine cap activities.

## 2010-11 SERVICE SUMMARY<sup>1</sup>

Service area	Total cost \$'000	Sources of revenue			
		State Contribution \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Employment and Economic Development	352,352	293,866	3,777	115	57,533
Mines, Energy and Manufacturing	207,034	193,390	13,378	..	266
Agriculture, Food, Tourism and Regional Development	372,992	306,700	18,224	3,988	44,080
Liquor, Gaming Racing and Fair Trading	121,157	52,422	10,904	..	57,760
<b>Total</b>	<b>1,053,535</b>	<b>846,378</b>	<b>46,283</b>	<b>4,103</b>	<b>159,639</b>

Note:

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

## ADMINISTERED ITEMS

### DESCRIPTION

#### Business names

The *Business Names Act 1962* requires a person who carries on a business under a name, other than their own name, to register the name. The purpose of registration is to enable the public to search the register to determine who is actually carrying on business under the name in the event of a dispute or court action.

#### 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.

The supply of electricity to customers in regional and remote parts of Queensland generally involves costs which are significantly higher than what the retailer can cover under the Notified Prices due mainly to the vast electricity grid required to serve these customers. Through an appropriation administered by the department, the Government provides Community Service Obligation payments to Ergon Energy Queensland Pty Ltd, the electricity retailer responsible for supplying the non-market customers in regional Queensland.

#### Forestry Plantations Queensland

Funding has been provided to Forestry Plantations Queensland (FPQ) up to 30 June 2010 to assist the establishment of new hardwood plantations to meet the State's commitments under the South East Queensland Forests Agreement and the Western Hardwoods Plan. This initiative involves the establishment of 20,000 hectares of hardwood plantations by 2025 when public native forest logging will cease. This resource will help the timber industry to transition to a predominately plantation-based resource. The terms of sale of FPQ impose completion of this program as a contractual obligation on the new owner, with no additional payments from the State Government being required.

#### 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*.

#### Mineral and Petroleum Royalties

Royalty revenue payable under the *Mineral Resources Act 1989*, the *Petroleum and Gas (Production and Safety) Act 2004* is collected from the mineral and petroleum industries. Recent changes to the *Petroleum and Gas (Production and Safety) Regulation 2004* allow for the Minister to make decisions in relation to the values of certain components that comprise the wellhead value of petroleum on which royalty is calculated.

## **Office of Liquor and Gaming Regulation**

Total revenue earned through the administration of Acts within the department's jurisdiction is expected to be \$35.3 million in 2010-11. This primarily relates to:

- rent of casino buildings of \$2.5 million
- liquor and gaming licensing fees of \$31.4 million
- fines and forfeitures of \$1.4 million.

## **PAMDA Trust Account interest**

Under the *Property Agents and Motor Dealers Act 2000*, real estate agents must put deposits, rent and purchase money for transactions into a general trust account. To a lesser extent, this also applies to motor dealers, auctioneers and commercial agents. There are approximately 6,500 trust accounts held across 16 financial institutions in Queensland.

## **PAMDA Claim Fund**

The *Property Agents and Motor Dealers Act 2000* enables consumers to make a claim for compensation if they suffer a financial loss due to certain actions or omissions by a real estate agent, motor dealer, auctioneer or commercial agent.

Approximately \$1.5 million is received in administered appropriation each year for the Property Agents and Motor Dealers' (PAMD) Claim Fund to provide redress to consumers who suffer financial loss because a licensee contravenes a claimable offence under the Act. Any unused balance is returned to the Consolidated Fund.

## **Petroleum and Gas Safety and Health Fees**

Safety and health services are provided to the petroleum and gas industries in Queensland under the *Petroleum and Gas (Production and Safety) Act 2004*. These fees are for audit and inspection services and are collected from industry to recover the full cost of these services.

## **Property agents and motor dealer licensing**

Persons who carry on business as a real estate agent, motor dealer, auctioneer or commercial agent are required to meet qualification and suitability requirements to hold a licence. Their employees who undertake similar functions are required to be registered.

## **QRAA**

The department provides funding to QRAA (formerly Queensland Rural Adjustment Authority) for the administration of Exceptional Circumstances and various other assistance schemes to foster the development of a more productive and sustainable rural and regional sector in Queensland.

## **Register of Encumbered Vehicles – REVS**

The *Motor Vehicles and Boats Securities Act 1986* fulfils two purposes:

- it provides a mechanism for financiers to record their priority in relation to a security interest against a motor vehicle, boat or outboard motor, over a competing financier that may also hold a security interest against the same chattel
- it also provides financiers, motor dealers and consumers with a searchable public register to check if a particular motor vehicle, boat or outboard motor is the subject of a security interest.

## **Resource Tenure Application Processing Fees**

Revenue is collected for resource tenure applications and associated dealings under the *Mineral Resources Act 1989*, the *Petroleum and Gas (Production and Safety) Act 2004*, the *Petroleum Act 1923*, the *Geothermal Exploration Act 2004*, and the *Greenhouse Gas Storage Act 2009*. A Review of these dealing fees has been undertaken to better reflect the costs associated with providing these services to the resources industry.

## **Royal Society for the Prevention of Cruelty to Animals**

Capital grant funding has been provided to the Royal Society for the Prevention of Cruelty to Animals for the construction of its new facility at Wacol.

## **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 collects a levy from industry to recover the cost of these services.

## **Smart State Research Facilities Fund**

The Smart State Research Facilities Fund (SSRFF) supports the establishment of world-class science and technology infrastructure in Queensland to promote specialised research and to foster partnerships between industry, the research sector, and government. Agreements to fund SSRFF projects provide a return to the State over the term of the funding agreement (usually 30 years).

## **Tourism Queensland**

The department provides a grant to Tourism Queensland to ensure the ongoing development of a strong, vibrant and sustainable tourism industry in Queensland. For information on this administered item, please refer to the separate section for Tourism Queensland.



# DEPARTMENTAL STATEMENTS

## PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
<b>Service: Employment and Economic Development</b>				
<b><i>Diversify and strengthen Queensland's economy</i></b>				
Estimated value of additional capital attracted to Queensland as a result of DEEDI investment and business development assistance	1	New measure	New measure	\$740 million
Value of new exports generated by businesses assisted by DEEDI	1	New measure	New measure	\$490 million
Estimated value of efficiency savings or new business generated by businesses assisted by DEEDI	1	New measure	New measure	\$56 million
<b><i>Major projects and initiatives driving the continued development of Queensland's economy progress on schedule</i></b>				
Achievement of major project milestones on strategic projects	1	New measure	New measure	25
<b><i>Create a business environment that supports success, ethical and responsible business practices</i></b>				
<b><i>Continuously improve business legislative and regulatory frameworks</i></b>				
Pieces of legislation and regulatory frameworks reviewed and reformed	1	New measure	New measure	26
<b><i>Open and transparent government policy and planning processes</i></b>				
Proportion of stakeholders who have a high level of satisfaction with DEEDI consultative and engagement processes	1,3	New measure	New measure	65% - 80%
Consultative and engagement forums held with industry and community stakeholders	1	New measure	New measure	160
<b><i>Assist business to respond to challenges and opportunities</i></b>				
<b><i>Accelerated business innovation</i></b>				
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of DEEDI funded innovation and capacity development activities	1,3	New measure	New measure	45% - 60%
Proportion of assisted firms reporting improved performance following DEEDI funded innovation and capacity development activities	1,3	New measure	New measure	45% - 60%

Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
Structured business capacity building programs and activities helping businesses improve their performance and access opportunities	1	New measure	New measure	1,400
<i>Level of engagement with Queensland businesses</i>				
Participants in structured development activities	1	New measure	New measure	12,000
Significant one-on-one business consultations undertaken	1	New measure	New measure	2,800
Information transactions and packages provided to business <i>Connecting businesses to opportunities</i>	1	New measure	New measure	9,800
Number of businesses involved in DEEDI facilitated alliances, partnerships, industry networks, supply chains, clusters etc	1	New measure	New measure	1,400
Number of businesses assisted to export or expand market share	1	New measure	New measure	3,300
Number of targeted and qualified leads for Queensland businesses generated through DEEDI overseas trade missions and other trade and export development activities	1	New measure	New measure	470
<i>Targeted investment to grow Queensland's science, technology and research capabilities as a critical foundation of the State's competitiveness in the global marketplace</i>				
Value of private and public sector expenditure on R&D derived from DEEDI activities:				
• 'Hard' infrastructure (Buildings, precincts, equipment etc)	1	New measure	New measure	\$260 million
• Funding leveraged from other sources supporting Queensland Government funding of 'hard' infrastructure	1	New measure	New measure	\$160 million
• 'Soft' infrastructure (Human capital, skills, software etc)	1	New measure	New measure	\$100 million
• Funding leveraged from other sources supporting Queensland Government funding of 'soft' infrastructure	1	New measure	New measure	\$70 million
<b><i>Linking individuals to increase workforce participation and improve labour supply</i></b>				
<i>Gaining skills and becoming work ready</i>				
People assisted	1	New measure	New measure	19,000
People who are in employment or training 12 months after receiving assistance	1	New measure	New measure	60 – 65%

Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
Average cost per funded participant of the employment assistance package required to make participants job ready	1	New measure	New measure	\$4,400
<i>Businesses employ and retain apprentices and trainees</i>				
Apprentices and trainees supported	1	New measure	New measure	5,000
Indigenous people who are in employment or training 12 months after receiving culturally appropriate mentoring and support	1	New measure	New measure	50-55%
Subsidised apprentices and trainees who are in employment or training 12 months after receiving assistance	1	New measure	New measure	80%
<b>State contribution (\$000)</b>	8	<b>276,790</b>	<b>290,370</b>	<b>293,866</b>
<b>Other revenue (\$000)</b>	9	<b>77,859</b>	<b>37,747</b>	<b>61,425</b>
<b>Total cost (\$000)</b>	10	<b>314,416</b>	<b>325,373</b>	<b>352,352</b>

## Service: Mines, Energy and Manufacturing

### *Diversify and strengthen Queensland's economy*

Value of new exports generated by businesses assisted by DEEDI	1	New measure	New measure	\$770 million
Estimated value of efficiency savings or new business generated by businesses assisted by DEEDI	1	New measure	New measure	\$40 million

*The exploration and mining sectors can access strategic geoscientific information to assist them to target and accelerate their exploration efforts and discover new mineral and energy resources*

Level of investment in exploration by the mineral and energy sectors	1	New measure	New measure	\$750 million
Value of collaborative government – industry research programs attracted	1	New measure	New measure	\$10 million

*Major projects and initiatives driving the continued development of Queensland's resources, energy and mining sectors progress on schedule*

Achievement of major project milestones on strategic projects	1	New measure	New measure	3
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*Establish pathways for business, industry and government to collaborate locally, nationally and internationally to develop and demonstrate world class initiatives in renewable energy, demand side management and energy efficiency*

Strategic partnerships maintained by the Office of Clean Energy	1	New measure	New measure	16
Initiatives implemented/projects facilitated by the Office of Clean Energy that will contribute towards increased investment in Queensland's renewable energy generation and fuels capacity	1,4	New measure	New measure	20

Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
Relative reduction in peak electricity demand derived from targeted energy conservation and demand management initiatives	1	New measure	New measure	35 MW
<i>Limit harm arising from abandoned mine sites</i>				
Percentage of abandoned mines land program priority projects completed within scheduled timeframes	2	90%	90%	90%
<b>Create a business environment that supports success, ethical and responsible business practices</b>				
<i>Continuously improve business legislative and regulatory frameworks</i>				
Pieces of legislation and regulatory frameworks reviewed and reformed	1	New measure	New measure	30
<i>Stakeholders can actively participate in open and transparent government planning, policy and decision making processes</i>				
Consultative and engagement forums with industry and community stakeholders facilitated by DEEDI	1	New measure	New measure	150
<i>Industry has predictability and certainty when investing in new exploration and production</i>				
Percentage of 'intention to grant' of new exploration permits issued within 180 business days of the date of lodgement	2	90%	90%	90%
Proportion of new production tenure applications granted within timelines agreed between DEEDI and industry proponents	1	New measure	New measure	90%
<i>Queensland's mining, petroleum and gas and energy sectors operate in an ethical, fair, safe, healthy and equitable manner which reflects community expectations</i>				
Level of compliance with energy regulatory and shareholder service requirements by energy retailers, distributors and generators	1	New measure	New measure	100%
Percent reduction in the total injury frequency rate in the mining and quarrying industries	1	New measure	New measure	3%
<i>High levels of compliance with regulatory requirements / standards for mining, quarrying, explosives and petroleum and gas, safety and health</i>				
Proportion of corrective/ compliance requests identified through inspection and auditing programs closed out within target timeframe	2	90%	87%	90%
Value of exports of knowledge-intensive goods and services (SIMTARS)	2	\$6.9 million	\$6.9 million	\$7 million

Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
Percent of scheduled and legislative audits, inspections and investigations completed within prescribed times	1	New measure	New measure	90%
<b><i>Assist businesses to respond to challenges and opportunities</i></b>				
<i>Accelerate business innovation</i>				
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of DEEDI funded innovation and capacity development activities	1	New measure	New measure	80%
Proportion of assisted firms reporting improved performance following DEEDI funded innovation and capacity development activities	1	New measure	New measure	70%
Structured business capacity building programs and activities delivered	1	New measure	New measure	500
<i>Level of engagement with Queensland businesses</i>				
Participants in structured development activities	1	New measure	New measure	5,000
Significant one-on-one business consultations undertaken	1	New measure	New measure	8,400
Information transactions and packages provided to business	1	New measure	New measure	119,000
<b>State contribution (000)</b>	11	<b>172,226</b>	<b>172,324</b>	<b>193,390</b>
<b>Other revenue (\$000)</b>		<b>15,882</b>	<b>17,639</b>	<b>13,644</b>
<b>Total cost (\$000)</b>	11	<b>188,108</b>	<b>189,963</b>	<b>207,034</b>

