

PART 12

Department of Infrastructure and Planning

Summary of departmental portfolio Budgets

Page	Agency	2009–10 Estimate \$'000
2-117	Infrastructure and Planning - controlled	725,775
	Infrastructure and Planning - administered	388,784
2-157	Property Services Group	54,544
2-164	Urban Land Development Authority	36,470

Departmental Overview

Ministerial Responsibility

The Department of Infrastructure and Planning has four outputs. Three of these outputs: Infrastructure and Economic Development, Infrastructure Delivery and Planning reside within the Minister for Infrastructure and Planning's portfolio. The fourth output - Sustainable, Transparent and Accountable Local Government, is the responsibility of the Minister for Local Government and Aboriginal and Torres Strait Islander Partnerships.

Strategic Issues

The Department of Infrastructure and Planning assists the Coordinator-General in his regulatory role in assessing and approving infrastructure projects. During 2009-10 the Department will continue to optimise benefits for Queenslanders through planning, facilitation, delivery and coordination of strategic land use and major infrastructure projects and initiatives across Queensland in collaboration with local governments and the community. The department contributes to the Government ambitions of building a strong economy and green, healthy communities that meet future challenges.

Queensland's continued population growth requires the state to maintain sustainable economic and social development with the delivery of vital infrastructure remaining a high priority. At the same time the global economic slowdown is affecting the ability of both the public and private sectors to attract the necessary financial support to commence and deliver infrastructure projects. A key role for the department is to provide a policy and program environment that stimulates and fast tracks projects that support job creation through land development and infrastructure delivery. The department applies the principles of sustainable development to planning the future mix of land use including planning and preparing for adequate supplies of industrial land.

Building the sustainability of Queensland's local government system in line with the implementation of the national frameworks for local governments is a priority. The aim is to work in partnership with the local government sector as the third sphere of government to shape and support an efficient, effective and sustainable local government system.

2009–10 Highlights

The key service priorities for 2009-10 and beyond are to:

Plan, coordinate and deliver key infrastructure for economic, environmental, and social development and employment creation in Queensland including:

- facilitating the Liquefied Natural Gas (LNG) Industry by establishing economic, environmental and community policy settings and completing an Environmental Management Precinct Study on Curtis Island
- coordinating submissions for projects seeking funding under the Building Australia Fund
- assisting implementation of the Coal Infrastructure Program of Actions
- leading consideration and identification of infrastructure requirements arising from development in the Surat Basin, and facilitating the Surat Basin Railway
- progressing the Southport Broadwater to Southern Moreton Bay Marine Infrastructure Master Plan and draft Inskip Peninsula Master Plan
- coordinating the implementation of the Northern Economic Triangle Infrastructure Plan
- continuing the roll-out of water fluoridation infrastructure across Queensland regions and Indigenous communities.

Facilitate and lead major private sector and government projects including:

- Aurukun bauxite mine and refinery, upgrade of the Whitsunday Coast Airport, Townsville Ocean Terminal, Gold Coast Marine Development, Gold Coast University Hospital and the Mackay Regional Events Precinct
- delivering Government strategic land and infrastructure projects, such as the Aerospace and Defence Support Centre and ensuring land and infrastructure development and planning occurs in strategic locations to support industrial development
- completing detailed site investigations and public consultation for location of special industries in southern Queensland
- finalising the Social Infrastructure Strategic Plan for the Gladstone Region
- further work on of the South East Queensland Water Grid, including Northern Pipeline Interconnector Stage 2, Traveston and Wyaralong Dams and the completion of construction and commissioning of the Wivenhoe Dam to Toowoomba pipeline.

Plan, secure and manage land supply for urban, industrial and economic development and conservation and public recreation including:

- declaration and management of State Development Areas (SDAs) including acquiring the Callide-Gladstone Infrastructure Corridor to facilitate delivery of gas to proposed LNG plants on Curtis Island, planning of infrastructure corridors within the Gladstone SDA, ongoing planning, land acquisition and development of the Abbot Point SDA
- undertaking a state-wide inventory of land for public recreation and developing and implementing strategies to deliver on the *'Toward Q2: Tomorrow's Queensland'*: Green - protect 50 per cent more land for nature conservation and public recreation.³

Collaboratively plan sustainable and dynamic urban and regional communities through:

- implementation of planning reform initiatives outlined in *Planning for a Prosperous Queensland: A reform agenda for planning and development in the Smart State*, including supporting local governments to prepare new planning schemes
- development and implementation of a program of Regional Plans for Queensland
- incorporating the impacts of climate change in planning for sustainable urban growth
- implementation of the *Housing Affordability Strategy*
- supporting local governments preparing Priority Infrastructure Plans (PIPs) and development of a framework for State infrastructure policy and contributions
- implementing building sustainable housing and commercial building policy initiatives, including consultation on recommendations of the Premier's Pool Safety Committee
- investigating strategic and emerging demographic and housing issues that underpin regional and infrastructure planning including the impacts of resource developments.

Shape and support an efficient, effective and sustainable local government system through:

- the current grants and subsidies scheme will close and be replaced by a new, capped scheme with new criteria for provision of infrastructure assistance for councils with limited financial resources. Existing commitments under the ceasing program, including high priority sewerage treatment plant upgrades totalling \$437.9 million, will be honoured.
- evaluating and monitoring the performance of councils through a new statewide performance measurement and reporting system. This system will introduce the necessary strategies and processes to monitor and report on council performance, and to improve the sustainability of individual councils and the local government sector, in accordance with the National Frameworks for Local Government Sustainability.

- implementing a modern and efficient legislative framework, including the new *Local Government Act* and its regulations, and the revised *City of Brisbane Act* which is planned to be in operation by December 2009 and a new *Local Government Electoral Act* which is planned to be in operation by December 2010.

2008–09 Achievements

Significant achievements and targets met during 2008-09 include:

- facilitated significant projects including the Aurukun bauxite mine and refinery, Whitsunday Coast Airport, Townsville Ocean Terminal, Gold Coast Marine Development, Gold Coast University Hospital, Queensland Children's Hospital
- facilitated business case development for regionally-based water infrastructure projects and assessment of the State-wide water grid proposal
- completed the 2008 Coal Infrastructure Strategic Plan and continued to assist with implementation of the \$19.3 billion *Coal Infrastructure Program of Actions*
- identified an infrastructure corridor for the co-location of Coal Seam Gas (CSG) pipelines from the Surat Basin to Gladstone and released the Government's CSG water management policy including options for CSG water aggregation, beneficial use and disposal
- facilitated the Surat Basin Railway with all 2008-09 mandated milestones achieved and over 23 percent of Northern Economic Triangle Infrastructure Plan actions implemented
- progressed the Southport Broadwater to Southern Moreton Bay Marine Infrastructure Master Plan and draft Inskip Peninsula Master Plan
- declared nine significant projects (capital value of \$65.5 billion), released six Environmental Impact Statements (EIS) (capital value of \$8.2 billion) and issued four Coordinator-General's Reports for minerals processing and water infrastructure projects at a combined value of \$5.38 billion
- declaration of the Bromelton SDA and the extension to the Gladstone SDA
- established the key economic, environmental and community policy objectives and ongoing facilitation of the infrastructure and planning arrangements, and completed concept designs for a road and bridge to link the mainland to the proposed LNG industries in the Curtis Island Industry Precinct within the Gladstone SDA
- completed Stage 2 of the Gladstone Land, Port, Rail and Road Infrastructure Study
- completed the Townsville Waste Disposal Site Investigation Study
- approved the Material Change of Use application for the Mt Stuart Power Station Upgrade
- commenced both the Abbot Point SDA Infrastructure Corridor study and the Bowen Abbot Point Accommodation and Community Infrastructure Study
- completed Industrial Land Demand Studies for both Cairns and Townsville; initial site suitability investigations for an industrial estate in Mackay; and a site identification study for relocating Caloundra Aerodrome and identified potential sites for special industries
- completed development application for the Aerospace and Defence Support Centre
- completed Western Corridor market demand and supply analysis of industrial land to be released to government agencies to progress planning for Ebenezer industrial area
- commenced Monitoring of Industrial Land Program for Queensland
- commenced oversight of construction of the Airport Link project

- completed construction and commissioning of SEQ Water Grid projects including Western Corridor Recycled Water, Gold Coast Desalination, Southern Regional Water Pipeline, Eastern Pipeline Interconnector and Northern Pipeline Interconnector Stage 1 new water storages at Cedar Grove Weir and Bromelton Offstream Storage
- concluded the centralised procurement of some 450 km of large diameter pipe and materials for the SEQ Water Grid and Toowoomba Pipeline Projects and coordinated approvals and commenced construction of the Wivenhoe Dam to Toowoomba pipeline
- coordinated first stage of the water fluoridation infrastructure implementation
- progressed Environmental Impact Assessment (EIA) report for the Traveston Crossing Dam and completed EIA report and commenced pre-construction for the Wyaralong Dam
- prepared the *Integrated Planning Bill 2009*, complemented by tools and training to support the planned legislation and planning reform agenda
- undertook a review of the *South East Queensland Regional Plan 2005-2026* and released the draft *South East Queensland Regional Plan 2009-2031*
- developed and released the *Far North Queensland Regional Plan 2009-2031*
- developed and released three new statutory regional plans for rural and remote communities in Central West Queensland, South West Queensland and Maranoa-Balonne and released the draft statutory regional plan for North West Queensland
- continued implementation of the Housing Affordability Strategy through:
 - monitoring land supply in Queensland through the release of the SEQ Broadhectare Study and Queensland Residential Land and Dwelling Activity Monitor
 - development of an expanded program to monitor residential infill and redevelopment in existing urban areas (commencing in SEQ)
 - progression of all land use planning for 12 committed development sites identified under the Greenfield Land Supply Action Plan in SEQ, as well as progression of five potential development sites across SEQ
 - continued support of local governments and review of PIPs
- *Stage 2 Housing Sustainability Policy* consultation completed and implementation underway, in line with *Climate Smart 2050 Strategy*
- approved \$880 million for infrastructure projects, since commencement of the five year \$700 million suite of grants and subsidies program in 2006-07; to date \$388.5 million of the approved subsidies has been paid
- implemented the sustainability and reporting process with the release of the “Annual Return on the Status of Asset Management” to councils in December 2008
- established five new regional offices to improve client services
- continued development of a new legislative framework for local governments, with the introduction of the *Local Government Bill 2008*.

Departmental Outputs

As a consequence of recent machinery-of-Government changes functions and responsibilities of the previous Department of Local Government, Sport and Recreation relating to local government have been amalgamated with the Department of Infrastructure and Planning. The new output structure is:

Infrastructure and Economic Development — planning, identification and coordination of infrastructure projects, and industrial and community infrastructure land development which underpin the economic and social growth and sustainability of the State.

Infrastructure Delivery — coordinating and delivering key strategic infrastructure including the SEQ Water Grid, Airport Link and acquisition of land and coordination and development of infrastructure corridors to support infrastructure and economic development.

Planning — providing leadership by collaborating with state agencies, local government and other stakeholders to effectively plan for growth and infrastructure provision in Queensland, to maintain a high quality of life and facilitate sustainable development.

Sustainable, Transparent and Accountable Local Government — partnering with local governments to deliver sustainable and accountable local government services and infrastructure, providing services and advice in the areas of governance, monitoring and performance analysis, interventions and investigations, and targeted initiatives in support of Indigenous local governments, capacity building and funding.

Staffing¹

Department of Infrastructure and Planning	Notes	2008–09 Budget	2008–09 Est. Actual	2009–10 Estimate
OUTPUTS				
Department of Infrastructure and Planning				
Planning		300	304	331
Infrastructure and Economic Development		151	199	187
Infrastructure Delivery		54	63	46
Local Government		172	188	160
Total outputs	2	677	754	724
BUSINESS UNITS				
Property Services Group		18	20	20
Total business units		18	20	20
Total		695	774	744

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the outputs to which they relate.

2009–10 Output Summary¹

Output	Total cost \$'000	Sources of revenue			
		State contribution \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Infrastructure and Planning					
Planning	60,316	56,933	2,337	..	1,046
Infrastructure and Economic Development	48,604	28,549	1,088	..	17,467
Infrastructure Delivery	45,067	32,952	12,115	..	4,000
Local Government	571,788	565,581	..	6,207	..
Total	725,775	684,015	15,540	6,207	22,513

Note:

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

Administered Items

Administered activities are those undertaken by the Department on behalf of the whole-of-Government. The department administers funds:

- provided by the Australian Government as Financial Assistance Grants for local governments under the *Local Government (Financial Assistance) Act 1995 (Commonwealth)* to support the service provision capacity of councils;
- for the Tablelands Regional Council for tourist infrastructure in Kuranda; and
- The provision of funds for the continuing operation of the Urban Land Development Authority (ULDA).

As a result of a Machinery of Government decision, responsibility for the Queensland Water Commission (QWC) was transferred to the newly created Department of Environment and Resource Management (DERM) from 26 March 2009. The financial statements for QWC appear with DERM's section of the Service Delivery Statements.

Description

Commonwealth Financial Assistance Grant

Queensland's Local Government Grants Commission is an independent body appointed by the State Government to recommend the distribution of the Australian Government funded Financial Assistance Grant. This grant is aimed at improving the capacity of local governments to provide services. In 2008-09, \$261.5 million was made available to local governments for general purposes while a further \$108.9 million was made available for road purposes. Queensland's Local Government Grants Commission will continue to undertake research on its distribution methodology as outlined in the Commission's yearly report for 2008. Funding of \$377.84 million will be made available to local governments in 2009-10.

Kuranda Infrastructure Levy

The department administered an arrangement which resulted in \$0.44 million in 2008-09 (consisting of contributions from Queensland Rail) being provided to Tablelands Regional Council for the provision of tourist infrastructure in the town of Kuranda. Legislation is in place to ensure any third party operators on the Kuranda line also contribute to the levy arrangement.

Kuranda Skyrail Levy

An amount of \$0.40 million received from the operator of the Kuranda Skyrail toward the provision of tourist infrastructure in the town of Kuranda was forwarded to Tablelands Regional Council in 2008-09.

Urban Land Development Authority

The Government will provide funding of \$10.1 million in 2009-10 for the continuing operation of the Urban Land Development Authority (ULDA). The ULDA was established in late 2007 as part of the Queensland Housing Affordability Strategy.

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

Departmental Statements

Performance Statement

Department of Infrastructure and Planning	Notes	2008–09 Target/Est.	2008–09 Est. Actual	2009–10 Target/Est.
Infrastructure and Planning				
Output: Planning				
Number of Local Governments with high population growth (greater than 10,000 total population) with Priority Infrastructure Plans	1	22	18	28
Percentage of target audience reached by publications	2	90%	88.5%	90%
Percentage of attendance rates at seminars, workshops and forums	3	80%	86.8%	80%
Percentage of milestones completed on priority projects being progressed by Regional Planning Projects outside SEQ	4	80%	80%	85%
Number of local governments and State agencies participating in the new Smart eDA Program	5	45	22	42
Client satisfaction with the quality of seminars, workshops, forums and publications	6	80%	88.6%	80%
Percentage of statutory responsibilities completed within agreed timeframes	7	100%	93%	90%
Number of Regional Co-ordination Committee (RCC) meetings held per year	8	4	3	4
Number of sub-regional planning and infrastructure forums held per year	9	10	8	5
Number of Regional Landscape and Open Space Committee meetings held per year	10	6	6	6
Key stakeholder satisfaction with the quality of the SEQ Regional Plan implementation process	11	75%	75%	75%
Concurrence agency requests processed within required timeframes	12	100%	100%	90%
Produce an updated SEQ Infrastructure Plan Program	13	June 2009	June 2009	June 2010
State contribution (\$000)	14, 16	66,072	54,485	56,933
Other revenue (\$000)	15, 17	8,289	4,894	3,383
Total cost (\$000)		74,361	59,379	60,316
Output: Infrastructure and Economic Development				
Area of land secured for economic development (hectares)	18	5,915	4,838	777

Department of Infrastructure and Planning	Notes	2008–09 Target/Est.	2008–09 Est. Actual	2009–10 Target/Est.
Number of major projects coordinated:				
• Proposed projects	19	33	39	31
• Committed projects	20	19	10	16
Estimated capital value of major projects:				
• Proposed projects	19	\$22.46 billion	\$88.55 billion	\$83.15 billion
• Committed projects	21	\$12.93 billion	\$9.87 billion	\$15.94 billion
Number of economic development infrastructure and major land use planning projects being developed	22	44	42	34
Number of private sector infrastructure project proposals being evaluated or facilitated	23	20	16	17
% of satisfaction ratings greater than or equal to 3 (on a 1 to 5 scale) with infrastructure planning services	24	90%	..	90%
Estimated number of jobs generated:				
• Proposed projects	19	18,310	57,185	49,645
• Committed projects	21	24,006	28,203	20,723
% of Committed major projects on schedule to agreed milestones	25	89%	100%	80%
% of area of land secured for economic development located in regional Queensland	26	51%	38%	83%
% of major land use planning projects and studies located in regional Qld	27	82%	98%	90%
% of estimated number of jobs generated by (committed) projects located in regional Qld	28	74%	32%	60%
State contribution (\$000)	29,32,35	31,207	24,513	28,549
Other revenue (\$000)	30,33,36	6,085	14,581	18,555
Total cost (\$000)	31,34,37	37,292	40,594	48,604
Output: Infrastructure Delivery				
Number of major projects coordinated:				
• Proposed projects	38	1	2	2
• Committed projects	39	9	9	7
Estimated capital value of major projects:				
• Proposed projects	40	\$0.17 billion	\$0.08 billion	\$0.08 billion
• Committed projects	41	\$9.72 billion	\$9.28 billion	\$5.59 billion
Number of private sector infrastructure project proposals being evaluated or facilitated	42	1	1	1

Department of Infrastructure and Planning	Notes	2008–09 Target/Est.	2008–09 Est. Actual	2009–10 Target/Est.
Estimated number of jobs generated:				
• Proposed projects	43	100	185	185
• Committed projects	44	4,851	7,866	4,250
% of Committed major projects on schedule to agreed milestones	45	100%	89%	75%
% of estimated number of jobs generated by (committed) projects located in regional Qld	46	55%	40%	50%
State contribution (\$000)	47,50,53	12,762	55,602	32,952
Other revenue (\$000)	48,51,54	1,704	44,936	16,115
Total cost (\$000)	49,52	15,966	77,471	45,067
Output: Local Government				
Number of councils with unqualified audit Reports	55	138	138	65
Percentage of Councillors advised/trained in the Code of Conduct	56	100%	100%	100%
Client satisfaction with advice and services provided by the department	57	80%	76%	80%
Local government satisfaction with departmental relationship	57	80%	72%	80%
Client satisfaction with management of local government funding programs	57	80%	81%	80%
Development of financial sustainability frameworks for Queensland's local governments	58	100%	100%	discontinued
Percentage of councils that maintain or improve their QTC Financial Sustainability rating	59	100%	..	discontinued
Percentage of grant and subsidy notifications within agreed timeframes	60	95%	87%	95%
Proportion of local government grants and subsidies distributed to rural, regional and Indigenous communities	61	75%	84%	70%
Administration costs as a percentage of local government grants and subsidy funding distributed	62	0.75%	0.56%	0.75%
State contribution (\$000)	63,66,69	444,195	502,062	565,581
Other revenue (\$000)	64,67,70	17,570	15,527	6,207
Total cost (\$000)	65,68,71	461,765	517,589	571,788

Notes:

1. Satisfactory progress was made during 2008-09 in advancing the implementation of Priority Infrastructure Plans in larger councils. The department is continuing to provide a range of templates, guidelines and training to directly support Local Governments in 2009-10.
2. The 2008-09 estimated actual demonstrates a continuing high level of interest in departmental publications.
3. The 2008-09 estimated actual reflects a continuing high level of interest by clients in departmental land supply and demographic projections and in planning regulatory reforms and innovations.

4. Satisfactory progress during 2008-09 of all regional planning projects outside South East Queensland has contributed to the achievement of this target.
5. Less than expected performance was principally due to a delay in the development of the national standard defining how agencies must connect systems (the national eDA interoperability specification) as mandated by Council of Australian Governments (COAG) 2007. This specification is expected to become available in June 2009.
6. Feedback from clients at planning and building forums and seminars was sampled during the year and confirmed the continued high level of client satisfaction.
7. Seven applications for variation of Building Assessment provisions to be decided within 20 business days under the Building Act 1975 required additional information before being processed. The 2009-10 target estimate reflects the published target in "Planning for a Prosperous Queensland – A reform agenda for planning and development in the Smart State"
8. The 2008-09 target estimate of meetings was not achieved due to the Caretaker period prior to the State election.
9. A change to the format for consulting with Councils has resulted in fewer forums being held. The 2009-10 target estimate includes only the conduct of infrastructure forums. As the review of the SEQ Regional Plan has been completed no sub-regional planning forums are required in 2009-10.
10. The 2008-09 target estimate of meetings was achieved resulting in quality advice being provided to the Minister for Regional Planning.
11. Feedback during the year from clients and through stakeholder forums confirmed the target being achieved.
12. All statutory processing timelines required of the Department under the Integrated Planning Act 1997 were met. The 2009-10 target estimate reflects the published target in "Planning for a Prosperous Queensland – A reform agenda for planning and development in the Smart State".
13. The SEQ Infrastructure Plan and Program is reviewed annually.

Planning

Major variations between 2008-09 Budget and 2008-09 Estimated Actual

14. The decrease principally relates to a funding reclassification from "Output Revenue" to "Equity Injection" for capital costs of the Regional Recreation Trails program and software development costs of Smart eDA, and the provision of funding to the Department of Transport and Main Roads for the construction of the Albion Land Bridge under the Transit Oriented Development Program. These decreases are partially offset by additional funding for the SEQ Regional Plan Communications Campaign, Iconic Places Development Assessment Panels and Sustainable Housing Stage II.
15. The decrease principally relates to the redistribution of contributions allocated from the Estates Construction Fund from this output to the Infrastructure and Economic Development output primarily for the Ipswich Multifunction Development project.

Major variations between 2008-09 Budget and 2009-10 Estimate

16. The decrease principally relates to a funding reclassification from "Output Revenue" to "Equity Injection" for capital costs of the Regional Recreation Trails program and software development costs of Smart eDA and a lower level of funding for Smart Cities Master Plan. These decreases are partially offset by increased funding for Iconic Places Development Assessment Panels, Sustainable Housing Stage II and supplementation for potential Enterprise Bargaining (EB) costs.
17. Refer note 15.