## **Service: Agriculture, Food, Tourism and Regional Services**

### ***Diversify and strengthen Queensland's economy***

Estimated value of efficiency savings or new business generated by businesses assisted by DEEDI	1	New measure	New measure	\$26 million
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### *Major projects and initiatives driving the accelerated development of Queensland's agriculture, food and tourism industries*

Achievement of major project milestones on strategic projects	1	New measure	New measure	25
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### ***Create a business environment that supports success and responsible business practices***

#### *Continuously improve business legislative and regulatory frameworks*

Pieces of legislation and regulatory frameworks reviewed and reformed	1	New measure	New measure	68
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Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
<i>Open and transparent government policy and planning processes</i>				
Proportion of stakeholders who have a high level of satisfaction with DEEDI consultative and engagement processes	1,3	New measure	New measure	70% - 80%
Consultative and engagement forums held with industry and community stakeholders	1	New measure	New measure	150
Integrated Development Assessment Scheme responses completed within statutory timeframes:				
• local government planning schemes	2	90	150	100
• development assessment applications	2,5	950	626	700
<i>Protecting Queensland's economy, environment and way of life from harmful pests and diseases</i>				
Market access for Queensland agricultural products maintained or re-opened by negotiation, certification or additional surveillance	1	New measure	New measure	100%
Risk management and surveillance strategies implemented under national biosecurity obligations:				
• risk management strategies	1	New measure	New measure	9
• surveillance strategies	1	New measure	New measure	100%
Significant new biosecurity incidents responded to in accordance with national standards	1	New measure	New measure	100%
Business accreditations maintained to facilitate market access	2	94,900	74,350	94,000
<i>Queensland's fisheries sector operates in a sustainable and equitable manner which reflects community expectations</i>				
Proposed Queensland fisheries accredited for export accreditation	2	21	21	21
Queensland fish species assessed as being sustainably fished	1	New measure	New measure	21
Percentage of overall compliance with fisheries laws	2	93%	95%	93%
Beaches covered by the Shark Control Program	2	85	85	85
<b><i>Assist business to respond to challenges and opportunities</i></b>				
Business impacted by natural disasters and other emergencies assisted and supported	1	New measure	New measure	6,800



Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
<i>Accelerated business innovation</i>				
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of DEEDI funded innovation and capacity development activities	1,3	New measure	New measure	60% - 70%
Proportion of assisted firms reporting improved performance following DEEDI funded innovation and capacity development activities	1,3	New measure	New measure	60%
<i>Accelerate agriculture, food and tourism business growth through internationally competitive science, innovation and extension</i>				
Innovative technologies developed through revolutionary R&D	2	8	8	8
Improved production efficiency systems, standards and tools delivered	2,6	62	48	55
Improved varieties, cultivars and commercial parent lines developed	2,6	21	17	20
Collaborative research and development partnerships established	1	New measure	New measure	200
Training and extension activities supporting innovation adoption:				
• number of activities delivered	1	New measure	New measure	700
• number of participants engaged	1	New measure	New measure	6,700
<i>Accelerate the growth of Queensland industries through promotional activities and access to information to inform business decisions</i>				
Number of promotion activities profiling Queensland agriculture, food and tourism businesses	1	New measure	New measure	26
Number of significant one-on-one business consultations undertaken	1	New measure	New measure	9,000
Information transactions and packages provided to business	1	New measure	New measure	274,000
Business Information Centre enquiries	2	100,000	95,000	100,000

Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
<i>Connecting businesses to opportunities</i>				
Number of businesses involved in DEEDI facilitated alliances, partnerships, industry networks, supply chains, clusters etc	1	New measure	New measure	1,200
<b>State contribution (\$000)</b>	12	<b>301,405</b>	<b>313,951</b>	<b>306,700</b>
<b>Other revenue (\$000)</b>	13,14	<b>72,888</b>	<b>90,725</b>	<b>66,292</b>
<b>Total cost (\$000)</b>	13,14	<b>374,293</b>	<b>404,676</b>	<b>372,992</b>

#### Service: Liquor, Gaming, Racing and Fair Trading

##### **Create an environment that supports success, ethical and responsible business and industry practices**

*Business and industry operate in an ethical, fair, safe and equitable manner that matches community expectations: Create and maintain an environment that protects consumers and industry participants with a focus on major or systematic risks and vulnerable people*

Proportion of licensing applications and registration services processed within timeframes established in service delivery standards	1	New measure	New measure	90%
Percentage of decisions upheld on appeal	1	New measure	New measure	70%
Proportion of audit, probity and inspection activities completed in accordance with annual program targets	1	New measure	New measure	90%
Proportion of investigations completed within timeframes established in service delivery standards	1	New measure	New measure	75%
Proportion of complaints/conciliations resolved within timeframes established in service delivery standards	1	New measure	New measure	85%

##### **Create an environment that supports success, ethical and responsible business and industry practices**

*Reduce harm – raise awareness, influence attitudes, responsible behaviours, provide safety net*

Social marketing campaigns achieve the expected level of awareness in target audiences	1,7	New measure	New measure	75%
Proportion of disputes/conciliations satisfactorily finalised	1	New measure	New measure	80%
Consumer redress facilitated by the Office of Fair Trading		New measure	New measure	\$3 million

Service standards	Notes	2009-10 Target/est	2009-10 Est. actual	2010-11 Target/est
Proportion of Indigenous communities subject to alcohol restrictions where community development activities are completed in accordance with annual program targets	1	New measure	New measure	85%
<b>State contribution (\$000)</b>		<b>51,529</b>	<b>51,126</b>	<b>52,422</b>
<b>Other revenue (\$000)</b>	15	<b>46,349</b>	<b>52,902</b>	<b>68,664</b>
<b>Total cost (\$000)</b>	15	<b>98,001</b>	<b>104,151</b>	<b>121,157</b>

Notes:

- A service standard is considered to be a 'New measure' where the service standard is:
  - completely new (that is, has no correlation to any of the 2009-10 measures); or
  - may be similar in wording to a 2009-10 measure but a 'material' change has occurred. Changes are considered to be 'material' where 2009-10 data will no longer be directly comparable to 2010-11 data. 'Material' changes may be the result of changes to reporting methodology or where the scope of the service standard has been expanded to cover additional business areas not previously contributing to the measure.
- These service standards are considered to be either 'amended' or 'carry over' measures based on the following:
  - a service standard is considered to be an 'Amended measure' where 'non-material' changes have occurred. Changes are considered to be 'Non material' where the wording of a measure has changed but the reporting methodology/ scope of the measure remains consistent with 2009-10.
  - a service standard is considered to be a 'carry over' measure where 2010-11 service standard is identical in wording, scope and reporting methodology to the 2009-10 measure.
  - for these measures, the 2009-10 Target/est. and the 2009-10 Estimated actual have been provided in the performance statement table above.
- No historic or baseline data is available to inform target setting for these new service standards. A diverse number of business areas contribute to these new measures and the target reflects the minimum range of performance expected. During 2010-11, DEEDI will collect baseline data which can be used to set more specific targets for these measures in 2011-12.
- This standard has been amended to reflect initiatives/projects facilitated by the Renewable and Alternative Fuels activities transferred to the Office of Clean Energy.
- The 2010-11 Target /est. has decreased to better reflect the expected demand for this service.
- The decline in the 2009-10 Estimated actual reflects delays in the implementation and completion of projects. Some recovery in target levels is forecast for 2010-11 but due to the implementation phase of projects, targets are below the previous year's targets.
- Each social marketing campaign for liquor and gaming will have individual expected levels of awareness set depending on the target market and media channels used.
- The increase in the 2009-10 Estimated actual and the 2010-11 Target/est. compared to the 2009-10 Target/est. is increased service revenue to offset the 1/3 write-down and fair value adjustment of loans provided under the Innovation Building Fund.
- The decrease in the 2009-10 Estimated actual and the 2010-11 Target/est. compared to the 2009-10 Target/est. is primarily due to a change in accounting recognition for contributions received from the CSIRO for the Ecosciences and Health and Food Sciences Precincts. It is offset by increased revenue provided for the construction of the Smart State Medical Research Centre (SSMRC) from the Estates Construction Fund in the 2010-11 Target/est.
- The increase in the 2010-11 Target/est. compared to the 2009-10 Target/est. and 2009-10 Estimated actual is mainly due to increased payment to the SSMRC, additional funding for Jobs Assist initiatives and the Smart Futures Fund and an increased 1/3 write-down and fair value of loans provided under the Innovation Building Fund.
- The increase in the 2010-11 Target/est. compared to the 2009-10 Target/est. and the 2009-10 Estimated actual is mainly due to additional funding for the new Mining Exploration Greenfields 2020 program, Petroleum and Gas Inspectors and Streamlining Mining Tenure Approvals processes, and a realignment of funding for the Queensland Renewable Energy Fund and the Queensland Smart Energy Savings Fund to match anticipated cash flows.
- The increase in the 2009-10 Estimated actual compared to the 2009-10 Target/est. is mainly due to increased funding for pest and disease incursions across the State including the National Red Imported Fire Ant Eradication Program (NRIFAEP).
- The increase in the 2009-10 Estimated actual compared to the 2009-10 Target/est. is largely due to NRIFAEP which was formally approved under national cost sharing arrangements after the 2009-10 Published Budget.
- The decrease in the 2010-11 Target/est compared to the 2009-10 Estimated actual is mainly due the NRIFAEP which is dependant upon national cost sharing approval for the continuation of the program.
- The increase in the 2010-11 Target/est compared to the 2009-10 Target/est. and the 2009-10 Estimated actual is mainly due to the Racing Industry Capital Development Scheme.

## INCOME STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Income</b>				
Service revenue	1,8,16	801,950	827,771	846,378
User charges	2,9,17	64,804	67,778	46,283
Grants and other contributions	3,10,18	137,589	119,168	153,149
Other revenue		10,102	11,182	10,090
Gains on sale/revaluation of property, plant and equipment and investments		483	885	503
<b>Total income</b>		<b>1,014,928</b>	<b>1,026,784</b>	<b>1,056,403</b>
<b>Expenses</b>				
Employee expenses	4,11	449,678	468,393	467,534
Supplies and services	5,12,19	201,618	227,667	220,902
Grants and subsidies	6,13,20	272,357	277,031	306,162
Depreciation and amortisation		29,259	29,259	30,364
Finance/borrowing costs	14,21	13,040	15,079	22,567
Other expenses		7,313	6,711	5,983
Losses on sale/revaluation of property, plant and equipment and investments		1,553	23	23
<b>Total expenses</b>		<b>974,818</b>	<b>1,024,163</b>	<b>1,053,535</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	7,15	<b>40,110</b>	<b>2,621</b>	<b>2,868</b>

## STATEMENT OF CHANGES IN EQUITY

Department of Employment, Economic Development and Innovation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		21,333	21,333	21,685
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>21,333</b>	<b>21,333</b>	<b>21,685</b>
Surplus/(deficit) for the period	7,14	40,110	2,621	2,868
<b>Total recognised income and expense for the period</b>		<b>61,443</b>	<b>23,954</b>	<b>24,553</b>
Equity injection/(withdrawal)	22,24,25	253,821	193,948	36,687
Equity adjustments (MoG transfers)	23,26	..	(56,500)	..
<b>Total movement in equity for period</b>		<b>315,264</b>	<b>161,402</b>	<b>61,240</b>

## BALANCE SHEET

Department of Employment, Economic Development and Innovation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	35,44	58,110	58,371	47,917
Receivables		53,237	55,301	53,802
Other financial assets		..	..	..
Inventories		1,865	2,099	2,064
Other	27,36	3,941	8,085	7,542
Non-financial assets held for sale		24	..	..
<b>Total current assets</b>		<b>117,177</b>	<b>123,856</b>	<b>111,325</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	28,37,45	47,745	10,329	17,807
Other financial assets		102,530	102,525	102,525
Property, plant and equipment	29,38,46	1,139,940	1,056,747	1,107,265
Intangibles		16,227	14,306	20,315
Other		27,629	26,382	25,859
<b>Total non-current assets</b>		<b>1,334,071</b>	<b>1,210,289</b>	<b>1,273,771</b>
<b>TOTAL ASSETS</b>		<b>1,451,248</b>	<b>1,334,145</b>	<b>1,385,096</b>
<b>CURRENT LIABILITIES</b>				
Payables	30,39	49,965	64,196	61,866
Accrued employee benefits		11,745	14,544	14,770
Interest-bearing liabilities and derivatives		9,724	10,267	10,710
Provisions		..	..	..
Other	31,40	29,834	55,933	58,491
<b>Total current liabilities</b>		<b>101,268</b>	<b>144,940</b>	<b>145,837</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		119,511	118,082	107,186
Provisions		..	..	..
Other		149	5,630	5,340
<b>Total non-current liabilities</b>		<b>119,660</b>	<b>123,712</b>	<b>112,526</b>
<b>TOTAL LIABILITIES</b>		<b>220,928</b>	<b>268,652</b>	<b>258,363</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,230,320</b>	<b>1,065,493</b>	<b>1,126,733</b>
<b>EQUITY</b>				
Capital/contributed equity	32,41,47	1,153,701	1,043,377	1,080,064
Retained surplus/(accumulated deficit)	33,42	45,904	783	3,651
Reserves:				
- Asset revaluation reserve	34,43,48	30,715	21,333	43,018
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,230,320</b>	<b>1,065,493</b>	<b>1,126,733</b>