Infrastructure and Economic Development

18. The 2008-09 Estimated Actual includes 3,000 ha at Bromelton as well as land at the Purga Future Industrial Area, Cooroy and Cairns. The 2009-10 Target Estimate will include land at Gympie, Mackay and Amberley.
19. During 2008-09 nine projects were declared as significant projects (and added to the list of proposed projects) with a total capital value estimated at \$65.5 billion. The largest being the Australian Pacific LNG project with an estimated capital value of \$35 billion. This additional activity has also significantly increased the 2008-09 estimated actual figure of jobs generated by proposed projects. These nine declared significant projects alone account for more than 24,500 estimated jobs generated.
20. During 2008-09 less than anticipated projects advanced to the committed stage following the issue of Coordinator-General Reports. Only 4 reports were issued in 2008-09. For 2009-10 it is estimated the number of Coordinator General reports issued will increase.
21. Whilst there were only ten committed projects for 2008-09 they included some larger projects resulting in a significant total for estimated capital value. The larger projects included the Gladstone Nickel Project, North East Business Park, Gold Coast University Hospital, Townsville Ocean Terminal and the Rio Tinto Gladstone Aluminium projects. These larger projects have also resulted in the number of estimated jobs generated remaining high and exceeding the 2008-09 target estimate. The increased 2009-10 target estimate reflects an anticipated increase in committed major projects.
22. During 2008-09 the number of infrastructure and major land use planning projects progressed remained high. Some of the more major projects included the Coal Infrastructure Strategic Plan, Surat Basin Railway, Southern Moreton Bay Marine Infrastructure Master Plan and infrastructure studies associated with State Development Areas at Gladstone, Townsville and Bowen.
23. The number of private sector infrastructure projects being evaluated or facilitated remained high with assistance provided to hospitals, schools and TAFE colleges, correctional facilities, transport, busway, and port projects.
24. An annual major client satisfaction survey was not scheduled in 2008-09. This survey will be conducted later in 2009 and take into consideration the recent MOG changes.
25. Two of the ten committed major projects are not on schedule at the end of 2008-09, including the Gold Coast Marine Development project which has been delayed by 12 months due to unresolved planning and project definition issues and concerns regarding the financial capacity of the short-listed bidders to deliver the project. The 2009-10 target estimate anticipates a continued difficult financial environment into next year.
26. The securing of 3000 ha at Bromelton for industrial development has caused the relative percentage of land secured in regional Queensland to be less than anticipated. For 2009-10 the target estimate reflects the intention to secure the majority of land outside SEQ.
27. The 2008-09 target estimate anticipated that much of the 2008-09 planning and study activity would be in regional Queensland. This situation should continue for 2009-10.

28. Further to note 21, a number of the jobs generated by the larger committed projects are located in SEQ. They include 12,300 jobs estimated to be generated by the North East Business Park project and 5,300 jobs estimated to be generated by the Gold Coast University Hospital. The 2009-10 target estimate has been set with the ongoing influence of these larger projects being considered.

Major variations between 2008-09 Budget and 2008-09 Estimated Actual

29. The decrease principally relates to the transfer of regional water projects to the Department of Environment and Resource Management and funding returned to Consolidated Fund for the Brisbane Cruiseship Terminal dredging.
30. The increase principally relates to funding for sustainable land and precinct planning and development and the Gladstone Liquefied Natural Gas (LNG) project.
31. The Total Cost exceeds the sum of State Contribution and Other revenue by the recognition of impairment losses on properties in the Targinie Precinct in the Gladstone State Development Area.

Major variations between 2008-09 Budget and 2009-10 Estimate

32. The decrease principally relates to the transfer of regional water projects to the Department of Environment and Resource Management and funding returned to the Consolidated Fund for the Brisbane Cruiseship Terminal dredging. This decrease is partially offset by additional funding for the new marine precinct in Townsville and to assist marine industries affected by the construction of the eastern port access bridge, and supplementation for potential EB costs.
33. The increase principally relates to funding for sustainable land and precinct planning and development and the Gladstone LNG project.
34. Refer note 31.

Major variations between 2008-09 Estimated Actual and 2009-10 Estimate

35. The increase between the 2008-09 Estimated Actual and the 2009-10 Estimate is principally due to additional funding for the new marine precinct in Townsville and to assist marine industries affected by the construction of the eastern port access bridge, and supplementation for potential EB costs.
36. The increase between the 2008-09 Estimated Actual and the 2009-10 Estimate principally relates to funding deferred from 2008-09 to continue with the Ipswich Multifunction Development project.
37. Refer note 31.

Infrastructure Delivery

38. The 2008-09 target estimate of one represented the Toowoomba Pipeline Project. This project moved to the committed stage during the year, however 2 new projects were added as proposed projects – the Kuraby and Cedar Grove Inter-connector and the Wyaralong Treatment Plant.
39. During the year three committed projects were finalised and three new projects were added as committed projects. The Southern Regional Water Pipeline, the Eastern Pipeline Inter-connector and Northern Water Pipeline Inter-connector (Stage 1) projects were finalised. The Toowoomba Pipeline, Northern Water Pipeline Inter-connector (Stage 2) and Fluoridation Implementation of Regional Queensland projects were added as committed projects. The lower 2009-10 target estimate anticipates that two additional SEQ Water Grid projects will be completed before the end of 2009-10.
40. As for note 38, the capital value of the additional proposed projects compensated for the reduction caused by the transfer of the Toowoomba Pipeline project to committed status during 2008-09. The \$0.08 billion does not reflect the estimated capital value of the Wyaralong Treatment Plant, which is yet to be determined.
41. As for note 39, the capital value of the additional committed projects compensated for the reduction caused by the completion of three committed SEQ Water Grid projects. The lower 2009-10 target estimate reflects the reduction resulting from completed SEQ Water Grid projects before the end of 2009-10.
42. The Airport Link project is noted as a private sector infrastructure project.
43. The 2008-09 target estimate relates to the Toowoomba Pipeline project. Whilst this project moved to the committed stage, the addition of the Kuraby and Cedar Grove Inter-connector projects as proposed projects in 2008-09 resulted in the estimated actual result of 185 jobs. No estimate is yet available on the jobs the Wyaralong Treatment Plan will generate, therefore the 2009-10 Target estimate remains at 185.
44. The 2008-09 target estimate of 4,851 jobs estimated to be generated by committed projects was a conservative estimate. A revision of the 9 committed projects now estimates they will generate 7,866 jobs over the lifetime of the project in design, construction and operational phases. The lower 2009-10 Target Estimate allows for 2 of the SEQ Water Grid projects completing before the end of 2009-10.
45. One of the eight SEQ water Grid projects (the Gold Coast Desalination Plant project) is not on schedule, whilst the Airport Link project and associated works remain on schedule.
46. Finalisation of the Southern Regional Water Pipeline, Eastern Pipeline Inter-connector and Northern Water Pipeline Inter-connector (Stage 1) projects resulted in a lesser proportion of jobs estimated to be generated by committed projects in the regions in 2008-09.

Major variations between 2008-09 Budget and 2008-09 Estimated Actual

47. The increase principally relates to increased funding for the Airport Link project and additional funding for the water fluoridation implementation project.
48. The increase principally relates to the sale of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure) and the reclassification of expenditure recoveries from "Expenses" to "User Charges" revenue for project delivery costs incurred by the department on behalf of Special Purpose Vehicle (SPV) companies associated with delivering the SEQ Water Grid.
49. The 2008-09 Estimated actual of Total Cost is less than the sum of State Contribution and Other revenue due to the recognition of an accounting net gain-on-sale from the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure). This increase is partially offset by the expensing of early works construction costs incurred on the NSBT project.

Major variations between 2008-09 Budget and 2009-10 Estimate

50. The increase principally relates to additional funding for water fluoridation implementation, increased funding for the Airport Link project and supplementation for potential EB costs.

51. The increase principally relates to the reclassification of expenditure recoveries from "Expenses" to "User Charges" revenue for project delivery costs incurred by the department on behalf of SPV companies associated with delivering the SEQ Water Grid and additional funding for the upgrade of the Whitsunday Coast Airport.
52. The 2009-10 Estimate of Total Cost is less than the sum of State Contribution and Other revenue as expenditure for the upgrade of the Whitsunday Coast airport upgrade projects has been classified as a non-current capital acquisition which resides in the budgeted balance sheet.

Major variations between 2008-09 Estimated Actual and 2009-10 Estimate

53. The decrease principally relates to a lower level of funding for the Airport Link Project in 2009-10 and is partially offset by funding supplementation for potential EB costs.
54. The decrease principally relates to the recognition of a gain-on-sale of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure) in 2008-09.

Local Government

55. The 2008-09 target estimate and the 2008-09 estimated actual were both determined when the total number of councils was 157. Following the reform of local government the total number of councils was reduced to 73. The 2009-10 target estimate is a proportion of this reduced number of councils.
56. The 2008-09 target estimate was achieved with all Councillors receiving advice/training following the local government election in 2008.
57. A full client survey of local governments was undertaken for the Department by the Office of Economic and Statistical Research in April 2009. This survey confirmed satisfaction ratings ranging from 72% to 81% for various services and advice provided.
58. Financial sustainability frameworks were developed in full during 2008-09 with approximately 90% of the frameworks developed by the end of March 2009. This measure will be discontinued for 2009-10, as the development phase is now completed.
59. Councils have the discretion to seek a Queensland Treasury Corporation (QTC) Financial Sustainability rating. During 2008-09 councils in consultation with QTC have preferred to alternatively seek Key Financial Observation (KFO) reports from QTC as an improved mechanism for financial monitoring. As it is expected councils will continue with KFO reporting, this measure is discontinued. From 2010 councils will also have access to financial data analysis from the Department's Sustainability and Reporting Process.
60. The 2008-09 estimated actual is slightly lower than the target estimate due to delays in grants and subsidy notifications in the third quarter. The delays in this quarter were caused by incomplete local government applications under Natural Disaster Relief and Recovery Arrangements.
61. This performance measure includes funding provided under the Blueprint for the Bush program, coordinated by the Office of Rural and Regional Communities (ORRC). Following machinery-of-Government changes, ORRC has been transferred to the Department of Employment, Economic Development and Innovation. The target for 2009-10 is therefore slightly lower than the target for 2008-09.
62. The 2008-09 estimated actual reflects the Department's continued efficiency in managing grant funding. During 2008-09 a review of grant process was undertaken to ensure continual improvement.

Major variations between 2008-09 Budget and 2008-09 Estimated Actual

63. The increase is principally due to increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville; Indigenous Environmental Health and Infrastructure capital grant funding; the implementation of the Animal Management (Cats and Dogs) Act 2008 and the costing and pricing review of Shared Services Agency costs. Increase also reflects the realignment of funding from the previous year to meet commitments for whole of Department projects to fulfil the recommendations of the Service Delivery Performance Commission (SDPC) Review held in 2007-08; the continuation the Local Government Act 1993 review and the Local Government Performance Taskforce. This is partially offset by the realignment of funding to 2009-10 as a result of revised forecasts by local councils for major infrastructure projects under the Local Government infrastructure Grants and Subsidy Program.
64. The decrease is primarily due to the realignment of Australian Government funding for the Joint Agency Infrastructure Program to 2009-10.
65. Refer to Notes 63 and 64.

Major variations between 2008-09 Budget and 2009-10 Estimate

66. The increase principally relates to increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville; the redevelopment of Townsville's Flinders Street mall; Indigenous Environmental Health and Infrastructure capital grant funding and supplementation for a potential EB costs.
67. The decrease is due to a reduction in funds recognised from unearned revenue for the Joint Agency Infrastructure Program.
68. Refer to notes 66 and 67.

Major variations between 2008-09 Estimated Actual and 2009-10 Estimate

69. The increase is principally due to increased funding for Natural Disaster Relief and Recovery Arrangements; the redevelopment of Townsville's Flinders Street mall; Indigenous Environmental Health and Infrastructure capital grant funding; and supplementation for a potential EB costs. This is offset by a lower level of funding for Q150 Legacy Infrastructure Program in 2009-10 and the utilisation of funds deferred from the previous year to fund committed projects in order to fulfil the recommendations of the SDPC Review held in 2007-08.
70. The decrease is due to a reduction in the funds recognised from unearned revenue for the Joint Agency Infrastructure Program.
71. Refer to notes 69 and 70.

Income Statement

Department of Infrastructure and Planning	2009-10 Estimate \$'000
Income	
Output revenue	684,015
User charges	15,540
Grants and other contributions	27,694
Other revenue	1,026
Gains on sale/revaluation of property, plant and equipment and investments	..
Total income	728,275
Expenses	
Employee expenses	86,253
Supplies and services	87,990
Grants and subsidies	548,056
Depreciation and amortisation	1,373
Finance/borrowing costs	..
Other expenses	2,103
Losses on sale/revaluation of property, plant and equipment and investments	..
Total expenses	725,775
OPERATING SURPLUS/(DEFICIT)	2,500

Statement of Changes in Equity

Department of Infrastructure and Planning	2009-10 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	..
Increase/(decrease) in asset revaluation reserve	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above	..
Net income recognised directly in equity	..
Surplus/(deficit) for the period	2,500
Total recognised income and expense for the period	2,500
Equity injection/(withdrawal)	23,673
Equity adjustments (MoG transfers)	..
Total movement in equity for period	26,173

Balance Sheet

Department of Infrastructure and Planning	2009-10 Estimate \$'000
CURRENT ASSETS	
Cash assets	19,618
Receivables	11,625
Other financial assets	..
Inventories	..
Other	109
Non-financial assets held for sale	27,502
Total current assets	58,854
NON-CURRENT ASSETS	
Receivables	..
Other financial assets	21,137
Property, plant and equipment	95,223
Intangibles	18,540
Other	..
Total non-current assets	134,900
TOTAL ASSETS	193,754
CURRENT LIABILITIES	
Payables	26,002
Employee benefit obligations	..
Interest-bearing liabilities and derivatives	..
Provisions	2,464
Other	1,637
Total current liabilities	30,103
NON-CURRENT LIABILITIES	
Payables	..
Employee benefits obligations	..
Interest-bearing liabilities and derivatives	..
Provisions	3,423
Other	..
Total non-current liabilities	3,423
TOTAL LIABILITIES	33,526
NET ASSETS/(LIABILITIES)	160,228
EQUITY	
Capital/contributed equity	(6,167)
Retained surplus/(accumulated deficit)	17,803
Reserves:	
- Asset revaluation reserve	148,592
- Other (specify)	..
TOTAL EQUITY	160,228

Cash Flow Statement

Department of Infrastructure and Planning	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Inflows:	
Output receipts	687,890
User charges	14,040
Grants and other contributions	33,901
Other	1,026
Outflows:	
Employee costs	(86,253)
Supplies and services	(91,865)
Grants and subsidies	(548,056)
Borrowing costs	..
Other	(903)
Net cash provided by/(used in) operating activities	9,780
CASH FLOWS FROM INVESTING ACTIVITIES	
Inflows:	
Sales of property, plant and equipment	..
Investments redeemed	..
Loans and advances redeemed	..
Outflows:	
Payments for property, plant and equipment and intangibles	(46,049)
Payments for investments	..
Loans and advances made	..
Net cash provided by/(used in) investing activities	(46,049)
CASH FLOWS FROM FINANCING ACTIVITIES	
Inflows:	
Borrowings	..
Equity injections	199,420
Outflows:	
Borrowing redemptions	..
Finance lease payments	..
Equity withdrawals	(175,747)
Net cash provided by/(used in) financing activities	23,673
Net increase/(decrease) in cash held	(12,596)
Cash at the beginning of financial year	32,214
Cash transfers from restructure	..
Cash at the end of financial year	19,618

Administered Income Statement

Department of Infrastructure and Planning	2009-10 Estimate \$'000
Revenues Commonwealth grants Taxes, fees and fines Royalties, property income and other territorial revenue Interest Administered revenue Other	 377,840 488 388,784 ..
Total revenues	767,112
Expenses Supplies and services Depreciation and amortisation Grants and subsidies Benefit payments Borrowing costs Other	 388,784
Total expenses	388,784
Net surplus or deficit before transfers to Government	378,328
Transfers of administered revenue to Government	378,328
OPERATING SURPLUS/(DEFICIT)	..

Administered Balance Sheet

Department of Infrastructure and Planning	2009-10 Estimate \$'000
CURRENT ASSETS	
Cash assets	135
Receivables	..
Inventories	..
Other	..
Non-financial assets held for sale	..
Total current assets	135
NON-CURRENT ASSETS	
Receivables	..
Other financial assets	..
Property, plant and equipment	..
Intangibles	..
Other	..
Total non-current assets	..
TOTAL ADMINISTERED ASSETS	135
CURRENT LIABILITIES	
Payables	..
Transfers to Government payable	..
Interest-bearing liabilities	..
Other	..
Total current liabilities	..
NON-CURRENT LIABILITIES	
Payables	..
Interest-bearing liabilities	..
Other	..
Total non-current liabilities	..
TOTAL ADMINISTERED LIABILITIES	..
ADMINISTERED NET ASSETS/(LIABILITIES)	..
EQUITY	
Capital/Contributed equity	(64,055)
Retained surplus/(Accumulated deficit)	64,190
Reserves:	..
- Asset revaluation reserve	..
- Other (specify)	..
TOTAL ADMINISTERED EQUITY	135

Administered Cash Flow Statement

Department of Infrastructure and Planning	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Inflows:	
Administered item receipts	388,784
Grants and other contributions	377,840
Taxes, fees and fines	488
Royalties, property income and other territorial revenues	..
Other	..
Outflows:	
Transfers to Government	(378,328)
Grants and subsidies	(388,784)
Supplies and services	..
Borrowing costs	..
Other	..
Net cash provided by/(used in) operating activities	..
CASH FLOWS FROM INVESTING ACTIVITIES	
Inflows:	
Sales of property, plant and equipment	..
Investments redeemed	..
Loans and advances redeemed	..
Outflows:	
Payments for property, plant and equipment and intangibles	..
Payments for investments	..
Loans and advances made	..
Net cash provided by/(used in) investing activities	..
CASH FLOWS FROM FINANCING ACTIVITIES	
Inflows:	
Borrowings	..
Equity injections	..
Outflows:	
Borrowing redemptions	..
Finance lease payments	..
Equity withdrawals	..
Net cash provided by/(used in) financing activities	..
Net increase/(decrease) in cash held	..
Administered cash at beginning of financial year	135
Cash transfers from restructure	..
Administered cash at end of financial year	135

Income Statement

Infrastructure and Planning	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Income				
Output revenue	1,11,19	110,041	134,600	118,434
User charges	2,12,20	1,586	18,911	15,540
Grants and other contributions	3,13,21	14,122	15,213	21,487
Other revenue	14,22	370	370	1,026
Gains on sale/revaluation of property, plant and equipment and investments	4,23	..	29,917	..
Total income		126,119	199,011	156,487
Expenses				
Employee expenses	5,15,24	53,532	59,494	65,834
Supplies and services	6,16,25	65,680	99,636	79,413
Grants and subsidies	7,26	6,500	8,956	5,917
Depreciation and amortisation	8,17	357	958	1,250
Finance/borrowing costs		..	..	..
Other expenses		280	416	373
Losses on sale/revaluation of property, plant and equipment and investments	9,27	1,270	7,984	1,200
Total expenses		127,619	177,444	153,987
OPERATING SURPLUS/(DEFICIT)	10,18,28	(1,500)	21,567	2,500

Statement of Changes in Equity

Infrastructure and Planning	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		(1,500)	21,567	2,500
Total recognised income and expense for the period		(1,500)	21,567	2,500
Equity injection/(withdrawal)		(15,942)	(280,891)	23,673
Equity adjustments (incl MoG transfers)		3	(198,203)	3
Total movement in equity for period		(17,439)	(457,527)	26,176

Balance Sheet

Infrastructure and Planning	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CURRENT ASSETS				
Cash assets	29,42,54	4,393	20,360	3,056
Receivables	30,43,55	4,841	19,450	15,575
Other financial assets		..	..	..
Inventories		..	..	..
Other		175	132	132
Non-financial assets held for sale	31,44	..	27,502	27,502
Total current assets		9,409	67,444	46,265
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	32,45	187,537	21,137	21,137
Property, plant and equipment	33,46,56	92,205	66,669	94,543
Intangibles	34,47,57	..	2,934	18,540
Other		..	..	..
Total non-current assets		279,742	90,740	134,220
TOTAL ASSETS		289,151	158,184	180,485
CURRENT LIABILITIES				
Payables	35,48,58	5,008	15,280	11,405
Employee benefit obligations	36,49	3,517	1,155	1,155
Interest-bearing liabilities and derivatives		..	..	..
Provisions	37,50	..	2,464	2,464
Other	38,51	4,030	787	787
Total current liabilities		12,555	19,686	15,811
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations	36,49	716	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions	37,50	..	3,423	3,423
Other		..	..	..
Total non-current liabilities		716	3,423	3,423
TOTAL LIABILITIES		13,271	23,109	19,234
NET ASSETS/(LIABILITIES)		275,880	135,075	161,251
EQUITY				
Capital/contributed equity	39,51,59	287,121	98,775	122,451
Retained surplus/(accumulated deficit)	40,52	(11,241)	16,990	19,490
Reserves:				
- Asset revaluation reserve	41,53	..	19,310	19,310
- Other (specify)		..	..	..
TOTAL EQUITY		275,880	135,075	161,251

Cash Flow Statement

Infrastructure and Planning	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	60,70,79	110,041	138,670	122,309
User charges	61,71,80	23,086	72,902	15,540
Grants and other contributions	62,72,81	14,122	15,213	21,487
Other	73,82	370	370	1,026
Outflows:				
Employee costs	63,74,83	(53,532)	(59,494)	(65,834)
Supplies and services	64,75,84	(63,180)	(109,206)	(83,288)
Grants and subsidies	65,85	(6,500)	(8,956)	(5,917)
Borrowing costs		..	..	..
Other		(280)	(416)	(373)
Net cash provided by/(used in) operating activities		24,127	49,083	4,950
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed	66,86	..	228,123	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	67,76,87	(26,085)	(9,036)	(45,927)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(26,085)	219,087	(45,927)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	68,77,88	251,993	169,061	199,420
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	69,78,89	(267,935)	(449,952)	(175,747)
Net cash provided by/(used in) financing activities		(15,942)	(280,891)	23,673
Net increase/(decrease) in cash held		(17,900)	(12,721)	(17,304)
Cash at the beginning of financial year		22,293	33,081	20,360
Cash transfers from restructure		..	..	..
Cash at the end of financial year		4,393	20,360	3,056