## CASH FLOW STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	49,59,71	801,950	830,001	846,378
User charges	60,72	74,054	82,472	52,332
Grants and other contributions	50,61,73	137,589	118,541	153,149
Other		47,013	47,933	47,309
<b>Outflows:</b>				
Employee costs	51,62	(449,473)	(469,039)	(466,798)
Supplies and services	52,63,74	(237,882)	(286,222)	(258,916)
Grants and subsidies	53,64,75	(272,357)	(279,982)	(306,162)
Borrowing costs		(8,557)	(7,857)	(7,273)
Other		(16,828)	(18,068)	(15,498)
<b>Net cash provided by/(used in) operating activities</b>		<b>75,509</b>	<b>17,779</b>	<b>44,521</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	65,76	(910)	1,022	25,891
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	54,66,77	(256,348)	(200,284)	(84,995)
Payments for investments	67,78	(15,107)	(15,107)	..
Loans and advances made	55,68,79	(47,613)	(10,568)	(22,105)
<b>Net cash provided by/(used in) investing activities</b>		<b>(319,978)</b>	<b>(224,937)</b>	<b>(81,209)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	56,69,80	266,989	222,713	96,423
<b>Outflows:</b>				
Borrowing redemptions		(9,143)	(9,878)	(10,453)
Finance lease payments		..	..	..
Equity withdrawals	57,70,81	(13,168)	(27,315)	(59,736)
<b>Net cash provided by/(used in) financing activities</b>		<b>244,678</b>	<b>185,520</b>	<b>26,234</b>
<b>Net increase/(decrease) in cash held</b>		<b>209</b>	<b>(21,638)</b>	<b>(10,454)</b>
<b>Cash at the beginning of financial year</b>	58,82	<b>57,901</b>	<b>80,009</b>	<b>58,371</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>58,110</b>	<b>58,371</b>	<b>47,917</b>



## ADMINISTERED INCOME STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Revenues</b>				
Commonwealth grants		..	..	..
Taxes, fees and fines		119,581	115,313	122,397
Royalties, property income and other territorial revenue	83,88,92	1,720,810	1,900,418	3,155,738
Interest		25,281	20,281	22,193
Administered revenue	84,93	416,668	318,337	418,869
Other		64,611	66,717	73,529
<b>Total revenues</b>		<b>2,346,951</b>	<b>2,421,066</b>	<b>3,792,726</b>
<b>Expenses</b>				
Supplies and services		115	258	124
Depreciation and amortisation		120	120	120
Grants and subsidies	85,89,94	454,827	365,186	470,647
Benefit payments		..	..	..
Borrowing costs		1,984	4,255	1,258
Other		3,966	3,966	4,055
<b>Total expenses</b>		<b>461,012</b>	<b>373,785</b>	<b>476,204</b>
<b>Net surplus or deficit before transfers to Government</b>		<b>1,885,939</b>	<b>2,047,281</b>	<b>3,316,522</b>
<b>Transfers of administered revenue to Government</b>	86,90,95	<b>1,875,568</b>	<b>2,051,836</b>	<b>3,316,365</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	87,91,96	<b>10,371</b>	<b>(4,555)</b>	<b>157</b>

## ADMINISTERED BALANCE SHEET

Department of Employment, Economic Development and Innovation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	97,103	118,519	91,431	90,091
Receivables	98,104	482,001	527,973	526,969
Inventories		..	..	..
Other		..	3,384	3,384
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>600,520</b>	<b>622,788</b>	<b>620,444</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	105,110	140,625	139,808	150,785
Other financial assets		..	..	..
Property, plant and equipment		84,425	79,125	79,005
Intangibles		..	..	..
Other	99,106	..	89,529	86,771
<b>Total non-current assets</b>		<b>225,050</b>	<b>308,462</b>	<b>316,561</b>
<b>TOTAL ADMINISTERED ASSETS</b>		<b>825,570</b>	<b>931,250</b>	<b>937,005</b>
<b>CURRENT LIABILITIES</b>				
Payables		49,287	59,356	58,856
Transfers to Government payable	100,107	509,989	536,250	534,858
Interest-bearing liabilities		..	..	..
Other		24,692	17,015	17,044
<b>Total current liabilities</b>		<b>583,968</b>	<b>612,621</b>	<b>610,758</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		262	275	275
Interest-bearing liabilities		..	..	..
Other		91,998	89,539	86,781
<b>Total non-current liabilities</b>		<b>92,260</b>	<b>89,814</b>	<b>87,056</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>		<b>676,228</b>	<b>702,435</b>	<b>697,814</b>
<b>ADMINISTERED NET ASSETS/(LIABILITIES)</b>		<b>149,342</b>	<b>228,815</b>	<b>239,191</b>
<b>EQUITY</b>				
Capital/Contributed equity	101,108,11	157,848	269,270	279,489
Retained surplus/(Accumulated deficit)	102,109	(8,506)	(40,455)	(40,298)
Reserves:		..	..	..
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
<b>TOTAL ADMINISTERED EQUITY</b>		<b>149,342</b>	<b>228,815</b>	<b>239,191</b>

## ADMINISTERED CASH FLOW STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Administered item receipts	112,124	416,668	341,238	418,869
Grants and other contributions		46,046	48,038	54,462
Taxes, fees and fines		119,591	115,521	122,401
Royalties, property income and other territorial revenues	113,120,125	1,720,810	1,898,641	3,152,980
Other		41,445	34,580	39,498
<b>Outflows:</b>				
Transfers to Government	114,121,126	(1,875,568)	(2,056,504)	(3,317,757)
Grants and subsidies	115,122,127	(454,827)	(365,229)	(470,647)
Supplies and services	116,128	(115)	(5,373)	2,134
Borrowing costs		..	..	..
Other		(3,666)	(3,676)	(3,755)
<b>Net cash provided by/(used in) operating activities</b>		<b>10,384</b>	<b>7,236</b>	<b>(1,815)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		1,100	1,100	1,100
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(79)	(259)	..
Payments for investments		..	..	..
Loans and advances made		(11,503)	(11,879)	(10,844)
<b>Net cash provided by/(used in) investing activities</b>		<b>(10,482)</b>	<b>(11,038)</b>	<b>(9,744)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	117,129	13,038	386,039	11,439
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	118,130	(1,220)	(379,000)	(1,220)
<b>Net cash provided by/(used in) financing activities</b>		<b>11,818</b>	<b>7,039</b>	<b>10,219</b>
<b>Net increase/(decrease) in cash held</b>		<b>11,720</b>	<b>3,237</b>	<b>(1,340)</b>
<b>Administered cash at beginning of financial year</b>	119,123	<b>106,799</b>	<b>88,194</b>	<b>91,431</b>
Cash transfers from restructure		..	..	..
<b>Administered cash at end of financial year</b>		<b>118,519</b>	<b>91,431</b>	<b>90,091</b>

# EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

## Income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

1. The increase is largely due to increased funding provided for Innovation Projects, the Drought Relief Assistance Scheme (DRAS) due to climatic conditions around the State, accommodation lease supplementation and pest and disease incursions across the state including the National Red Imported Fire Ant Eradication Program (NRIFAEP). An extension of the NRIFAEP to 30 June 2010 was formally approved under national cost sharing (NCS) arrangements subsequent to the 2009-10 Budget being published. The increase is also attributed to a transfer of funds from the Department of Environment and Resource Management (DERM) for its share of funding towards the Geothermal Centre of Excellence and additional funding has been provided for the solar energy and the Jobs Assist initiatives. This is partially offset by a transfer of funding to the Department of Education and Training (DET) for the Cairns Maritime Training College. The fair value adjustment and 1/3 write-down of loans provided under the Innovation Building Fund (IBF), as well as the realignment of funding for numerous programs including the Queensland Renewable Energy Fund (QREF), Smart Mining Exploration (SME), Climate Smart Homes Rebate Scheme (CSHRS), Carbon Geostorage, Regional Development Facilitation, the Western Hardwoods Plan, Queensland Smart Energy Savings Fund (QSESF) and Smart Futures Fund (SFF) to match anticipated cash flows also contribute to the movement.
2. The increase is largely due to NRIFAEP funding and increased commercial revenues from mining safety and health demonstrations. This increase is partially offset by a revenue reclassification to grant revenues for funding received from DET for the delivery of particular employment programs.
3. The decrease is primarily due to a change in the accounting recognition for contributions received from the CSIRO for the Ecosciences and Health and Food Sciences (H&FS) Precincts, partially offset by a revenue reclassification from user charges for funding received from DET for the delivery of particular employment programs including increased revenue for the Productivity Placement Program. The realignment of funding from 2008-09 for Liquor, Gaming, Racing and Fair Trading (LGRFT) projects to match anticipated cash flows also contributes to the movement.
4. The increase is primarily due to increased expenses for pest and disease incursions including the NRIFAEP and a realignment of funding for the QREF, QSESF and LGRFT projects to match anticipated cash flows.
5. The increase is primarily due to expenditure related to the Jobs Assist initiatives, an increase in lease rental rates, increase in pest and disease incursion expenses including the NRIFAEP and increased costs for mining safety and health demonstration activities. This is partially offset by a reduction in expenses for the SME program due to the negative impact of the Global Financial Crisis (GFC) on mining exploration activities. The realignment of expenditure for the QREF, QSESF and LGRFT projects to match anticipated cash flow requirements also contributes to the movement.
6. The increase is largely due to an increase in loan forgiveness amounts associated with the IBF, solar energy initiatives, Productivity Placement Program, Geothermal Centre of Excellence and DRAS which is funded as needed. This is partially offset by the transfer of funding from the Cairns Economic Futures Fund to DET for the Cairns Maritime Training College. The realignment of funding for the QREF, QSESF, CSHRS, SFF and Innovation Grant Funds to match anticipated cash flows also contributes to the movement.
7. The decrease is primarily due to a change in the accounting recognition for contributions received from CSIRO for the Ecosciences and H&FS Precincts.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

8. The increase is primarily due to additional funding for new solar energy initiatives, Mining Exploration Greenfields 2020 program and Streamlining Mining Tenure Approvals processes, Petroleum and Gas Inspectors, Jobs Assist initiatives, the National Collaborative Research Infrastructure Strategy (NCRIS), pest and disease incursions and the payment of an Enterprise Bargaining (EB) increment in 2010-11. The fair value adjustment and 1/3 write-down of loans provided under the IBF, as well as the realignment of funding for QREF, QSESF, Carbon Geostorage, CSHRS, Coastal Geothermal projects, SFF and the SME program to match anticipated cash flow requirements also contributes to the movement. This is partially offset by a reduction of funding for various Blueprint for the Bush Initiatives (BFBI), the grants for the Queensland Brain Institute (QBI), the National ICT Australia (NICTA) Project, and some Regional Tourism Organisations (RTOs). Furthermore, funding ceases in 2009-10 for the Taking the Bycatch off Our Beaches initiative (TBOBI), the Residential Gas Installation Rebate Scheme (Gas Scheme) and the Sugarcane Smut Economic Recovery Strategy (SSERS).
9. The decrease is due to a revenue reclassification to grant revenues for funding received from DET for the delivery of particular employment programs and anticipated reductions in fee for service activities.
10. The increase is primarily due to new grants to be provided through CIF for the Racing Industry Capital Development Scheme (RICDS), funding provided from the ECF for the Smart State Medical Research Centre (SSMRC), and a revenue reclassification from User Charges for funding received from DET for the delivery of particular employment programs. This is offset by a change in the accounting recognition for contributions received from CSIRO for the Ecosciences and Health and Food Sciences (H&FS) Precincts and a reduction in funding provided from the ECF for industry development grants.
11. The increase is mainly due to additional expenses associated with the Mining Exploration Greenfields 2020 program, the Streamlining Mining Tenure Approvals process, Petroleum and Gas Inspectors, pest and disease incursions and EB increments in 2010-11.
12. The increase is mainly due to additional funding for the Jobs Assist initiative, the new Mining Exploration Greenfields 2020 program and the Streamlining Mining Tenure Approvals process and realignment of funding for the QSESF and Coastal Geothermal programs to match anticipated cash flows. This increase is offset by reductions in funding provided for the SME program as the program winds down.
13. The increase is primarily due to grant funding provided for new solar energy initiatives and the RICDS, and funding provided from the ECF for the construction of the SSMRC and the 1/3 write-down of loans provided under the IBF. This increase is partially offset by the realignment of funding for QREF, and QSESF to match anticipated cash flows, and reductions in grant funding for BFBI, QBI, industry development projects, the NICTA project, IPF and grants to some RTOs.
14. The increase reflects the impact of the fair value of loans provided under the IBF anticipated in 2010-11.
15. The decrease in the surplus is primarily due to a change in the accounting recognition for contributions received from the CSIRO for the Ecosciences and H&FS Precincts.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

16. The increase is primarily due to funding for the Mining Exploration 2020 Greenfields program, the Streamlining Mining Tenure Approvals process, Petroleum and Gas Inspectors and the supplementation for the EB increment in 2010-11. This is partially offset by the cessation of funding for TBOBI, the Gas Scheme and the SSERS. Funding also reduces for various BFBI programs, grants for the QBI, the NICTA Project, DRAS and some RTOs. The fair value adjustment and 1/3 write-down of loans provided under the IBF as well as the realignment of funding for numerous programs including QSESF, IPF, SFF, CSHRS, QREF, Coastal Geothermal, Jobs Assist, NCRIS and the Innovation Skills Fund to match anticipated cash flows also contributes to the movement.
17. The decrease is mainly due to the NRIFAEP which is dependant upon NCS approval for the continuation of the program and anticipated reductions in fee for service projects.
18. The increase is primarily due to new grants to be provided through CIF commencing in 2010-11 for the RICDS and grants provided from the ECF for the construction of the SSMRC. This increase is partially offset by a decrease in industry development grants funded from the ECF and a realignment of funding for LGRFT activities to match anticipated cash flows.
19. The decrease primarily relates to reduced costs associated with the pest and disease incursions including the NRIFAEP and fee for service projects. These decreases are partially offset by increased expenditure for the Streamlining Mining Tenure Approvals process. The movement also includes realignment of funding for numerous programs including QREF, QSESF, Carbon Geostorage and Coastal Geothermal projects, Jobs Assist, Regional Projects Facilitation and LGRFT activities to match anticipated cash flow requirements.
20. The increase is mainly due to new grants for the RICDS, grant funding provided from the ECF for the construction of the SSMRC and the 1/3 write-down of loans provided under the IBF. This is partially offset by the cessation of TBOBI and Gas Scheme and a reduction in funding for BFBI, industry development grants provided from the ECF, DRAS, some RTOs, NICTA Project, QBI and a return of funding transferred from DET for employment projects to more stable levels. Additionally, the realignment of funding for the QREF, QSESF, CSHRS, NCRIS, SFF and the IPF to match anticipated cash flow requirements contributes to the movement.
21. The increase reflects the impact of the fair value of loans anticipated to be provided under the IBF in 2010-11.

## Statement of changes in equity

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

22. The decrease represents a transfer of funds to Queensland Health (QH) for the Transitional Research Institute (TRI), delays in the achievement of milestones for loans provided under the IBF during 2009-10, adjustments to the fair value and 1/3 write-down of loans and the delay in purchasing a property under the 2020 Beef Plan.
23. The 2009-10 Estimated actual represents the transfer of the completed H&FS Precinct to QH during 2009-10.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

24. The decrease is associated with the finalisation of the construction of the H&FS Precinct in 2009-10 and the Ecoscience Precinct during 2010-11, adjustments to the fair value and 1/3 write-down of loans and the return of sale proceeds for various properties to the Consolidated Fund (CF). This is offset by the meeting of milestones associated with the IBF.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

25. The decrease is associated with the finalisation of the construction of the Ecoscience Precinct during 2010-11, adjustments to the fair value and 1/3 write-down of loans and the return of sale proceeds for various properties to the CF. This is offset by the meeting of milestones associated with the IBF.
26. The 2009-10 Estimated actual represents the transfer of the completed H&FS Precinct to QH.

## Balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

27. The increase primarily reflects security deposits paid to secure overseas office accommodation.
28. The decrease represents a transfer of funds to QH for the TRI and delays in the achievement of milestones for loans provided under the IBF during 2009-10.
29. The decrease is primarily due to the delay in the purchase of a property under the 2020 Beef Plan and the transfer of the completed H&FS Precinct to QH.
30. The increase reflects trade creditors and grant payables anticipated at year end.
31. The increase reflects a change in the accounting recognition of contributions from CSIRO for the Ecosciences and H&FS Precincts.
32. The decrease represents a transfer of funds to QH for the TRI, delays in the achievement of milestones for loans provided under the IBF during 2009-10 and movements in the fair value adjustment and 1/3 write-down of loans associated with the IBF. In addition, the planned purchase of a property under the 2020 Beef Plan has been delayed.
33. The decrease reflects a change in the accounting recognition of contributions from CSIRO for the Ecosciences and H&FS Precincts.
34. The decrease is largely due to the 2009-10 valuation being lower than anticipated due to the GFC.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

35. The decrease includes the purchase of property as part of the 2020 Beef Plan.
36. The increase primarily reflects security deposits paid to secure overseas office accommodation.
37. The decrease represents a transfer of funds to QH for the TRI and delays in the meeting of milestones for loans provided under the IBF.
38. The decrease represents the transfer of the H&FS Precinct to QH and the disposal of various properties. This is partially offset by the continuing construction of the Ecosciences Precinct, the revaluation increment of the State Common User Infrastructure at Port of Central Queensland during 2010-11, the purchase of a property under the 2020 Beef Plan and the revaluation of land assets during 2010-11.
39. The increase reflects trade creditors and grant payables anticipated at year end.

40. The increase reflects a change in the accounting recognition of contributions from CSIRO for the Ecosciences and H&FS Precincts.
41. The decrease reflects the finalisation of the H&FS Precinct, the disposal of various properties and movements in the fair value adjustment and 1/3 write-down of loans associated with the IBF. This is partially offset by increased equity injection associated with Ecosciences Precinct, the IBF, funding for the Streamlining Mining Tenure Project and the purchase of a property under the 2020 Beef Plan.
42. The decrease reflects a change in the accounting recognition of contributions from CSIRO towards the Ecosciences and H&FS Precincts.
43. The increase reflects indexation of State Common User Infrastructure at Port of Central Queensland in line with anticipated CPI movements and an expected increase in the revaluation of land assets during 2010-11. This is partially offset by the 2009-10 valuation being lower than expected due to the effects of the GFC.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

44. The decrease includes the purchase of property as part of the 2020 Beef Plan.
45. The increase represents anticipated loans provided under the IBF as milestones are met during 2010-11 partially offset by the write down of 1/3 of the loans provided under the IBF in accordance with accounting standards requirements.
46. The increase is attributed to the continuing construction of the Ecosciences Precinct, the revaluation increment of the State Common User Infrastructure at Port of Central Queensland, the purchase of a property under the 2020 Beef Plan and the revaluation of land assets during 2010-11. This is offset by decreases due to the disposal of various properties.
47. The increase reflects equity injection associated with the Ecosciences Precinct, the IBF, funding for the Streamlining Mining Tenure Project, the delay in construction of the Mount Isa Drill Core Facility originally anticipated to be completed in 2009-10 and purchase of a property under the 2020 Beef Plan. This is partially offset by the disposal of various properties and movements in the fair value adjustment and 1/3 write-down of loans associated with the IBF.
48. The increase is largely due to indexation of the State Common User Infrastructure at Port of Central Queensland in line with anticipated CPI movements and an expected revaluation of land assets during 2010-11.

## Cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

49. The increase is largely due to increased funding provided for Innovation Projects, DRAS, accommodation lease supplementation and pest and disease incursions across the state including the NRIFAEP. Additional funding has been provided for the solar energy and Jobs Assist initiatives. This is partially offset by a transfer of funding to DET for the Cairns Maritime Training College and from the DERM for the Geothermal Centre of Excellence. The fair value adjustment and 1/3 write-down of loans associated with the IBF as well as the realignment of funding for numerous programs including the QREF, SME, CSHRS, Carbon Geostorage, Regional Development Facilitation, the Western Hardwoods Plan, QSESF and SFF to match anticipated cash flows also contribute to the movement.
50. The decrease is primarily due to a change in the accounting recognition for contributions received from the CSIRO for the Ecosciences and H&FS Precincts, partially offset by a revenue reclassification from User Charges for funding received from DET for the delivery of particular employment programs including increased revenue for the Productivity Placement Program. The realignment of funding from 2008-09 for LGRFT projects to match anticipated cash flows also contributes to the movement.
51. The increase is primarily due to increased expenses for pest and disease incursions including the NRIFAEP and a realignment of funding for the QREF, QSESF and LGRFT projects to match anticipated cash flows.
52. The increase is primarily due to expenditure related to the Jobs Assist initiative and increases in lease rental rates, pest and disease incursion expenses including for the NRIFAEP and costs for mining safety and health demonstration activities. This is partially offset by a reduction in expenses for the SME. The realignment of expenditure for the QREF, QSESF and LGRFT projects to match anticipated cash flow requirements also contributes to the movement.
53. The increase is largely due to an increase in solar energy initiatives and DRAS. The realignment of funding for the QREF, QSESF, CSHRS, SFF and Innovation Grant Funds to match anticipated cash flows and the transfer of funding from the Cairns Economic Futures Fund to DET for the Cairns Maritime Training College also contributes to the movement.
54. The decrease is primarily due to a change in the accounting recognition for contributions received from CSIRO for the Ecosciences and H&FS Precincts, delays in completion of the Mt Isa Drill Core Facility and a delay in purchase of property under the 2020 Beef Plan. Completion and purchase is now expected in 2010-11.
55. The decrease is primarily due to a transfer of funds to QH for the TRI and delays in the achievement of milestones for loans provided under the IBF during 2009-10.
56. The decrease is mainly due to a transfer of funds to QH for the TRI, delays in the achievement of milestones for loans provided under the IBF and delays in the completion for the Mt Isa Drill Core Facility and the 2020 Beef Plan property.
57. The increase mainly represents the fair value adjustment and 1/3 write-down of loans associated with the IBF.
58. The increase is primarily due to cash held at the commencement of 2009-10 for LGRFT and Employment Initiatives that transferred into the Department as part of the MoG changes effective 26 March 2009 and to pay creditors. In addition, there have been delays in capital acquisitions.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

59. The increase is primarily due to additional funding for new solar energy initiatives, Mining Exploration Greenfields 2020 program, Streamlining Mining Tenure Approvals processes, Petroleum and Gas Inspectors, Jobs Assist initiatives, the NCRIS, pest and disease incursions and the payment of an EB increment in 2010-11. The fair value adjustment and 1/3 write-down of loans associated with the IBF as well as the realignment of funding for QREF, Carbon Geostorage, CSHRS, Coastal Geothermal projects, SFF and the SME program to match anticipated cash flow requirements also contributes to the movement. There is a reduction of funding for various BFBI, the grants for the QBI, the NICTA Project, and a reduction in funding for some RTOs. Funding ceases in 2009-10 for the TBOBI, the Gas Scheme and the SSERS.
60. The decrease is due to the NRIFAEP and anticipated reductions in fee for service projects.



61. The increase is primarily due to the new grants to be provided through CIF commencing 2010-11 for the RICDS, funding provided from the ECF for the SSMRC and a revenue reclassification from user charges for funding received from DET for the delivery of particular employment programs. This increase is partially offset by a change in the accounting recognition for contributions received from the CSIRO for the Ecosciences and H&FS Precincts and a reduction in funding provided from the ECF for industry development grants.
62. The increase is mainly due to additional expenses associated with the new Mining Exploration Greenfields 2020 program, the Streamlining Mining Tenure Approvals process, Petroleum and Gas Inspectors, pest and disease incursions and EB increments in 2010-11.
63. The increase is mainly due to additional funding for the Jobs Assist initiative, new Mining Exploration Greenfields 2020 program, the Streamlining Mining Tenure Approvals process, the transfer of the DERM's funding towards the Geothermal Centre of Excellence and realignment of funding for the Coastal Geothermal program to match anticipated cash flows. This increase is offset by reductions in funding provided for the SME program as the program winds down.
64. The increase is primarily due to grant funding provided for new solar energy initiatives, new grants for RICDS and funding provided from the ECF for the construction of the SSMRC. This increase is offset by the realignment of funding for QREF and QSESF to match anticipated cash flows, and reductions for QBI, industry development projects, NICTA project, BFBI, IPF and grants to some RTOs.
65. The increase is due to the payment of sale proceeds for some properties being disposed of in 2010-11 to the CF.
66. The decrease is primarily due to the finalisation of the construction of the H&FS Precinct in 2009-10 and the Ecoscience Precinct in 2010-11.
67. The decrease is due to the Government's current investment in ZeroGen being finalised in 2009-10.
68. The decrease is primarily due to a transfer of funds to QH for the TRI and delays in the achievement of milestones for loans provided under the IBF during 2009-10.
69. The decrease is primarily due to the finalisation of the construction of the H&FS Precinct in 2009-10 and the Ecoscience Precinct in 2010-11.
70. The increase is mainly due to the payment of sale proceeds for some properties being disposed of in 2010-11 to the CF and the fair value adjustment and 1/3 write-down of loans associated with the IBF.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

71. The increase is mainly due to additional funding for the Mining Exploration 2020 Greenfields program, the Streamlining Mining Tenure Approvals process, Petroleum and Gas Inspectors and the payment of an EB increment in 2010-11. This is partially offset by the cessation of funding for TBOBI, the Gas Scheme and the SSERS. Funding also reduces for various BFBI programs, grants for the QBI, the NICTA Project, DRAS and some RTOs. The fair value adjustment and 1/3 write-down of loans associated with the IBF as well as the realignment of funding for numerous programs including QSESF, IPF, SFF, CSHRS, QREF, Coastal Geothermal, Jobs Assist, NCRIS and the Innovation Skills Fund to match anticipated cash flows also contributes to the movement.
72. The decrease is mainly due to the NRIFAEP and anticipated reductions in fee for service projects.
73. The increase is primarily due to new grants to be provided through CIF commencing in 2010-11 for the RICDS and grants provided from the ECF for the construction of the SSMRC. This increase is partially offset by a decrease in industry development grants funded from the ECF and a realignment of funding for LGRFT activities to match anticipated cash flows.
74. The decrease is due to the realignment of funding for QREF to meet anticipated cash flow requirements and the NRIFAEP.
75. The increase is mainly due to new grants for the RICDS and grants provided from the ECF for the construction of the SSMRC. This is partially offset by the cessation of TBOBI and the Gas Scheme and the reduction in funding for BFBI, industry development grants provided from the ECF, DRAS, some RTOs, NICTA Project, QBI and a return of funding transferred from DET for employment projects. Additionally, the realignment of funding for the QREF, QSESF, CSHRS, NCRIS, SFF and the IPF to match anticipated cash flow requirements contributes to the movement.
76. The increase is due to the transfer of sale proceeds for some properties being disposed of in 2010-11 to the CF.
77. The decrease is primarily due to the finalisation of the construction of the H&FS Precinct in 2009-10 and the Ecoscience Precinct in 2010-11.
78. The decrease is due to the Government's investment in ZeroGen in 2009-10.
79. The increase is primarily due to the anticipated loans provided under the IBF as milestones are met during 2010-11.
80. The decrease is primarily due to the finalisation of the construction of the H&FS Precinct in 2009-10 and the Ecoscience Precinct in 2010-11.
81. The increase is mainly due to the payment of sale proceeds for some properties being disposed of in 2010-11 to the CF and the fair value adjustment and 1/3 write-down of loans associated with the IBF.
82. The decrease is due to cessation of the payment of creditors for Machinery of Government (MoG) transactions.