Administered Income Statement

Infrastructure and Planning	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		44	44	44
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	1,3,5	32,776	30,815	10,100
Other		..	..	..
Total revenues		32,820	30,859	10,144
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation				
Grants and subsidies	2,4,6	32,776	30,815	10,100
Benefit payments				
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		32,776	30,815	10,100
Net surplus or deficit before transfers to Government		44	44	44
Transfers of administered revenue to Government		44	44	44
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered Balance Sheet

Infrastructure and Planning	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CURRENT ASSETS				
Cash assets		..	1	1
Receivables	
Inventories				
Other	
Non-financial assets held for sale	
Total current assets		..	1	1
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Intangibles	
Other	
Total non-current assets	
TOTAL ADMINISTERED ASSETS		..	1	1
CURRENT LIABILITIES				
Payables	
Transfers to Government payable	
Interest-bearing liabilities	
Other	
Total current liabilities	
NON-CURRENT LIABILITIES				
Payables	
Interest-bearing liabilities	
Other	
Total non-current liabilities	
TOTAL ADMINISTERED LIABILITIES	
ADMINISTERED NET ASSETS/(LIABILITIES)		..	1	1
EQUITY				
Capital/Contributed equity		(64,056)	(64,055)	(64,055)
Retained surplus/(Accumulated deficit)		(2,086)	64,056	64,056
Reserves:	
- Asset revaluation reserve		66,142	..	..
- Other (specify)	
TOTAL ADMINISTERED EQUITY		..	1	1

Administered Cash Flow Statement

Infrastructure and Planning	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	7,10,12	32,776	30,957	10,100
Grants and other contributions		..	..	..
Taxes, fees and fines		44	44	44
Royalties, property income and other territorial revenues		..	..	..
Other		..	..	..
Outflows:				
Transfers to Government	8,13	(44)	(3,792)	(44)
Grants and subsidies	9,11,14	(32,776)	(30,815)	(10,100)
Supplies and services		..	(142)	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	(3,748)	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		..	(3,748)	..
Administered cash at beginning of financial year		..	3,749	1
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		..	1	1

Explanation of Variances in the Financial Statements

Infrastructure and Planning

Income Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

1. The increase principally relates to: increased funding for the Airport Link project and additional funding for the water fluoridation implementation, SEQ regional plan communications campaign, Iconic Places Development Assessment Panels and Sustainable Housing Stage II. These increases are partially offset by the provision of funding to the Department of Transport and Main Roads for the construction of the Albion Land Bridge under the Transit Oriented Development Program, the transfer of regional water projects to the Department of Environment and Resource Management and funding returned to the Consolidated Fund for the Brisbane Cruiseship Terminal dredging.
2. The increase is primarily attributable to the reclassification of expenditure recoveries from "Expenses" to "User Charges" revenue for project delivery costs incurred by the department on behalf of Special Purpose Vehicle (SPV) companies associated with delivering the SEQ Water Grid.
3. The increase principally relates to funding for sustainable land and precinct planning and development and the Gladstone Liquefied Natural Gas (LNG) project.
4. The increase reflects the recognition of a gain-on-sale of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure).
5. The increase principally relates to the reclassification of expenditure recovered from SPV companies for SEQ Water Grid project to "User Charges" revenue. This has resulted in a higher "Employee Expense" estimated actual for 2008-09 and reflects project work undertaken on behalf of SPV companies.
6. The increase principally relates to additional funding for the SEQ Regional Plan communications campaign and increased funding for projects including Airport Link and water fluoridation implementation and the reclassification of expenditure recovered from SPV companies for the SEQ Water Grid project to "User Charges" revenue.
7. The increase principally relates to contributions to projects made under the Community Futures Taskforce and grant payments under the Smart Cities Master Plan and the Transit Oriented Development initiative.
8. The increase principally relates to the capitalisation of leasehold improvements undertaken by the Department of Public Works for no consideration in 2007-08.
9. The increase relates to the expensing of early works construction costs incurred on the inner city North South Bypass Tunnel (NSBT) and access to the Airport Link in accordance with Accounting Policy Guideline 13.
10. The increase reflects an accounting net gain-on-sale from the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure). This increase is partially offset by early works construction costs incurred in relation to the inner city North South Bypass Tunnel's access to the Airport Link Project.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

11. The increase principally relates to: additional funding to support the construction of a new marine precinct in Townsville and to assist marine industries affected by the construction of the Eastern Port Access Bridge, water fluoridation implementation, Iconic Places Development Assessment Panels, Sustainable Housing Stage II and priority community resilience work; increased funding for projects including Airport Link and supplementation for potential EB costs. These increases are partially offset by the transfer of regional water projects to the Department of Environment and Resource Management and the completion of funding for the Brisbane Cruiseship Terminal dredging.
12. The increase is primarily attributable to the reclassification of expenditure recoveries from "Expenses" to "User Charges" revenue for project delivery costs incurred by the department on behalf of SPV companies associated with delivering the SEQ Water Grid.
13. The variation increase principally relates to increased funding for sustainable land and precinct planning and development, the Gladstone LNG project and additional funding for the upgrade of the Whitsunday Coast Airport.
14. The variation is attributable to an increase in Plumbers and Drainers Board fees following the introduction of a plumbing license application fee and increasing existing license fees.
15. The increase principally relates to additional funding for Iconic Places Development Assessment Panels, Sustainable Housing Stage II and priority community resilience work, and supplementation for potential EB costs. This increase also relates to the reclassification of expenditure recovered from SPV companies for the SEQ Water Grid project to "User Charges" revenue.
16. The variation principally relates to: additional funding to support the construction of a new marine precinct in Townsville and to assist marine industries affected by the construction of the Eastern Port Access Bridge, water fluoridation implementation, Iconic Places Development Assessment Panels, Sustainable Housing Stage II, priority community resilience work and the Gladstone LNG project. Increased funding is allocated for projects including Airport Link and sustainable land, precinct planning and development. This increase is also attributable to the reclassification of expenditure recovered from SPV companies for SEQ Water Grid project to "User Charges" revenue.
17. The increase principally relates to the capitalisation of leasehold improvements undertaken in the preceding year.

18. The net surplus in 2009-10 reflects the utilisation of revenue for the capital works upgrade of the Whitsunday Coast Airport. Accordingly estimated capital expenditure for this project is reflected in the budgeted balance sheet. This surplus is offset, in part, by the recognition of impairment losses on properties in the Targinie Precinct in the Gladstone State Development Area.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

19. The decrease principally relates to a lower level of funding for the Airport Link Project in 2009-10 and the completion of one-off funding provided in 2008-09 for the SEQ Regional Plan communications campaign.
20. The decrease reflects a lower level of revenue from project delivery activities undertaken by the department on behalf of SPV companies associated with delivering the SEQ Water Grid and other water pipeline and land corridor projects.
21. The increase is principally due to additional funding for the upgrade of the Whitsunday Coast Airport and funding deferred from 2008-09 for the Ipswich Multifunction Development.
22. The variation is attributable to an increase in Plumbers and Drainers Board fees following the introduction of a plumbing license application fee and increasing existing license fees.
23. The decrease reflects the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure) in 2008-09 and is partially offset by funding supplementation for potential EB costs.
24. The increase principally relates to funding supplementation for potential EB costs.
25. The decrease principally relates to a reduced level of funding for the Airport Link Project and the completion of one-off funding provided in 2008-09 for the SEQ Regional Plan Communications campaign. This decrease is partially offset by additional funding in 2009-10 for a new marine precinct in Townsville and to assist marine industries affected by the construction of the Eastern Port Access Bridge.
26. The decrease principally relates to a reclassification from "Grants and Subsidies" expense to "Property, Plant and Equipment" to reflect capital works on departmental assets under the Regional Recreation Trails program.
27. The decrease reflects the one-off transfer of early works construction costs incurred in relation to the inner city North South Bypass Tunnel project and the access to the Airport Link Project.
28. The decrease is due to the one-off recognition of a gain on sale of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure) in 2008-09. This increase is partially offset by the transfer of early works construction costs incurred on the inner city North South Bypass Tunnel project.

Balance Sheet

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

29. The increase is principally due to cash held for land acquisitions that have been deferred to the 2009-10 financial year.
30. The increase is due to receivables raised with SPV companies for the provision of water pipes and an appropriation receivable raised in the preceding financial year that will be reversed in full in 2009-10.
31. The increase reflects land assets held for sale at Coomera and acquisitions of land and easements granted on behalf of the department's controlled companies which is expected to be reimbursed by the companies.
32. The decrease reflects the sale and transfer of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure).
33. The decrease principally relates to the deferral of land acquisitions to 2009-10 in locations including the Targinie Precinct, Narangba Hard Rock Haulage route and the Stanwell to Gladstone Infrastructure Corridor.
34. The increase relates to a reclassification of software development costs of the Smart Electronic Development Assessment system (Smart eDA) from operating expenditure to intangible assets.
35. The increase relates to an estimate of accrued departmental project expenditure at financial year-end most notably for the Ipswich Multifunction Development, accrued water pipe acquisitions for the water SPVs, Water for Bowen project, the Housing Affordability Program and other planning initiatives.
36. The decrease in Employee Benefit Obligations largely reflects the transfer of annual leave liabilities to the Annual Leave Central Scheme (ALCS). The ALCS was established on 30 June 2008 to centrally fund annual leave obligations of departments, commercialised business units and shared service providers. Annual leave liabilities are held at a consolidated whole-of-Government level. In 2008-09, agencies were required to compensate the Crown for the current portion of annual leave liabilities transferred. Under the ALCS, member agencies must contribute a levy equal to their accrued annual leave cost. Amounts paid to employees for annual leave are claimed back from the scheme.
37. The increase relates to a timing difference between property acquisition claims received from SPV companies and the actual acquisition and the transfer of title to SPV companies.
38. The decrease relates to a reduction in general unearned revenue following the roll-over of the 30 June 2008 actuals into the estimated actual. This balance mostly relates to unearned Plumbers and Drainers Board fees.
39. The decrease principally relates to the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure). This decrease is partially offset a funding reclassification from "Output Revenue" to "Equity Injection" for capital costs of the Regional Recreation Trails program and software development costs of Smart eDA.
40. Refer to note 10.
41. The increase in the Asset Revaluation Reserve is primarily due to the upward revaluation of land held for sale at Coomera.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

42. Refer to note 29.
43. Refer to note 30.
44. Refer to note 31.
45. Refer to note 32
46. The increase principally relates to land acquisitions deferred from 2008-09 in locations including the Targinie Precinct, Narangba Hard Rock Haulage route and the Stanwell to Gladstone Infrastructure Corridor and the reclassification from operating to capital expenditure for works undertaken on departmental assets under the Regional Recreation Trails program.
47. The increase principally reflects the acquisition of easements as part of a 70km long and 200m wide LNG land corridor between Callide and Gladstone SDA for the co-location of underground gas pipelines for LNG proponents.
48. Refer to note 35.
49. Refer to note 36.
50. Refer to note 37.
51. The decrease principally relates to the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure). This decrease is partially offset by additional capital funding allocated in 2009-10 to acquire a 70km long and 200m wide LNG land corridor between Callide and Gladstone SDA for an underground gas pipeline and a funding reclassification from "Output Revenue" to "Equity Injection" for capital costs of the Regional Recreation Trails program.
52. Refer to note 18.
53. The increase in the Asset Revaluation Reserve is primarily due to the upward revaluation of land held for sale at Coomera.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

54. The decrease is principally reflects cash utilisation for land acquisitions previously deferred from 2008-09.
55. The decrease principally relates to a reduced level of trade debtors in 2009-10 relating to work undertaken with SPV companies.
56. The increase principally relates to the upgrade of the Whitsunday Coast Airport and the acquisition of properties in the Stanwell to Gladstone Infrastructure Corridor, Targinie Precinct, Narangba Hard Rock Haulage route and the Townsville State Development Area.
57. Refer note 47.
58. The decrease principally reflects a lower level of trade creditors in 2009-10.
59. The increase in contributed equity principally relates to additional capital funding allocated in 2009-10 to acquire a 70km long and 200m wide LNG land corridor between Callide and Gladstone SDA for the co-location of underground gas pipelines for LNG proponents.