## Administered income statement

Major variations between 2009-10 Budget and 2009-10 Estimated Actual include:

83. The increase is due to the revision of mining royalties as the industry has recovered more quickly than anticipated from the GFC with higher commodity prices and increased coal export volumes. However the impact of the industry recovery has been partially offset by the higher exchange rate of the Australian Dollar against the US Dollar, the currency in which most commodity sale prices are contracted.
84. The decrease is primarily due to reduced Community Service Obligations (CSO) payments to Ergon Energy Queensland (Ergon) for electricity tariff adjustments which are determined each year by a number of factors including the Benchmark Retail Cost Index, franchise load growth and the purchasing cost of energy.
85. The decrease is primarily due to reduced CSO payments to Ergon for electricity tariff adjustments and a delay of capital grant funding to the RSPCA to match the revised construction schedule offset by an increase for payment to Tourism Queensland (TQ) for the approved 2009-10 Queensland Tourism Strategy (QTS).
86. The movement mainly represents increased mining royalties.
87. The reduction reflects a grant payment to Tourism Queensland (TQ) for the approved 2009-10 QTS and the accounting treatment for fair value adjustment and for 1/3 write-down of loans provided under the SSRFF.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

88. The increase is due to expected improvements in coal prices which is the main contributing factor to an increase in royalty revenue. In addition, changes to the royalty regime for base and precious metals, announced as part of the 2008-09 State Budget but taking effect from January 2011 will also result in additional revenue.
89. The increase is primarily due to the increased payments to Ergon for CSO electricity tariff adjustments in 2010-11 partially offset by a winding down of grant funding to Ergon for Demand Side Management (DSM) projects and a reduction in grant payments to TQ for tourism programs that have reached the end of life.
90. The movement mainly represents increased mining royalties.
91. The reduction reflects a grant payment to TQ for the approved 2009-10 QTS and the accounting treatment for fair value adjustment and for 1/3 write-down of loans provided under the SSRFF.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

92. The increase is primarily attributable to the expected improvements in coal prices which are the main factor contributing to an increase in royalty revenue. Additionally, changes to the royalty regime for base and precious metals, announced as part of the 2008-09 State Budget, but taking effect from January 2011 will result in additional revenue.
93. The increase is primarily due to revised estimates of the CSO payments to Ergon for electricity tariff adjustments. This increase is partially offset by a winding down of funding provided to Ergon for DSM projects and a reduction in funding to TQ for tourism projects.
94. The increase is mainly due to revised estimates of the CSO payments to Ergon for electricity tariff adjustments and a delay in capital grant funding to the RSPCA to match the revised construction schedule. This increase is partially offset by a winding down of grants to Ergon for DSM projects and a reduction in grant payments to TQ.
95. The movement mainly represents increased mining royalties.
96. The movement is a result of the fair value adjustment and 1/3 write-down of loans provided under the SSRFF.

## Administered balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

97. The decrease is mainly due to the movements in cash for receivables and payables partially offset by an increase in royalties and territorial revenue.
98. The increase is mainly due to additional receivables for royalties and territorial rent and the Safety and Health levy. This is offset by an increase in the provision for doubtful debts.
99. The increase relates largely to prepaid revenue transferred to government for casino rent and gaming license fees paid in advance.
100. The increase is mainly due to additional receivables for royalties and territorial rent and the Safety and Health levy.
101. The increase reflects finalisation of MoG changes from 26 March 2009 offset by the revaluation of departmental land and the surrender of land lease assets.
102. The increase in the accumulated deficit relates to the draw down of funding as a grant payment to TQ for the 2009-10 QTS and an adjustment with contributed equity as a result of the carry forward of the 2008-09 audited statements and the impact of the MoG changes with the creation of the department.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

103. The decrease is mainly due to the movements in cash for receivables and payables partially offset by an increase in royalties and territorial revenue.
104. The increase is mainly due to additional receivables for royalties and territorial rent and Safety and Health levy which are partially offset by an increase in the provision for doubtful debts.
105. The increase mainly reflects the Government's equity injection to finance QRAA schemes.
106. The increase relates largely to prepaid revenue transferred to government for casino rent and gaming license fees paid in advance.
107. The increase is mainly due to additional receivables anticipated for royalties and territorial rent and Safety and Health levy.
108. The increase is mainly due to differences between budgeted and actual asset and liabilities assumed in finalisation of MoG changes from 26 March 2009 and the Government's equity injection to finance QRAA schemes which are offset by the revaluation of departmental land and the surrender of land lease assets.
109. The increase in the accumulated deficit relates to an adjustment to contributed equity as a result of the carry forward of the 2008-09 audited statements and the impact of the MoG changes with the creation of the department partially offset by the draw down of funding as a grant payment to TQ for the 2009-10 QTS.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

110. The increase reflects the Government's equity injection to finance QRAA schemes.
111. The increase mainly reflects the Government's equity injection to finance QRAA schemes.

## Administered cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated Actual include:

112. The decrease is primarily due to reduced CSO payments to Ergon for electricity tariff adjustments.
113. The increase is due to the revision of mining royalties.
114. The increase is primarily due to the revision of mining royalties levels returned to Government, partially offset by a decrease in liquor licensing fees and interest revenue.
115. The decrease is primarily due to reduced CSO payments to Ergon for electricity tariff and a delay of capital grant funding to the RSPCA to match the revised construction schedule.
116. The increase is mainly due to payables as at 30 June 2009 for SSRFF being made during 2009-10 and movements in prepayments of prepaid casino rent and gaming license fees.
117. The increase is due to funding provided to purchase a share in the Tarong North Power Station and for the reinvestment of Energex's 2008-09 dividend, previously paid to Government, into additional electricity infrastructure.

- 118. The increase is due to payment of funds to Tarong Energy to purchase a share in the Tarong North Power Station and for the reinvestment of Energex's 2008-09 dividend, previously paid to Government, into additional electricity infrastructure.
- 119. The decrease is mainly due to the movements in cash for receivables and payables offset by an increase in royalties and territorial revenue.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

- 120. The increase is due a revision of mining royalties.
- 121. The increase is primarily due to the revision of mining royalty levels returned to the Government.
- 122. The increase is primarily due to the increased CSO payments to Ergon for electricity tariff adjustments in 2010-11 partially offset by a winding down of grant funding for DSM projects and a reduction in grant payments to TQ.
- 123. The decrease is mainly due to the movements in cash for receivables and payables partially offset by an increase in royalties and territorial revenue.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

- 124. The increase is primarily due to revised estimates of the CSO payments to Ergon for electricity tariff adjustments. This increase is partially offset by a winding down in funding provided to Ergon for DSM projects and to TQ for tourism projects.
- 125. The increase is due to a revision of mining royalties.
- 126. The increase is primarily due to the revision of mining royalty levels returned to government.
- 127. The increase is mainly due to revised estimates of the CSO payments to Ergon for electricity tariff adjustments and a delay in capital grant funding to the RSPCA to match the revised construction schedule. This increase is partially offset by a winding down in funding provided to Ergon for DSM projects and grants to TQ.
- 128. The decrease is mainly due to a reduction in payables for the SSRFF and movements in prepayments of prepaid casino rent and gaming license fees paid in advance and payables.
- 129. The decrease is primarily due to funding provided in 2009-10 to purchase a share in the Tarong North Power and for the reinvestment of Energex's 2008-09 dividend, previously paid to Government, into additional electricity infrastructure.
- 130. The decrease is due to payment of funds in 2009-10 to purchase a share in the Tarong North Power Station and for the reinvestment of Energex's 2008-09 dividend, previously paid to Government, into additional electricity infrastructure.

# Energy Ombudsman Queensland

## OVERVIEW

The Energy Ombudsman Queensland (EOQ) commenced operations under the *Energy Ombudsman Act 2006* 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 the Government's *Toward Q2: Tomorrow's Queensland* ambition of Fair – *Supporting safe and caring communities* by contributing 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 2009, EOQ had a staff establishment of 29 full time equivalent positions and it is anticipated that it will have 33 full time equivalent positions as at 30 June 2010.

## REVIEW OF PERFORMANCE

### Recent achievements

- Dealing with over 12,000 cases from Queensland energy consumers from 1 July 2009 (EOQ closed 13,456 cases in the 2008-09 financial year).
- Providing 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.
- Maintaining and developing ongoing relationships with key energy sector participants and other stakeholders through regular presentations and updates on services.
- Raising awareness of the services offered to energy consumers across Queensland through various marketing, engagement and media activities.
- Investigating, reporting and providing feedback to the Government and industry participants on systemic consumer issues.
- Referring matters to jurisdictional regulators for action under their legislative powers.
- Implementing improved corporate and operational systems and processes to support and further enhance the day-to-day operations of EOQ.
- Commissioning an independent party to review/assess the performance of EOQ.

### Future developments

In 2010-11, the Energy Ombudsman Queensland will focus on the following key priorities:

- achieving best practice, fairness and confidence in the resolution of disputes between Queensland's small electricity and reticulated gas customers and energy suppliers
- raising awareness of EOQ services offered to energy consumers across Queensland
- maintaining and further developing relationships between EOQ and key stakeholders

- investigating, reporting and providing feedback on systemic energy consumer issues
- conducting research on issues including national consumer frameworks and dispute resolution frameworks leading to the enhancement of EOQ policies and procedures.

## **SERVICES**

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

## STATEMENTS

### STAFFING<sup>1</sup>

	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
	2,3	29	33	35

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in the 2009-10 Estimated actual FTEs over the 2009-10 Budget is primarily due to an increase in corporate positions to address significant shortfalls in this area and to better meet our corporate governance and audit responsibilities and requirements.
3. The increase in the 2010-11 Estimate FTEs over the 2009-10 Estimated actuals relates to additional Investigation staff to manage an anticipated marginal growth in complaint numbers in 2010-11.

### PERFORMANCE STATEMENT

Service Standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Percentage of complaints received which are completed by the Energy Ombudsman Queensland		95%	99%	95%
Percentage of customers who rate the performance of the Energy Ombudsman Queensland as satisfactory or better	1	80%	80%	N/A
Energy consumer complaints resolved within agreed standards		90%	90%	90%
<b>State contribution (\$'000)</b>		..	..	..
<b>Other revenue (\$'000)</b>		<b>4,879</b>	<b>4,713</b>	<b>4,943</b>
<b>Total cost (\$'000)</b>		<b>4,879</b>	<b>4,713</b>	<b>4,943</b>

Note:

1. The Energy Ombudsman Queensland Client Satisfaction Survey is undertaken every two years.

## INCOME STATEMENT

Energy Ombudsman Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Income</b>				
User charges	5	4,879	4,713	4,943
Grants and other contributions		..	..	..
Other revenue	1	..	58	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>4,879</b>	<b>4,771</b>	<b>4,943</b>
<b>Expenses</b>				
Employee expenses	3,6	3,124	3,113	3,712
Supplies and services	4,7	1,670	1,530	1,154
Grants and subsidies		..	..	..
Depreciation and amortisation		36	33	30
Finance/borrowing costs		..	..	..
Other expenses	2	49	37	47
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>4,879</b>	<b>4,713</b>	<b>4,943</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>58</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Energy Ombudsman Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	58	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>58</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>58</b>	<b>..</b>



## BALANCE SHEET

Energy Ombudsman Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	8,13	30	409	442
Receivables	8,13	1,324	25	20
Other financial assets		..	..	..
Inventories		..	..	..
Other		1	3	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,355</b>	<b>437</b>	<b>462</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	9,14, 18	41	13	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>41</b>	<b>13</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>1,396</b>	<b>450</b>	<b>462</b>
<b>CURRENT LIABILITIES</b>				
Payables	10,15	675	45	50
Accrued employee benefits	11,16	555	217	272
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>1,230</b>	<b>262</b>	<b>322</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		57	51	61
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>57</b>	<b>51</b>	<b>61</b>
<b>TOTAL LIABILITIES</b>		<b>1,287</b>	<b>313</b>	<b>383</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>109</b>	<b>137</b>	<b>79</b>
<b>EQUITY</b>				
Capital/contributed equity		79	79	79
Retained surplus/(accumulated deficit)	12,17,19	30	58	..
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>109</b>	<b>137</b>	<b>79</b>

## CASH FLOW STATEMENT

Energy Ombudsman Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	20,26	4,879	4,688	4,948
Grants and other contributions		..	..	..
Other	20,27	..	55	3
<b>Outflows:</b>				
Employee costs	23,28	3,124	3,113	3,777
Supplies and services	21,24,29	1,670	1,575	1,094
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	22,25	85	37	47
<b>Net cash provided by/(used in) operating activities</b>		..	18	33
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	7	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	(7)	..
<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>		..	11	33
<b>Cash at the beginning of financial year</b>		30	398	409
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		30	409	442

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

1. Increase relates to penalty fees and interest not included in user pays calculations resulting in an operating surplus.
2. Under expenditure in Advisory Council operating costs.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

3. Increase relates to additional funding for new positions as outlined in staffing table.
4. Additional budget in 2009-10 associated with replacement of Case Management System not included in 2010-11 Estimate.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

5. Increased operating costs results in increased user charges.
6. Increased funding required for new positions as outlined in staffing table.
7. Additional funding associated with replacement of Case Management System in 2009-10 not required in 2010-11.

### Balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

8. Variations relate to review of, and corrections to, end of year unearned revenue transactions following advice from audit team.
9. Decrease relates to lower than anticipated purchases of plant and equipment.
10. Review of unearned revenue transactions resulted in reduced payables.
11. Decrease in employee obligations as result of improved management control of leave balances.
12. Increase relates to penalty fees and interest not included in user pays calculations resulting in an operating surplus.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

13. Variations relate to review of, and corrections to, end of year unearned revenue transactions following advice from audit team.
14. Decrease related to reduced purchasing of plant and equipment.
15. Review of unearned revenue transactions resulted in reduced payables.
16. Decrease related to ongoing effects of improved management of excessive leave balances.
17. Unable to include future penalty fees due to the unpredictable nature of these fees.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

18. Decrease relates to reduced purchasing of plant and equipment.
19. Unable to include future penalty fees due to the unpredictable nature of these fees.

### Cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

20. Decrease in user charges and increase in other relates to penalty fees and interest not included in user pays calculations.
21. Reduction relates to under expenditure in operating costs including stakeholder related travel.
22. Under expenditure in other costs including audit fees and Advisory Council operating costs.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

23. Increase relates to new positions as outlined in the staffing table.
24. Additional expenditure associated with replacement of Case Management System in 2009-10 not required in 2010-11.
25. Under expenditure in other costs including audit fees and Advisory Council operating costs.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

26. Increased operating costs, including new positions results in increased user charges.
27. Unable to include future penalty fees due to the unpredictable nature of these fees.
28. Variation relates to new positions as outlined in the staffing table and associated operating costs.
29. Expenditure associated with replacement of Case Management System in 2009-10 not required in 2010-11.

# Forestry Plantations Queensland Office

## OVERVIEW

The Government announced in June 2009 that Forestry Plantations Queensland (FPQ) would be one of five government businesses to be sold as part of the Renewing Queensland Plan.

In order to progress the sale, the business interests of Forestry Plantations Queensland Office (FPQO), including all necessary assets, contracts and employees required to continue to conduct the business as a going concern, are being transferred to a new corporate vehicle titled Forestry Plantations Queensland Pty Ltd (FPQ P/L). After this transfer is complete and the sale process has been finalised, FPQO will have ceased trading and will be wound up with any remaining assets and obligations being transferred to other Government agencies.

The 2009-10 Budget was prepared on the basis of a full year's trading, but FPQO is expected to have completed the transition of its business activities to FPQ P/L prior to the end of financial year. Additionally, FPQO operations during the latter part of this trading period also included un-budgeted activities necessary to prepare the business for transfer to FPQ P/L and subsequent sale.

## REVIEW OF PERFORMANCE

### Recent achievements

- Conducting an annual health assessment program and a fitness incentive scheme during the period it operated in 2009-10. Participation continued to increase.
- Maintaining FPQO's commitment to internal management skills development through continuation of the Diploma of Management Program. The intake of 20 staff who commenced their studies in March 2009 progressed through to graduation this financial year in the month of December 2009.
- Transferring staff from FPQO to FPQ P/L necessitates development of a new enterprise bargaining agreement to ensure all staff entitlements transition and are protected. At the time of preparation negotiations were underway to ensure all staff entitlements will apply to FPQ P/L.

### Future developments

By 30 June 2010 it is expected that FPQO will have ceased trading and be wound up soon thereafter.

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

## **SERVICES**

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

## STATEMENTS

### STAFFING<sup>1</sup>

	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
	2	431	350	..

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2009-10 Estimated actual represents the number of FTEs as at 26 March 2010.

### PERFORMANCE STATEMENT

Service Standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
<b>Non-financial performance measures</b>				
Maintain an efficient workforce to fulfil the requirements of the annual Work Performance Arrangement entered into with FPQ		Undertaken for 12 months	Note 1	Not applicable
Exercise relevant administrative (custodial) responsibilities for State Plantation Forests		Performed for 12 months	Note 2	Not applicable
<b>State contribution (\$'000)</b>		..	..	<b>Not applicable</b>
<b>Other revenue (\$'000)</b>		<b>30,504</b>	<b>32,905</b>	
<b>Total cost (\$'000)</b>		<b>30,504</b>	<b>32,905</b>	

Notes:

1. Undertaken until majority of staff transferred to FPQ Pty Ltd in late March 2010.
2. Administrative responsibility is to transfer to the Department of Environment and Resource Management under the arrangements for sale of State plantation forest assets late in the financial year.



## INCOME STATEMENT

Forestry Plantations Queensland Office	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Income</b>				
User charges		30,381	32,782	..
Grants and other contributions		..	..	..
Other revenue		123	123	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>30,504</b>	<b>32,905</b>	<b>..</b>
<b>Expenses</b>				
Employee expenses		30,430	32,830	..
Supplies and services		32	32	..
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		42	43	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>30,504</b>	<b>32,905</b>	<b>..</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	1	<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Forestry Plantations Queensland Office	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>

## BALANCE SHEET

Forestry Plantations Queensland Office	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		4,778	4,809	..
Receivables		890	424	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	163	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>5,668</b>	<b>5,396</b>	<b>..</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		201,842	216,177	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>201,842</b>	<b>216,177</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>207,510</b>	<b>221,573</b>	<b>..</b>
<b>CURRENT LIABILITIES</b>				
Payables		391	456	..
Accrued employee benefits		3,507	3,170	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>3,898</b>	<b>3,626</b>	<b>..</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>3,898</b>	<b>3,626</b>	<b>..</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>203,612</b>	<b>217,947</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity		131,814	131,814	..
Retained surplus/(accumulated deficit)		71,798	86,133	..
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>	2	<b>203,612</b>	<b>217,947</b>	<b>..</b>

## CASH FLOW STATEMENT

Forestry Plantations Queensland Office	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		33,419	32,783	..
Grants and other contributions		..	..	..
Other		123	123	..
<b>Outflows:</b>				
Employee costs		(30,430)	(32,830)	..
Supplies and services		(32)	(33)	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(3,080)	(43)	..
<b>Net cash provided by/(used in) operating activities</b>		..	..	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
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>	3	..	..	..
<b>Cash at the beginning of financial year</b>		4,778	4,809	..
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		4,778	4,809	..

## **EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS**

### **Income statement**

1. FPQO operations during the latter part of this trading period included un-budgeted activities necessary to prepare the business for transfer to FPQ P/L.

### **Balance sheet**

2. At the time of preparing this budget document any balance sheet accounts remaining within the Agency are awaiting transfer to other Government Agencies for the purpose of liquidating the entity.

### **Cash flow statement**

3. FPQO operations during the latter part of this trading period included un-budgeted activities necessary to prepare the business for transfer to FPQ P/L.

# QRAA

## OVERVIEW

QRAA's role is to provide financial administrative services on behalf of the Australian, State and Territory governments throughout Australia in accordance with the *Rural and Regional Adjustment Act 1994*. Through the administration of loans, grants, rebates and subsidies, QRAA contributes to a more productive and sustainable rural and regional sector in Australia and other elements of the Queensland economy.

In 2010-11 QRAA will be contributing to the Government's *Toward Q2: Tomorrow's Queensland* ambitions of Strong – *Creating a diverse economy powered by bright ideas* and Green - *Protecting our lifestyle and environment*, through the implementation of new strategic priorities – cost leadership, business growth, service delivery excellence, and capability. In accordance with our Act, this direction will seek to stimulate demand for our services in both intrastate and interstate markets as well as encouraging growth to strengthen our core rural and regional Queensland sector.

## REVIEW OF PERFORMANCE

### Recent achievements

- Approval of more than 2,100 applications (estimated) from primary producers and small businesses for financial assistance in 2009-10.
- Approval of more than \$35 million (estimated) in drought related assistance to Queensland's primary producers and small businesses in 2009-10. This compares with a total of close to \$85 million in 2008-09.
- Securing three new programs to administer. These programs are the Regrowth Vegetation Clearing Financial Hardship Assessment; Special Disaster Assistance – Tropical Cyclone Charlotte and Ellie scheme; and Special Disaster Flood Assistance (March 2010) Scheme.
- Completing the administration of the Additional Irrigators Fixed Water Charges Rebate Scheme. A total of 680 applications were approved for assistance totalling approximately \$0.6 million. QRAA's commitment to customer service and prudent administration practices resulted in average application processing time of only 2.6 days and only two appeals being lodged for the program.
- Revising and implementing QRAA's business model and organisational structure to ensure that QRAA remains responsive to unexpected natural disasters and other external influences.
- Continuing to enhance the scope of QRAA's business to strengthen our overall financial and administrative position through our expansion strategies.

### Future developments

- Following the severe and widespread flooding experienced in early 2010, the administration of associated concessional loans and special disaster flood assistance will continue in 2010-11. In addition to applications received in 2009-10, QRAA anticipates a further 1,200 applications for the Special Disaster Flood Assistance (March 2010) Scheme.
- The first quarter of 2010-11 will see significant energy placed on QRAA's national expansion strategy following approval of its new brand name Agentis Australia.

## **SERVICES**

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.



# STATEMENTS

## STAFFING<sup>1</sup>

	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
	2,3	101.7	74	70.9

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2009-10 budget was established prior to an Australian Government revision and significant reduction in Exceptional Circumstances declared areas in Queensland. The resulting impact on the volumes of Exceptional Circumstances (EC) assistance applications was the catalyst for a commensurate reduction in QRAA's workforce to changing demands. QRAA utilises a contingent of temporary and casual staff as a means of aligning its workforce to changing demands.
3. QRAA's resourcing is demand driven and with an anticipated reduction in EC areas, it is likely that staff members will reduce accordingly in 2010-2011. The impacts of QRAA's planned business growth and new programs on workforce numbers is anticipated to increase above estimated forecast as new business is secured.

## PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Arrears to loan portfolio		3%	1%	3%
Client satisfaction with QRAA's services	1	80%	80%	80%
Program owner satisfaction with QRAA's administration	2	New measure	New measure	75%
Applications processed within standard response indicators	3	85%	60%	85%
Awareness of QRAA in Queensland	4	80%	80%	80%
Growth of productivity loan portfolio		7%	8.5%	7%
New programs administered		3	3	3
<b>State contribution (\$'000)</b>		<b>14,375</b>	<b>15,909</b>	<b>9,535</b>
<b>Other revenue (\$'000)</b>		<b>61,413</b>	<b>22,602</b>	<b>26,599</b>
<b>Total cost (\$'000)</b>		<b>59,655</b>	<b>74,134</b>	<b>20,774</b>

Notes:

1. The bi-annual client satisfaction survey is to be conducted in 2009-10. Results from this survey will not be available until 30 June 2010.
2. This is a new service standard to be introduced in 2010-11.
3. The processing of applications was impacted by the high volume of Exceptional Circumstances experienced in 2008-09 which had a flow on effect into 2009-10. The volume of Special Disaster Flood Assistance grant applications associated with the Charlotte and Ellie disaster event in early 2009 contributed to the result. The 2010-11 Target is maintained at 85% to reflect reduced Exceptional Circumstances volumes. Loans however were processed in accordance with established timeframes with an estimated actual for 2009-10 of 86%.
4. The bi-annual client awareness survey is to be conducted in 2009-10. Results from this survey will not be available until 30 June 2010.

## INCOME STATEMENT

QRAA	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Income</b>				
User charges		..	..	..
Grants and other contributions	1	47,675	18,909	17,448
Other revenue	2	28,113	19,601	18,686
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>75,788</b>	<b>38,510</b>	<b>36,134</b>
<b>Expenses</b>				
Employee expenses	3	9,092	7,578	7,105
Supplies and services		3,123	2,870	2,866
Grants and subsidies	4	44,500	61,186	8,500
Depreciation and amortisation		295	303	420
Finance/borrowing costs		2,645	2,198	1,883
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>59,655</b>	<b>74,135</b>	<b>20,774</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	5	<b>16,133</b>	<b>(35,625)</b>	<b>15,360</b>

## STATEMENT OF CHANGES IN EQUITY

QRAA	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		16,133	(35,625)	15,360
<b>Total recognised income and expense for the period</b>		<b>16,133</b>	<b>(35,625)</b>	<b>15,360</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>16,133</b>	<b>(35,625)</b>	<b>15,360</b>

## BALANCE SHEET

QRAA	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	6	69,477	92,940	73,697
Receivables	7	37,658	31,267	34,181
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	120	120
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>107,135</b>	<b>124,327</b>	<b>107,998</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	7	321,510	255,575	283,332
Other financial assets		..	..	..
Property, plant and equipment		1,091	827	918
Intangibles		37	11	..
Other		..	..	..
<b>Total non-current assets</b>		<b>322,638</b>	<b>256,413</b>	<b>284,250</b>
<b>TOTAL ASSETS</b>		<b>429,773</b>	<b>380,740</b>	<b>392,248</b>
<b>CURRENT LIABILITIES</b>				
Payables		239	536	536
Accrued employee benefits		1,392	1,500	1,500
Interest-bearing liabilities and derivatives		14,283	15,851	15,286
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>15,914</b>	<b>17,887</b>	<b>17,322</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		177	400	399
Interest-bearing liabilities and derivatives		223,050	220,736	217,450
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>223,227</b>	<b>221,136</b>	<b>217,849</b>
<b>TOTAL LIABILITIES</b>		<b>239,141</b>	<b>239,023</b>	<b>235,171</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>190,632</b>	<b>141,717</b>	<b>157,077</b>
<b>EQUITY</b>				
Capital/contributed equity		(53,000)	(53,000)	(53,000)
Retained surplus/(accumulated deficit)		243,632	194,717	210,077
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>190,632</b>	<b>141,717</b>	<b>157,077</b>

## CASH FLOW STATEMENT

QRAA	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		..	..	..
Grants and other contributions	1	47,675	25,091	17,448
Other	2	20,281	19,200	16,102
<b>Outflows:</b>				
Employee costs	3	(9,092)	(7,154)	(7,106)
Supplies and services		(3,123)	(2,881)	(2,866)
Grants and subsidies	4	(44,500)	(67,271)	(8,500)
Borrowing costs		(2,645)	(2,198)	(1,883)
Other		..	(531)	..
<b>Net cash provided by/(used in) operating activities</b>		<b>8,596</b>	<b>(35,744)</b>	<b>13,195</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	7	38,004	59,687	36,913
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(450)	(396)	(500)
Payments for investments		..	..	..
Loans and advances made	7	(65,001)	(59,675)	(65,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>(27,447)</b>	<b>(384)</b>	<b>(28,587)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		12,000	11,750	12,000
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		(15,437)	(18,290)	(15,851)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,437)</b>	<b>(6,540)</b>	<b>(3,851)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(22,288)</b>	<b>(42,668)</b>	<b>(19,243)</b>
<b>Cash at the beginning of financial year</b>		<b>91,765</b>	<b>135,608</b>	<b>92,940</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>69,477</b>	<b>92,940</b>	<b>73,697</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### QRAA

#### Income statement

1. QRAA receives contributions from the Australian and Queensland Governments to fund various grant programs it administers, based on agreements between QRAA and the program owners.