Cash Flow Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

60. The increase principally relates to: increased funding for the Airport Link project and additional funding for the water fluoridation implementation, SEQ Regional Plan communications campaign, Iconic Places Development Assessment Panels, Sustainable Housing Stage II and priority community resilience work.
61. The increase is primarily attributable to the reclassification of expenditure recoveries from "Expenses" to "User Charges" revenue for project delivery costs incurred by the department on behalf of SPV companies associated with delivering the SEQ Water Grid.
62. The increase principally relates to funding for sustainable land and precinct planning and development and the Gladstone LNG project.
63. The increase principally relates to the reclassification of expenditure recovered from SPV companies for SEQ Water Grid project to "User Charges" revenue. This has resulted in a higher "Employee Expense" estimated actual for 2008-09 and reflects project work undertaken on behalf of SPV companies.
64. The increase principally relates to: increased funding for projects including Airport Link and water fluoridation implementation; additional funding for the SEQ Regional Plan communications campaign; and the reclassification of expenditure recovered from SPV companies for SEQ Water Grid project to "User Charges" revenue. This has resulted in a higher "Supplies and Services" estimated actual for 2008-09 and reflects project work undertaken on behalf of SPVs.
65. The increase principally relates to contributions to projects made under the Community Futures Taskforce and grant payments under the Smart Cities Master Plan and the Transit Oriented Development initiative.
66. The increase reflects the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure).
67. The decrease principally relates to the deferral of land acquisitions to 2009-10 in locations including the Targinie Precinct, Narangba Hard Rock Haulage route and the Stanwell to Gladstone Infrastructure Corridor.
68. The increase reflects equity injection funding deferred from the previous financial year for the Airport Link Project.
69. The increase principally reflects the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to the Queensland Manufactured Water Authority (WaterSecure).

Major variations between 2008-09 Budget and 2009-10 Estimate include:

70. The increase principally relates to: additional funding to support the construction of a new marine precinct in Townsville and to assist marine industries affected by the construction of the Eastern Port Access Bridge, water fluoridation implementation, Iconic Places Development Assessment Panels, Sustainable Housing Stage II and priority community resilience work; increased funding for projects including Airport Link and supplementation for potential EB costs.
71. The increase is primarily attributable to the reclassification of expenditure recoveries from "Expenses" to "User Charges" revenue for project delivery costs incurred on behalf of SPV companies associated with delivering the SEQ Water Grid.
72. The variation increase principally relates to increased funding for sustainable land and precinct planning and development, the Gladstone LNG project and additional funding for the upgrade of the Whitsunday Coast Airport.
73. The variation is attributable to an increase in Plumbers and Drainers Board fees following the introduction of a plumbing license application fee and increasing existing license fees.
74. The increase principally reflects additional funding for Iconic Places Development Assessment Panels, Sustainable Housing Stage II, priority community resilience work and supplementation for potential EB costs. This increase also relates to the reclassification of expenditure recovered from SPV companies for the SEQ Water Grid project to "User Charges" revenue.
75. The increase principally relates to: additional funding to support the construction of a new marine precinct in Townsville and to assist marine industries affected by the construction of the Eastern Port Access Bridge, water fluoridation implementation, Iconic Places Development Assessment Panels, Sustainable Housing Stage II, priority community resilience work, the Gladstone LNG project; and increased funding for projects including Airport Link and sustainable land, precinct planning and development. This increase is also attributable to the reclassification of expenditure recovered from SPV companies for SEQ Water Grid project to "User Charges" revenue.
76. The increase principally reflects the acquisition of easements as part of acquire a 70km long and 200m wide LNG land corridor between Callide and Gladstone SDA for the co-location of underground gas pipelines for LNG proponents
77. The decrease reflects a reduced level of capital funding for the Airport Link project in 2009-10.
78. The decrease reflects the divestment of fifty percent of the department's financial investment in SEQ (Gold Coast) Desalination Company to Queensland Manufactured Water Authority (WaterSecure) during 2008-09.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

79. The decrease principally relates to a lower level of funding for the Airport Link Project in 2009-10 and the completion of one-off funding provided in 2008-09 for the SEQ Regional Plan Communications campaign.
80. The decrease reflects a lower level of revenue from project delivery activities undertaken by the department on behalf of SPV companies associated with delivering the SEQ Water Grid and other water pipeline and land corridor projects.
81. The increase is principally due to additional funding for the upgrade of the Whitsunday Coast Airport and funding deferred from 2008-09 for the Ipswich Multifunction Development.
82. The variation is attributable to an increase in Plumbers and Drainers Board fees following the introduction of a plumbing license application fee and increasing existing license fees.
83. The increase principally relates to funding supplementation for potential EB costs.
84. The decrease principally relates to a reduced level of funding for the Airport Link Project and the completion of one-off funding provided in 2008-09 for the SEQ Regional Plan communications campaign. This decrease is partially offset by additional funding in 2009-10 to support the construction of a new marine precinct in Townsville and to assist marine industries affected by the construction of the Eastern Port Access Bridge.
85. The decrease principally relates to a reclassification from "Grants" and Subsidies" expense to "Property, Plant and Equipment" to reflect capital works on departmental assets under the Regional Recreation Trails program.
86. Refer to note 66.
87. The increase principally relates to additional funding for the acquisition of easements as part a 70km long and 200m wide LNG land corridor between Callide and Gladstone SDA for the co-location of underground gas pipelines for LNG proponents and land corridor acquisitions deferred from 2008-09.
88. Refer to Note 77.
89. Refer to Note 78.

Administered Income Statement

Major variations between 2008-09 Adjusted Budget and 2008-09 Estimated Actual include:

1. The decrease primarily relates to the transfer of Administered appropriation for Queensland Water Commission following Machinery of Government changes in 2008-09. The QWC will be the responsibility of the Department of Environment and Resource Management. This decrease is partially offset by increased funding to the QWC for an education and communication program.
2. Refer to note 1.

Major variations between 2008-09 Adjusted Budget and 2009-10 Estimate include:

3. The reduction principally relates to Machinery of Government changes in 2008-09, whereby the Administered funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management, effective 1 April 2009.

4. The reduction principally relates to Machinery of Government changes in 2008-09, whereby the grant funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management, effective 1 April 2009.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

5. The reduction relates to a Machinery of Government change, whereby the Administered funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management, effective 1 April 2009.
6. The reduction relates to a Machinery of Government change, whereby the Administered funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management.

Administered Cash Flow Statement

Major variations between 2008-09 Adjusted Budget and 2008-09 Estimated Actual include:

7. The decrease primarily relates to the transfer of Administered appropriation for Queensland Water Commission following Machinery of Government changes in 2008-09. The QWC will be the responsibility of the Department of Environment and Resource Management. This decrease is partially offset by increased funding to the QWC for an education and communication program.
8. The increase is due to the remittance of accrued receipts to the Consolidated Fund, previously held at 30 June 2008.
9. Refer to note 7.

Major variations between 2008-09 Adjusted Budget and 2009-10 Estimate include:

10. The reduction relates to a Machinery of Government change, whereby the Administered funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management, effective 1 April 2009.
11. The reduction relates to a Machinery of Government change, whereby the Administered funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management, effective 1 April 2009.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

12. The reduction relates to a Machinery of Government change, whereby the Administered funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management, effective 1 April 2009.
13. The reduction relates to the payment to Government of accrued receipts held at 30 June 2008. This will not re-occur in 2009-10.
14. The reduction relates to a Machinery of Government change, whereby the Administered funding for the Queensland Water Commission will be paid via the Department of Environment and Resource Management, effective 1 April 2009.

Income Statement

Local Government	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Revenues				
Output revenue	1,12,17	562,231	617,335	565,581
User charges	13,18	5,139	5,094	..
Grants and other contributions	2,14,19	11,122	24,529	6,207
Other revenue	3,13,18	107	1,257	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total revenues		578,599	648,215	571,788
Expenses				
Employee expenses	4,15,20	37,612	40,291	20,419
Supplies and services	5,13,21	24,903	31,603	8,577
Grants and subsidies	6,16,22	510,266	572,438	542,139
Depreciation and amortisation	7,13,18	4,142	2,926	123
Finance/borrowing costs	8,13,18	1,300	427	..
Other expenses		376	530	530
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		578,599	648,215	571,788
OPERATING SURPLUS/(DEFICIT)		..	..	..

* On 26 March 2009, Machinery of Government changes resulted in the cessation of the Department of Local Government, Sport and Recreation. Accordingly, the 2008-09 Adjusted Budget and the 2008-09 Estimated Actual columns of the budgeted financial statements include nine months of activity of the former Department of Local Government, Sport and Recreation, which therefore, incorporates functions relating to Sport and Recreation and the Office of Rural and Regional Communities. The 2009-10 Estimate reflects Local Government functions only.

Statement of Changes in Equity

Local Government	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	9,13,18	27,068	(83,913)	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		27,068	(83,913)	..
Surplus/(deficit) for the period		..	..	..
Total recognised income and expense for the period		27,068	(83,913)	..
Equity injection/(withdrawal)	10,13,18	(4,271)	(8,692)	23,673
Equity adjustments (incl MoG transfers)	11,13,18	(191,416)	(292,571)	(3)
Total movement in equity for period		(160,077)	(367,792)	(3)

Balance Sheet

Local Government	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CURRENT ASSETS				
Cash assets	31,40	12,487	11,854	16,562
Receivables		(4,383)	(3,950)	(3,950)
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		(71)	(23)	(23)
Total current assets		8,033	7,881	12,589
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	23,32	224,671	684	680
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		224,671	684	680
TOTAL ADMINISTERED ASSETS		232,704	8,565	13,269
CURRENT LIABILITIES				
Payables	24,33	7,244	14,556	14,556
Transfers to Government payable	25,34	2,223	(1,114)	(1,114)
Interest-bearing liabilities		..	..	..
Other	26,35, 40	(430)	(3,857)	850
Total current liabilities		9,037	9,585	14,292
NON-CURRENT LIABILITIES				
Payables	25,34	677	..	..
Interest-bearing liabilities	27,36	17,206	..	..
Other		..	..	..
Total non-current liabilities		17,883	..	..
TOTAL ADMINISTERED LIABILITIES		26,920	9,585	14,292
ADMINISTERED NET ASSETS/(LIABILITIES)		205,784	(1,020)	(1,023)
EQUITY				
Capital/Contributed equity	28,37	(31,011)	(128,615)	(128,618)
Retained surplus/(Accumulated deficit)	29,38	(3,094)	(1,687)	(1,687)
Reserves:				
- Asset revaluation reserve	30,39	239,889	129,282	129,282
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		205,784	(1,020)	(1,023)

* On 26 March 2009, Machinery of Government changes resulted in the cessation of the Department of Local Government, Sport and Recreation. Accordingly, the 2008-09 Adjusted Budget and the 2008-09 Estimated Actual columns of the budgeted financial statements include nine months of activity of the former Department of Local Government, Sport and Recreation, which therefore, incorporates functions relating to Sport and Recreation and the Office of Rural and Regional Communities. The 2009-10 Estimate reflects Local Government functions only.

Cash Flow Statement

Local Government	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	41,53,58	562,231	616,507	565,581
User charges	54,59	5,139	6,094	(1,500)
Grants and other contributions	42,55,60	(6,403)	(328)	12,414
Other	43	107	1,257	..
Outflows:				
Employee costs	44,56,61	(37,612)	(40,291)	(20,419)
Supplies and services	45,54,62	(24,903)	(31,603)	(8,577)
Grants and subsidies	46,57,63	(494,568)	(556,740)	(542,139)
Borrowing costs	47,54,59	(1,300)	(427)	..
Other		(376)	(530)	(530)
Net cash provided by/(used in) operating activities		2,315	(6,061)	4,830
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	48,54,59	(10,132)	(20,715)	(122)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(10,132)	(20,715)	(122)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	49,54,59	3,025	2,139	..
Equity injections	50,54,59	6,517	9,738	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments				
Equity withdrawals	51,54,59	(2,246)	(1,046)	..
Net cash provided by/(used in) financing activities		7,296	10,831	..
Net increase/(decrease) in cash held		(521)	(15,945)	4,708
Administered cash at beginning of financial year		27,744	46,985	11,854
Cash transfers from restructure	52,54,59	(14,736)	(19,186)	..
Administered cash at end of financial year		12,487	11,854	16,562

* On 26 March 2009, Machinery of Government changes resulted in the cessation of the Department of Local Government, Sport and Recreation. Accordingly, the 2008-09 Adjusted Budget and the 2008-09 Estimated Actual columns of the budgeted financial statements include nine months of activity of the former Department of Local Government, Sport and Recreation, which therefore, incorporates functions relating to Sport and Recreation and the Office of Rural and Regional Communities. The 2009-10 Estimate reflects Local Government functions only.

Administered Income Statement

Local Government	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Revenues				
Commonwealth grants	64,67,69	363,904	370,414	377,840
Taxes, fees and fines		444	444	444
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	65,68,70	389,880	398,322	378,684
Other	66,71	..	10,770	..
Total revenues		754,228	779,950	756,968
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation				
Grants and subsidies	65,68,70	389,880	398,322	378,684
Benefit payments				
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		389,880	398,322	378,684
Net surplus or deficit before transfers to Government		364,348	381,628	378,284
Transfers of administered revenue to Government		364,348	381,628	378,684
OPERATING SURPLUS/(DEFICIT)		..	..	..

* On 26 March 2009, Machinery of Government changes resulted in the cessation of the Department of Local Government, Sport and Recreation. Accordingly, the 2008-09 Adjusted Budget and the 2008-09 Estimated Actual columns of the budgeted financial statements include nine months of activity of the former Department of Local Government, Sport and Recreation, which therefore, incorporates functions relating to Sport and Recreation and the Office of Rural and Regional Communities. The 2009-10 Estimate reflects Local Government functions only.

Administered Balance Sheet

Local Government	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CURRENT ASSETS				
Cash assets		134	134	134
Receivables	
Inventories				
Other	
Non-financial assets held for sale	
Total current assets		134	134	134
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Intangibles	
Other	
Total non-current assets	
TOTAL ADMINISTERED ASSETS		134	134	134
CURRENT LIABILITIES				
Payables	
Transfers to Government payable	
Interest-bearing liabilities	
Other	
Total current liabilities	
NON-CURRENT LIABILITIES				
Payables	
Interest-bearing liabilities	
Other	
Total non-current liabilities	
TOTAL ADMINISTERED LIABILITIES	
ADMINISTERED NET ASSETS/(LIABILITIES)		134	134	134
EQUITY				
Capital/Contributed equity	
Retained surplus/(Accumulated deficit)		134	134	134
Reserves:	
- Asset revaluation reserve	
- Other (specify)	
TOTAL ADMINISTERED EQUITY		134	134	134

* On 26 March 2009, Machinery of Government changes resulted in the cessation of the Department of Local Government, Sport and Recreation. Accordingly, the 2008-09 Adjusted Budget and the 2008-09 Estimated Actual columns of the budgeted financial statements include nine months of activity of the former Department of Local Government, Sport and Recreation, which therefore, incorporates functions relating to Sport and Recreation and the Office of Rural and Regional Communities. The 2009-10 Estimate reflects Local Government functions only.

Administered Cash Flow Statement

Local Government	Notes	2008-09 Adjusted Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	72,76,78	393,656	398,332	378,684
Grants and other contributions	73,77,79	363,904	370,414	377,840
Taxes, fees and fines		444	444	444
Royalties, property income and other territorial revenues		..	..	..
Other	74,80	..	10,760	..
Outflows:				
Transfers to Government	75,77,81	(364,348)	(381,668)	(378,284)
Grants and subsidies	72,76,78	(393,656)	(398,322)	(378,684)
Supplies and services		..	(3)	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	(43)	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		..	(43)	..
Administered cash at beginning of financial year		134	177	134
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		134	134	134

Explanation of Variances in the Financial Statements

Local Government

On 26 March 2009, Machinery of Government changes resulted in the cessation of the Department of Local Government, Sport and Recreation. Accordingly, the 2008-09 Adjusted Budget and the 2008-09 Estimated Actual columns of the budgeted financial statements include nine months of activity of the former Department of Local Government, Sport and Recreation, which therefore, incorporates functions relating to Sport and Recreation and the Office of Rural and Regional Communities. The 2009-10 Estimate reflects Local Government functions only.

Income Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

1. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville, Indigenous Environmental Health and Infrastructure capital grant funding, the implementation of the *Animal Management (Cats and Dogs) Act 2008* and the costing and pricing review of Shared Services Agency costs. Increase also reflects funding deferred from the previous year for projects committed to addressing the recommendations of the SDPC Review held in 2007-08; the continuation of the *Local Government Act 1993* Review and the Local Government Performance Taskforce. This is partially offset by the realignment of funding to 2009-10 as a result of revised forecasts by local councils for major infrastructure projects under the Local Government infrastructure Grants and Subsidy Program.
2. The increase primarily relates to the one off receipt of funds from the Townsville City Council for the redevelopment of Reid Park for the Dunlop Townsville 400 V8 Supercar event and industry contributions for a state sports centre.
3. The increase represents interest revenue earned from Australian Government funds for the Joint Agency Infrastructure Program and Regional Flood Mitigation Programme.
4. The increase primarily reflects funding deferred from the previous year for projects committed to addressing the recommendations of the SDPC Review held in 2007-08; the continuation of the *Local Government Act 1993* Review and the Local Government Performance Taskforce.
5. The increase primarily reflects funding deferred from the previous year for projects committed to addressing the recommendations of the SDPC Review held in 2007-08, the continuation of the *Local Government Act 1993* Review and the Local Government Performance Taskforce. Increased funding was also received for the implementation of the *Animal Management (Cats and Dogs) Act 2008* and the realignment of funding across Government as a result of the costing and pricing review of Shared Services Agency costs.
6. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville; Indigenous Environmental Health and Infrastructure capital grant funding; and the one off payment for the redevelopment of Reid Park for the Dunlop Townsville 400 V8 Supercar event. This is partially offset by the realignment of funding to 2009-10 as a result of revised forecasts by local councils for major infrastructure projects under the Local Government infrastructure Grants and Subsidy Program.
7. The decrease is a result of reviewing the estimated useful life of non-current assets which reduced the cost of depreciation.
8. The decrease is due to the transfer of sport centres to Stadiums Queensland during the year which resulted in reduced borrowing costs.
9. The reduction is as a result of realigning the asset revaluation reserve budget to reflect Departmental actuals.
10. The increase reflects funding for sport centres.
11. The decrease reflects the transfer of the sport centre land and infrastructure to Stadiums Queensland in 2008-09.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

12. The increase principally relates to additional funding for the redevelopment of Townsville's Flinders Street mall, the redevelopment of the historic Jezzine Barracks in Townsville, and increased funding for Natural Disaster Relief and Recovery Arrangements; Indigenous Environmental Health, Infrastructure capital grant funding and supplementation for potential EB costs. These increases are partially offset by a lower level of funding for Q150 Legacy Infrastructure Program as this program will be completed in 2009-10.
13. The decrease relates to the full year impact of the Machinery of Government change in 2009-10 where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009.
14. The decrease primarily relates to a reduction in the funds drawn from unearned revenue for the Joint Agency Infrastructure Program.
15. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009. This is offset by supplementation for potential EB costs.
16. The increase primarily relates to increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville, the redevelopment of Townsville's Flinders Street mall, Indigenous Environmental Health and Infrastructure capital grant funding. This increase is partially offset by a lower level of funding for Q150 Legacy Infrastructure Program as this program will be completed in 2009-10.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

17. The decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009, a lower level of funding for the final year of the Q150 Legacy Infrastructure Program in 2009-10 and the utilisation of funds deferred from the previous year for projects committed to addressing performance measurement initiatives. This is offset by increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of Townsville's Flinders Street Mall, Indigenous Environmental Health and Infrastructure capital grant funding and supplementation for potential EB costs.
18. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009.

19. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 and a reduction in the funds drawn from unearned revenue for the Joint Agency Infrastructure Program.
20. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009. This is offset by supplementation for potential EB costs.
21. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 and the utilisation of funds deferred from the previous year to meet projects committed to addressing the recommendations of the SDPC Review held in 2007-08.
22. Decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009; and the completion of Q150 grant funding. This is offset by increased funding for Natural Disaster Relief and Recovery Arrangements; the redevelopment of Townsville's Flinders Street mall; and Indigenous Environmental Health and Infrastructure capital grant funding.