All funds which are allocated to QRAA by the Governments for grant purposes and are controlled by QRAA are recognised as revenues in the year in which QRAA gains control of the funds and this is generally upon receipt of funds. QRAA recognises revenue upon receipt as required under Australian Accounting Standard AASB 1004.

Table 1.1 Grants and other contributions	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Grants and contributions from State Government</b>				
QRAA Administration		8,175	8,175	8,685
NDRRA – Special Disaster Flood Assistance Scheme & others	i	..	6,000	..
Additional Irrigators Fixed Water Charges Rebate Scheme		500	201	..
RAS Exceptional Circumstances – Primary Producers	ii	..	333	850
RAS Exceptional Circumstances – Small Business				
Traveston Crossing & Wyaralong Dams Business Adjustment Scheme		1,200	1,200	..
Vegetation Management Framework Assistance Package	iii	2,000	..	..
Other state schemes	iv	2,500	..	..
<b>Total received from State Government</b>		<b>14,375</b>	<b>15,909</b>	<b>9,535</b>
<b>Grants and other contributions from Australian Government</b>				
RAS Exceptional Circumstances – Primary Producers	ii	30,303	3,000	6,962
RAS Exceptional Circumstances – Small Business		2,997	..	688
<b>Total received from Australian Government</b>		<b>33,300</b>	<b>3,000</b>	<b>7,650</b>
<b>Total Grants and contributions</b>		<b>47,675</b>	<b>18,909</b>	<b>17,185</b>

#### Notes

- SDFAS for Cyclones Charlotte and Ellie was a new scheme announced during the latter part of 2008-09 financial year, however, not included in the 2009-10 Budget.
  - Funding provided for Rural Adjustment Scheme (RAS) Exceptional Circumstances is based on demand.
  - Vegetation Management Framework Assistance Package Scheme will be completed in 2009-10 and budgeted funding was not required.
  - No new programs eventuated in 2009-10 and nothing forecasted for 2010-11.
- Other revenue refers to interest earned on loans made to rural producers and small businesses and interest earned on unutilised funds together with fee for service revenue generated from program administration.
  - The decrease in the 2009-10 Estimated actual and 2010-11 Estimate was a result of the work force review and the departure of casual and temporary staff.
  - Variations in expenditure on grants and subsidies are detailed in Table 1.2. Explanations with regards to variances should be read in conjunction with Table 1.1 and its notes.
    - Great Barrier Reef Marine Park Structural Adjustment Package scheme payments for 2009-10 were carried over from 2008-09.

Table 1.2 Grants and subsidies	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Great Barrier Reef Marine Park Structural Adjustment Package	v	..	9,181	..
Additional Irrigators Fixed Water Charges Rebate Scheme		400	202	..
NDRRA – Special Disaster Flood Assistance Scheme & others	i	..	6,000	..
RAS Exceptional Circumstances – Primary Producers	ii	30,057	34,608	7,735
RAS Exceptional Circumstances – Small Business		1,850	1,613	765
Small Business Emergency Assistance		100	100	..
Traveston Crossing Dam & Wyaralong Dam Business Adjustment Scheme		..	1,200	..
Vegetation Management Framework Assistance Package		12,093	8,282	..
<b>Total grants and subsidies</b>		<b>44,500</b>	<b>61,186</b>	<b>8,500</b>

5. Because QRAA recognises grant revenue upon receipt and there are often significant time intervals between receipt of program funds and the disbursements to clients, QRAA's annual operating result, i.e. a surplus or deficit is often materially affected and at variance with approved budget and estimates as a result of these timing differences. For example, QRAA received \$101.335 million under the Exceptional Circumstances program in the 2008-2009 year which was not fully disbursed to eligible applicants until 2009-2010 but recognised as revenue in the 2008-2009 year. This resulted in a variance between the actual and approved budget and estimates and therefore, a deficit is forecast for the 2009-2010 year as a result of this accounting treatment.  
The latest 2009-2010 forward estimates reflect an operating deficit of \$35.62 million which compares unfavourably with the budgeted operating surplus of \$16.13 million. The major unfavourable variances included in the forward estimates are (i) Grants & Contributions *estimated actual* of \$18.9 million compared to the Grants & Contributions *budget* of \$47.7 million and (ii) Grants and subsidies *estimated actual* of \$61.2 million against the Grants and subsidies *budget* of \$44.5 million. Full details of variances by individual programs are included in *Table 1.1 Grants and other contributions* and *Table 1.2 Grants and subsidies*.
6. Significant increase in cash holdings between 2009-10 Budget and 2009-10 Estimated actual reflects increases in client repayments and major reduction in QRAA lending.
7. Significant decrease in client loan portfolio in the 2009-10 Estimated actual is due to higher than expected client repayments and reduced QRAA lending. Demand for new loans in 2010-11 is expected to increase.



# Australian Agricultural College Corporation

## OVERVIEW

Throughout 2009, the Australian Agricultural College Corporation (AACC) has consulted widely with industry and community in preparing a plan for its future entitled “Reconnecting Agricultural Educations”.

This recently announced plan (2010-2012) is based on three Core Priorities and three Enabling Priorities. Core priorities include: diversification of training products and services; creation of innovative training delivery methods; and building of partnership to promote career pathways. Enabling priorities are: renewal of infrastructure; investment in the workforce; and establishment of strong and effective governance.

The plan represents a key component of the “Fresh Approach” initiative, implemented by the Department of Employment Economic Development and Innovation (DEEDI) to build a \$34 billion Agricultural Industry by 2020. AACC is focussed on skilling the agricultural, pastoral and agribusiness workforce.

## REVIEW OF PERFORMANCE

### Recent achievements

- 2008-09 resulted in an increase in training delivery (average hours of contact) for the first time in four years. The projected delivery for 2009-10 will see a further increase.
- There have been a range of new industry based training programs delivered over the past 12 months. These include a chemical training program required by the Reef Protection Bill to approximately 600 Canegrowers. This was done in partnership with Mackay Canegrowers Association, BSES and AgriServ.
- Restructured the organisation to better focus on industry-based training and on responding to new business opportunities in the agribusiness sector.
- Built stronger links with DEEDI to ensure that the benefits of this partnership are evident to farmers and the agribusiness community.
- Legislation to form a new AACC Advisory Board was passed in Parliament early in 2010.

### Future developments

- Re-engage with industry through the establishment of the Board and Industry Advisory Groups.
- Revitalise the full time residential training product through industry engagement.
- Grow the delivery of industry band training products and services.
- Build partnerships in training with the schools sector and specific groups (e.g. Indigenous people).
- Deliver new models of training such as cadetships, enterprise training.
- Build on-line/e-learning opportunities for students/clients.
- Renew and re-invest in infrastructure across the organisation (as outlined in the document “Reconnecting Agricultural Education”).
- Significant investment in the development of AACC’s workforce.
- Establish strong and effective governance arrangements.

## **SERVICES**

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

## STATEMENTS

### STAFFING<sup>1</sup>

	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
		220	220	210

Note:

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

### PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Total number of VET students		4,000	4,110	4,200
Total competencies successfully completed		20,000	19,442	20,000
Level of stakeholder satisfaction with VET training services and products	1	New measure		78%
• QI Learners Survey				72%
• QI Employer Survey				
Percentage of successfully completed competencies compared with all modules assessed		89%	86%	89%
Percentage of completed competencies delivered at or above Certificate IV level	2	New measure		13%
Student Exit Survey	3	New measure		86%
Percentage of students employed or in further study 6 months after completing their training				
<b>State contribution (\$'000)</b>	4	<b>17,818</b>	<b>19,530</b>	<b>19,218</b>
<b>Other revenue (\$'000)</b>	5	<b>9,907</b>	<b>8,195</b>	<b>7,472</b>
<b>Total cost (\$'000)</b>		<b>27,725</b>	<b>27,725</b>	<b>25,229</b>

Notes:

1. Amended standard with new criteria, move from qualitative feedback to basing feedback on the AQTF Quality Indicator survey forms.
2. New standard for 2009-10, criteria from VET resource agreement.
3. Current estimate is based on feedback from industry and students utilised in the AACC Implementation Plan dialogues. Survey based on all students except the ones enrolled against correctional centre contracts.
4. State contribution funding for 2009-10 increased slightly due to an enterprise bargaining increase and increase in the budgeted amount for user choice.
5. The decrease in other revenue reflects expected decrease in agricultural production due to disinvest plan. Will be offset by an increase in fee for service training associated with business growth.

## INCOME STATEMENT

Australian Agricultural College Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Income</b>				
User charges	1, 3	3,146	2,995	3,754
Grants and other contributions	4, 8	19,530	19,530	19,218
Other revenue	2, 5, 9	5,049	5,200	3,718
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>27,725</b>	<b>27,725</b>	<b>26,690</b>
<b>Expenses</b>				
Employee expenses		14,229	14,229	14,422
Supplies and services		6,857	6,857	6,951
Grants and subsidies			..	..
Depreciation and amortisation	6, 10	3,656	3,656	2,018
Finance/borrowing costs		40	40	..
Other expenses	7, 11	2,443	2,443	1,838
Losses on sale/revaluation of property, plant and equipment and investments		500	500	..
<b>Total expenses</b>		<b>27,725</b>	<b>27,725</b>	<b>25,229</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>1,461</b>

## STATEMENT OF CHANGES IN EQUITY

Australian Agricultural College Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	(230)	108
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	737	315
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>507</b>	<b>423</b>
Surplus/(deficit) for the period		..	..	1,461
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>507</b>	<b>1,884</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>507</b>	<b>1,884</b>

## BALANCE SHEET

Australian Agricultural College Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	12	5,827	657	506
Receivables		1,294	1,294	1,062
Other financial assets	12	..	5,170	5,000
Inventories	13,18	615	615	268
Other		275	275	127
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>8,011</b>	<b>8,011</b>	<b>6,963</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		158	158	95
Property, plant and equipment	14,19	108,385	108,385	110,133
Intangibles		..	..	..
Other	15, 20	6,680	6,680	4,862
<b>Total non-current assets</b>		<b>115,223</b>	<b>115,223</b>	<b>115,090</b>
<b>TOTAL ASSETS</b>		<b>123,234</b>	<b>123,234</b>	<b>122,053</b>
<b>CURRENT LIABILITIES</b>				
Payables		731	731	498
Accrued employee benefits	16, 21	1,541	1,541	816
Interest-bearing liabilities and derivatives		265	265	160
Provisions		..	..	..
Other	17,22	1,420	1,420	585
<b>Total current liabilities</b>		<b>3,957</b>	<b>3,957</b>	<b>2,059</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits	16,21	2,146	2,146	1,037
Interest-bearing liabilities and derivatives		58	58	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>2,204</b>	<b>2,204</b>	<b>1,037</b>
<b>TOTAL LIABILITIES</b>		<b>6,161</b>	<b>6,161</b>	<b>3,096</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>117,073</b>	<b>117,073</b>	<b>118,957</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Retained surplus/(accumulated deficit)		34,028	34,028	35,804
Reserves:				
- Asset revaluation reserve		83,045	83,045	83,153
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>117,073</b>	<b>117,073</b>	<b>118,957</b>

## CASH FLOW STATEMENT

Australian Agricultural College Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	23, 27,32	3,215	3,064	3,666
Grants and other contributions	28,33	19,530	19,530	19,020
Other	24,29,34	5,018	5,353	3,962
<b>Outflows:</b>				
Employee costs	30,35	(13,879)	(13,755)	(16,256)
Supplies and services	25, 36	(6,844)	(6,933)	(8,654)
Grants and subsidies		..	..	..
Borrowing costs		(40)	(40)	..
Other	26,36	(2,515)	(1,897)	(2,560)
<b>Net cash provided by/(used in) operating activities</b>		<b>4,485</b>	<b>5,322</b>	<b>(822)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	31,37	(485)	(485)	3,957
Investments redeemed		..	1,485	170
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(3,363)	(5,731)	(3,167)
Payments for investments		(3)	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,851)</b>	<b>(4,731)</b>	<b>960</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		(486)	(443)	(289)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(486)</b>	<b>(443)</b>	<b>(289)</b>
<b>Net increase/(decrease) in cash held</b>		<b>148</b>	<b>148</b>	<b>(151)</b>
<b>Cash at the beginning of financial year</b>		<b>5,679</b>	<b>509</b>	<b>657</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>5,827</b>	<b>657</b>	<b>506</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

1. The decrease relates to facility hire income and catering for third parties.
2. The increase in revenue from produce sales is due to favourable climate changes since the development of the 2009-10 Budget.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

3. The increase relates to facility hire & catering to third parties and the expectation of increased student revenue with implementation of the Reconnecting Agricultural Educations Strategy (RAES).
4. The decrease in grant funding is in relation to completion of major refurbishments.
5. The decrease is due to a reduction in revenue and expenses relating to agricultural produce as a result of disposal of some land holdings with implementation of the RAES.
6. The decrease is due to the sale of some assets with implementation of the RAES.
7. The decrease is due to expenses in relation to the sale of production land.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

8. The decrease in grant funding is in relation to completion of major capital building refurbishments.
9. The decrease is due to a reduction in revenue from produce sales as a result of disposal of some land holdings with implementation of the RAES.
10. The decrease is due to the sale of some assets with implementation of the RAES.
11. The decrease is due to expenses in relation to the sale of production land.

### Balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

12. The movement represents investment of cash into a short term financial investment.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

13. The decrease in inventories is due to the implementation of the RAES.
14. The increase in property, plant and equipment (PPE) is due to reinvestment strategies.
15. The decrease in other assets (including biological assets) is due to a reduction in production activities.
16. The decrease in accrued leave entitlements is due to the planned implementation of Voluntary Early Retirements (VERs).
17. The decrease in unearned revenue is from funds held in trust.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

18. The decrease in inventories is due to the implementation of the RAES.
19. The increase in property, plant and equipment (PPE) is due to reinvestment strategies.
20. The decrease in other assets (including biological assets) is due to a reduction in production activities.
21. The decrease in accrued leave entitlements is due to the planned implementation of VERs.
22. The decrease in unearned revenue relates to funds held in trust.

### Cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

23. The decrease relates to facility hire income & catering for third parties.
24. The increase in revenue from produce sales is due to favourable climate changes since the development of the 2009-10 budget.
25. The increase is due to an increase in repairs & maintenance due to aging PPE.
26. The decrease is due to Goods & Services Tax (GST).

Major variations between 2009-10 Budget and 2010-11 Estimate include:

27. The increase relates to facility hire & catering to third parties and the expectation of increased student revenue with implementation of the RAES.
28. The decrease in grants is due to completion of major refurbishments.
29. The decrease is due to reduced revenue from produce sales as a result of disposal of some land holdings with implementation of the RAES.
30. The increase is due to the impact of planned VERs resulting from the implementation of the RAES.
31. The increase is due to asset sales through implementation of the RAES.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

32. The increase relates to facility hire & catering to third parties and the expectation of increased student revenue with implementation of the RAES.
33. The decrease in grants is due to completion of major refurbishments.
34. The decrease is due to reduced revenue from produce sales as a result of disposal of some land holdings with implementation of the RAES.
35. The increase is due to the impact of planned VERs resulting from the implementation of the RAES .
36. The increase is due to costs associated with the RAES.
37. The increase in asset sales is due to implementation of the RAES.



# Tourism Queensland

## OVERVIEW

Tourism Queensland contributes to the Queensland Government's *Toward Q2: Tomorrow's Queensland* ambition of Strong – *Creating a diverse economy powered by bright ideas*. It maintains a network of international offices and works closely with Queensland's regional tourism organisations, government agencies, industry and the community to:

- provide industry leadership to ensure the ongoing development of a strong and sustainable tourism industry in Queensland
- deliver effective tourism marketing to grow leisure visitation, length of stay and expenditure in all of the state's destinations particularly for the benefit of Queensland's economy and job creation
- further develop tourism destinations by identifying new and enhanced tourism experiences and products as well as through increased presence in each tourism zone.

In 2009-10 Tourism Queensland had an estimated 154 full time equivalent staff.

## REVIEW OF PERFORMANCE

### Recent achievements

- Developing and implementing the Tourism Action Plan to 2012, in partnership with the Department of Employment, Economic Development and Innovation.
- Delivering activities under year one of the \$36 million, allocated to Tourism Queensland, under the *Protecting Tourism Jobs* election commitment. Activity included domestic retail/tactical activity, major event marketing and increased marketing in New Zealand and China.
- Extending the activity for Best Job in the World to maximise media and consumer interest.
- Creating a global brand identity under Tourism Queensland's Global Brand Strategy.
- Increasing development support for industry through sustainability activities, the finalisation of Queensland's suite of regional tourism opportunity plans and the appointment of an investment attraction role to support the delivery of these plans.

### Future developments

- Continuing implementation of actions identified in the Tourism Action Plan to 2012.
- Delivering activities under year two of the \$36 million, allocated to Tourism Queensland, under the *Protecting Tourism Jobs* election commitment. Activity will include regional tourism development programs, domestic retail/tactical activity, targeted international marketing activity and major event marketing.
- Broadening Tourism Queensland's investment in key international priority markets, which are the United Kingdom, Japan, the United States, China and New Zealand.
- Continuing branded intra and interstate marketing activity with industry partners.
- Launching Queensland's global brand identity.
- Continuing to deliver development support for industry through sustainability and investment attraction activities.

## **SERVICES**

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

## STATEMENTS

### STAFFING<sup>1</sup>

	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
		154	154	158

Note:

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

### PERFORMANCE STATEMENT

Service Standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est
Value of media and publicity generated by Tourism Queensland's activities in domestic and international markets	1	\$348 million	\$424 million	\$434 million
Value of cooperative investment in marketing campaigns	1,2	\$10.2 million	\$7.5 million	\$7 million
Number of Queensland Tourism Strategy initiatives implemented	1	58	58	60
Number of unique visitors to Tourism Queensland's websites	1,3	6.75 million	6.7 million	6.8 million
Number of subscribers to email database from market activity	1,4	450,000	435,000	440,000
<b>State Contribution (\$000)</b>		<b>43,536</b>	<b>63,945</b>	<b>55,100</b>
<b>Other Revenue (\$000)</b>		<b>11,449</b>	<b>14,943</b>	<b>8,600</b>
<b>Total Cost (\$000)</b>		<b>54,985</b>	<b>78,888</b>	<b>63,700</b>

Notes:

1. Tourism Queensland, in partnership with the Department of Employment, Economic Development and Innovation, Queensland Treasury Corporation, Queensland Treasury and the Office of Economic and Statistical Research, is developing an accountability framework to guide future investment in, and to measure the economic contribution and effectiveness its tourism marketing activities. At the time of this document's development the outcomes of the framework were not yet available. As such, Tourism Queensland's measures have not been amended for 2010-11. Tourism Queensland's 2011-12 performance statement will be amended based on the performance accountability framework.
2. The decline in cooperative investment in Tourism Queensland's marketing campaigns may be attributed to:
  - The Global Financial Crisis;
  - Free of charge industry participation in rescue campaign activity; and
  - Large accommodation groups negotiating attractive rates directly with the media rather than advertising through Tourism Queensland's cooperative program.
3. The slight decrease in visits to Tourism Queensland's websites is the result of an increasing trend to use campaign partner websites as a call-to-action, for example Flight Centre.
4. The decline in the number of subscribers to Tourism Queensland's email database is due to the organisation performing an audit and removing email addresses that are no longer current. This audit has provided cost efficiencies.

## INCOME STATEMENT

Tourism Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>Income</b>				
User charges	5,10	10,049	9,446	7,080
Grants and other contributions	1,6,11	43,536	63,945	55,100
Other revenue	2,12	1,400	5,497	1,520
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>54,985</b>	<b>78,888</b>	<b>63,700</b>
<b>Expenses</b>				
Employee expenses	7,13	15,358	15,704	17,119
Supplies and services	3,8,14	37,616	54,293	40,309
Grants and subsidies	4,9,15	..	7,571	4,110
Depreciation and amortisation		1,000	920	1,148
Finance/borrowing costs		..	..	..
Other expenses		1,011	400	1,014
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>54,985</b>	<b>78,888</b>	<b>63,700</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Tourism Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>

## BALANCE SHEET

Tourism Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		6,218	6,608	6,308
Receivables	16,20	5,466	2,485	2,483
Other financial assets		..	..	..
Inventories		..	..	..
Other		352	72	75
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>12,036</b>	<b>9,165</b>	<b>8,866</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		107	107	107
Property, plant and equipment		2,101	2,239	1,522
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>2,208</b>	<b>2,346</b>	<b>1,629</b>
<b>TOTAL ASSETS</b>		<b>14,244</b>	<b>11,511</b>	<b>10,495</b>
<b>CURRENT LIABILITIES</b>				
Payables	17,24	4,923	6,334	5,020
Accrued employee benefits	21	2,675	3,497	4,133
Interest-bearing liabilities and derivatives		..	..	..
Provisions	18,22	1,055	(100)	(200)
Other	19,23	4,294	248	248
<b>Total current liabilities</b>		<b>12,947</b>	<b>9,979</b>	<b>9,201</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		280	336	346
Interest-bearing liabilities and derivatives		..	..	..
Provisions		177	..	..
Other		328	330	82
<b>Total non-current liabilities</b>		<b>785</b>	<b>666</b>	<b>428</b>
<b>TOTAL LIABILITIES</b>		<b>13,732</b>	<b>10,645</b>	<b>9,629</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>512</b>	<b>866</b>	<b>866</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Retained surplus/(accumulated deficit)		512	866	866
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>512</b>	<b>866</b>	<b>866</b>

## CASH FLOW STATEMENT

Tourism Queensland	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	29,34	10,061	9,458	7,092
Grants and other contributions	25,30,35	43,536	63,945	55,100
Other	26,36	1,390	5,487	1,510
<b>Outflows:</b>				
Employee costs	31,37	(14,711)	(15,058)	(16,473)
Supplies and services	27,32,38	(40,343)	(55,303)	(42,014)
Grants and subsidies	28,33,39	..	(7,571)	(4,110)
Borrowing costs		..	..	..
Other		(1,219)	(608)	(1,222)
<b>Net cash provided by/(used in) operating activities</b>		<b>(1,286)</b>	<b>350</b>	<b>(117)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(520)	(570)	(183)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(520)</b>	<b>(570)</b>	<b>(183)</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>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,806)</b>	<b>(220)</b>	<b>(300)</b>
<b>Cash at the beginning of financial year</b>		<b>8,024</b>	<b>6,828</b>	<b>6,608</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>6,218</b>	<b>6,608</b>	<b>6,308</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

1. The increase in Grant revenue is due to additional election commitment of \$12 million plus RTO grants returned to Tourism Queensland for distribution of \$6 million.
2. The increase in other revenue reflects licence fee subsidy of \$3 million and increases in interest and sundry receipts of \$1 million.
3. The increase in expenses is related to the increase in grant revenues.
4. The increase in grants and subsidies is due to RTO grants returned to Tourism Queensland for distribution.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

5. The variance in User charges primarily reflects reduced receipts for co-operative advertising.
6. The increase in grant revenue is due to additional election commitment of \$12 million.
7. The increase in employee expense is due to external publicity services bought in house at Tourism Queensland Board instruction.
8. The reduction in expenses is in line with reduced grant revenues.
9. The increase in grants and subsidies is due to RTO grants allocated to Tourism Queensland for distribution.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

10. The variance in User charges primarily reflects reduced receipts for co-operative advertising.
11. The decrease in grant revenue is due to removal of distributed grants of \$6 million.
12. The decrease in other revenue is due to an end to the licence fee subsidy of \$3 million.
13. The increase in employee expense is due to external publicity services bought in house at Tourism Queensland Board instruction.
14. The reduction in expenses is in line with reduced grant revenues, co-operative income and other revenues.
15. The reduction in grants and subsidies is due to a reduction in RTO grants administered.

### Balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

16. The reductions in receivables is due to the absence of hedge receivables.
17. The increase in payables reflects the decrease in provisions.
18. The reduction in provisions is reflected in an increase in payables.
19. The decrease in other liabilities is due to a reduction in unearned revenues and other accruals.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

20. The reductions in receivables is due to the absence of hedge receivables.
21. The increase in accrued employee benefits is due to increase in leave provisions.
22. The reduction in provisions is due to change in levels required.
23. The decrease in other liabilities is due to a reduction in unearned revenues and other accruals.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

24. The reduction in payables is attributed to a change in spending patterns.

### Cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

25. The increase in inflows from grants is due to additional election commitment of \$12 million plus RTO grants allocated to Tourism Queensland for distribution of \$6 million.
26. The increase in other inflows reflects a licence fee related receipt of \$3 million and increased interest and sundry revenue receipts \$1 million.
27. The increase in outflows for supplies and services is related to the increase in grant inflows.
28. The increase in outflows of grants and subsidies is due to the RTO grants allocated to Tourism Queensland for distribution.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

29. The decrease in user charges reflects reduced receipts for co-operative advertising.
30. The increase in inflows from grants is due to additional election commitment of \$12 million.
31. The increase in outflows of employee costs is due to external publicity services brought in house and wage increases.
32. The reduction in outflows for supplies and services is in line with reduced grants receipts.
33. The increase in outflows of grants and subsidies is equal to the RTO grants allocated to Tourism Queensland for distribution.

Major variations between 2009-10 Estimated actual and the 2010-11 Estimate include:

34. The decrease in user charges reflects reduced receipts for co-operative advertising.
35. The decrease in inflows of grants is due to removal of distributed grants of \$6 million.
36. The decrease in other inflows is due to discontinuance of the licence fee subsidy of \$3 million.
37. The increase in outflows of employee costs is due to external publicity services brought in house and wage increases.
38. The reduction in outflows of supplies and services is in line with reduced grant receipts, co-operative receipts and other revenue receipts.
39. The reduction in outflows of grants and subsidies is due to cuts in RTO grants allocated for distribution.