Balance Sheet

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

23. The movement relates to the transfer of the State Tennis Centre land and infrastructure to Stadiums Queensland in 2008 09 and the realigning of the asset revaluation reserve budget to reflect Departmental actuals.
24. The increase primarily relates to an increase in grants payables as a result of the finalisation of the 2007-08 financial statements.
25. The decrease primarily reflects reduced employee benefit obligations resulting from the introduction of the Annual Leave Central Scheme.
26. The decrease primarily relates to a decrease in unearned revenue as a result of the finalisation of the 2007-08 financial statements.
27. The movement relates to the transfer of borrowings associated with the State Tennis Centre to Stadiums Queensland in 2008 09.
28. The movement relates to the transfer of the State Tennis Centre land and infrastructure to Stadiums Queensland in 2008 09.
29. The decrease reflects a prior year adjustment as a result of the finalisation of the 2007-08 financial statements.
30. The reduction is as a result of realigning the asset revaluation reserve budget to reflect Departmental actuals.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

31. The movement relates to an increase in Unearned Revenue for the Joint Agency Infrastructure Program.
32. The movement relates to the transfer of the State Tennis Centre land and infrastructure to Stadiums Queensland in 2008 09 and the realigning of the asset revaluation reserve budget to reflect Departmental actuals.
33. The increase primarily relates to an increase in grants payables as a result of the finalisation of the 2007-08 financial statements.
34. The decrease in Employee Benefit Obligations largely reflects the transfer of annual leave liabilities to the Annual Leave Central Scheme (ALCS). The ALCS was established on 30 June 2008 to centrally fund annual leave obligations of departments, commercialised business units and shared service providers. Annual leave liabilities are held at a consolidated whole-of-Government level. In 2008-09, agencies were required to compensate the Crown for the current portion of annual leave liabilities transferred. Under the ALCS, member agencies must contribute a levy equal to their accrued annual leave cost. Amounts paid to employees for annual leave are claimed back from the scheme.
35. The movement relates to an increase in Unearned Revenue for the Joint Agency Infrastructure Program.
36. The movement relates to the transfer of borrowings associated with the State Tennis Centre to Stadiums Queensland in 2008-09.
37. The movement relates to the transfer of the State Tennis Centre land and infrastructure to Stadiums Queensland in 2008 09.
38. The decrease reflects a prior year adjustment as a result of the finalisation of the 2007-08 financial statements.
39. The reduction is as a result of realigning the asset revaluation reserve budget to reflect Departmental actuals.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

40. The movement relates to an increase in Unearned Revenue for the Joint Agency Infrastructure Program.

Cash Flow Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

41. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville; Indigenous Environmental Health and Infrastructure capital grant funding; the implementation of the *Animal Management (Cats and Dogs) Act 2008* and the costing and pricing review of Shared Services Agency costs. This increase also reflects funding deferred from the previous year to meet projects committed to addressing the recommendations of the SDPC Review held in 2007-08, the continuation the *Local Government Act 1993* Review and the Local Government Performance Taskforce. This is partially offset by the realignment of funding to 2009-10 as a result of revised forecasts by local councils for major infrastructure projects under the Local Government infrastructure Grants and Subsidy Program.
42. The increase primarily relates to the one off receipt of funds from the Townsville City Council for the redevelopment of Reid Park for the Dunlop Townsville 400 V8 Supercar event and industry contributions for the State Tennis Centre offset by unearned revenue in relation to the Joint Agency Infrastructure Program.
43. The increase represents interest revenue earned from Australian Government funds for the Joint Agency Infrastructure Program and Regional Flood Mitigation Programme.
44. The increase primarily reflects funding deferred from the previous year for projects committed to addressing the recommendations of the SDPC Review held in 2007-08, the continuation of the *Local Government Act 1993* Review and the Local Government Performance Taskforce.

45. The increase primarily reflects funding deferred from the previous year for projects committed to addressing the recommendations of the SDPC Review held in 2007-08, the continuation the *Local Government Act 1993* Review and the Local Government Performance Taskforce. Increased funding was also received for the implementation of the *Animal Management (Cats and Dogs) Act 2008* and the realignment of funding across Government as a result of the costing and pricing review of Shared Services Agency costs.
46. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville, Indigenous Environmental Health and Infrastructure capital grant funding and the one off payment for the redevelopment of Reid Park for the Dunlop Townsville 400 V8 Supercar event. This is partially offset by the realignment of funding to 2009-10 as a result of revised forecasts by local councils for major infrastructure projects under the Local Government infrastructure Grants and Subsidy Program.
47. The decrease is due to the transfer of the State Tennis Centre to Stadiums Queensland during the year which resulted in reduced borrowing costs.
48. The increase reflects funding for a state sports centre from equity injection and cash balances from the previous year.
49. The decrease is due to the transfer of a state sports centre to Stadiums Queensland during the year which resulted in reduced borrowings.
50. The increase reflects funding for a state sports centre.
51. The decrease relates to the realignment of excess depreciation funding to the supplies and services category following a review of non-current estimated useful lives.
52. The increase is as a result of the transfer of cash balances for the transfer of the State Tennis Centre infrastructure to Stadiums Queensland.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

53. Variations primarily relate to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009; and the completion of Q150 grant funding during the year. This is offset by increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville; the redevelopment of Townsville's Flinders Street mall; Indigenous Environmental Health and Infrastructure capital grant funding; and supplementation for potential EB costs.
54. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009.
55. The increase primarily relates to the funds drawn from unearned revenue for the Joint Agency Infrastructure Program.
56. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009. This is offset by supplementation for potential EB costs.
57. The increase primarily relates to increased funding for Natural Disaster Relief and Recovery Arrangements, the redevelopment of the historic Jezzine Barracks in Townsville; the redevelopment of Townsville's Flinders Street mall; Indigenous Environmental Health and Infrastructure capital grant funding; and the accounting treatment of surplus appropriation for Sport and Recreation Services which was treated as a payable by the former Department of Local Government, Sport and Recreation. This is offset by the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 and the completion of Q150 grant funding during the year.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

58. The decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009; the completion of Q150 grant funding during the year and the utilisation of realigned funds from the previous year to meet commitments for whole of Department projects to fulfil the recommendations of the SDPC Review held in 2007-08. This is offset by increased funding for Natural Disaster Relief and Recovery Arrangements; the redevelopment of Townsville's Flinders Street mall; Indigenous Environmental Health and Infrastructure capital grant funding; and supplementation for potential EB costs.
59. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009.
60. The increase primarily relates to the funds drawn from unearned revenue for the Joint Agency Infrastructure Program.
61. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009. This is offset by supplementation for potential EB costs.
62. The decrease relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 and the utilisation of realigned funds from the previous year to meet commitments for whole of Department projects to fulfil the recommendations of the SDPC Review held in 2007-08.
63. Decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009; the completion of Q150 grant funding; and the accounting treatment of surplus appropriation for Sport and Recreation Services which was treated as a payable by the former Department of Local Government, Sport and Recreation. This is offset by increased funding for Natural Disaster Relief and Recovery Arrangements; the redevelopment of Townsville's Flinders Street mall; and Indigenous Environmental Health and Infrastructure capital grant funding.

Administered Income Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

64. The increase reflects the revised actual funding received from the Australian Government for the Financial Assistance Grants (FAG) to local governments.
65. The increase reflects the revised actual funding received from the Australian Government for the FAG to local governments and funds received in relation to tax equivalents from the Mount Isa Water Board.
66. The increase reflects the one off recovery of Electoral Commission of Queensland costs from councils to the consolidated fund for the local government elections that occurred in March 2008.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

67. The increase reflects projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
68. The decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 offset by the projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

69. The increase reflects projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
70. The decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 offset by the projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
71. The decrease reflects the one off recovery of Electoral Commission of Queensland costs from councils to the consolidated fund for the local government elections that occurred in March 2008.

Administered Cash Flow Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

72. The increase reflects the revised actual funding received from the Australian Government for the FAG to local governments and funds received in relation to tax equivalents from the Mount Isa Water Board.
73. The increase reflects the revised actual funding received from the Australian Government for the FAG to local governments.
74. The increase reflects the one off recovery of Electoral Commission of Queensland costs from councils to the consolidated fund for the local government elections that occurred in March 2008.
75. The increase reflects the revised actual funding received from the Australian Government for the FAG to local governments and the one off recovery of Electoral Commission of Queensland costs from councils to the consolidated fund for the local government elections that occurred in March 2008.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

76. The decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 offset by the projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
77. The increase reflects projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

78. The decrease primarily relates to the full year impact of the Machinery of Government change where the Local Government function transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009 offset by the projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
79. The increase reflects projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
80. The decrease reflects the one off recovery of Electoral Commission of Queensland costs from councils to the consolidated fund for the local government elections that occurred in March 2008.
81. The decrease reflects the one off recovery of Electoral Commission of Queensland costs from councils to the consolidated fund for the local government elections that occurred in March 2008 offset by an increase in the projected annual adjustments to the calculation of funding received from the Australian Government for the FAG to local governments.

Commercialised Business Unit

Property Services Group

The Property Services Group commenced operations as a commercialised business unit on 1 January 1998, to deliver a range of services under the *Industrial Development Act 1963*. The Property Services Group, through the Estates Construction Fund, provides funding for both property-related and other industry development functions aimed at encouraging the location and expansion of business and industry in Queensland. The industry support mechanisms are delivered by a number of divisions within the Department of Infrastructure and Planning and the Department of Employment, Economic Development and Innovation.

The value of sales for 2008-09 was \$40.4 million. The Group has experienced a difficult trading environment as a consequence of the current economic conditions resulting in a downturn in sales revenue. These conditions are expected to continue into 2009-10.

Review of Performance

Recent achievements

- Sold 18 industrial sites, valued at \$40.4 million in industrial land, throughout Queensland. The industries located on these sites generated an estimated 80 jobs and created an estimated \$30 million in capital investment through improvements on the sites.
- Acquired 6,350 hectares of land to support the establishment of the Abbot Point State Development Area.
- Acquired 2,491 hectares of land on Curtis Island to support the establishment of a 1,100 hectare LNG precinct.
- Completed construction of the 12 lot extension of the Yandina Industrial Estate and tendered for construction of extensions to the Bohle, Clinton, Crestmead and Nordale Industrial Estates and Stage 1 of the Coolum Industrial Estate.

Future developments

- 19 industrial sites, valued at \$47.6 million, are to be sold throughout Queensland generating an estimated 100 jobs and creating an estimated \$40 million in capital investment through improvements on the sites.
- Complete the construction of roadworks and service reticulation for the extensions to the Clinton, Crestmead and Nordale Industrial Estates and commence construction of Stage 1 of the Coolum Industrial Estate and Stage 6 of the Bohle Industrial Estate.

Statements

Performance Statement

Property Services Group	Notes	2008-09 Target/Est.	2008-09 Est. Actual	2009-10 Target/Est.
Financial performance measures				
Value of land sale settlements	1	\$76.9 million	\$40.4 million	\$47.6 million
Non-financial performance measures				
Number of new land lots developed and buildings constructed	2	99	16	39
Number of land leases administered		140	135	135
Number of land properties acquired	3	4	6	3
Estimated number of jobs generated through successful land sale applications	4	550	80	100
Estimated value of capital investment created through successful land sale applications	4	\$170 million	\$30 million	\$40 million
Percentage of total number of land sales in regional Queensland	5	70%	56%	58%

Notes:

1. Prevailing economic conditions have resulted in a marked reduction in the demand for industrial land and consequently, lower than expected sales revenue during 2008-09. The 2009-10 estimated target is also low in anticipation of the difficult economic situation continuing.
2. Reduced actual performance in 2008-09 results from delays in obtaining development approvals for new industrial land at Bohle, Crestmead, Coolumb, Nordale and South Mackay Industrial Estates from respective local authorities. The estimated target for 2009-10 is set lower than the 2008-09 target due to expected reduced demand for industrial land.
3. Opportunity to repurchase 1 property, to be held in conjunction with the proposed Boat Creek infrastructure corridor, within Yarwun Industrial Estate and another property within the Gladstone State Development Area, account for increased performance in 2008-09.
4. Prevailing economic conditions that have resulted in a marked reduction in the demand for industrial land and consequently, a negative impact on the number of new jobs generated and associated capital investment through successful land sales applications during 2008-09. The 2009-10 estimated target is also low in anticipation of the difficult economic situation continuing.
5. 10 of 18 land sales in 2008-09 were in the regions in 2008-09. In 2009-10 it is expected 11 of 19 land sales will be in the regions.

Income Statement

Property Services Group	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Income				
User charges	1,6,12	87,843	54,919	60,874
Grants and other contributions		..	..	..
Other revenue	2,7,13	8,038	12,109	6,040
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		95,881	67,028	66,914
Expenses				
Employee expenses		1,684	1,612	1,904
Supplies and services	3,8,14	21,385	12,023	15,048
Grants and subsidies	4,9,15	20,241	26,265	28,548
Depreciation and amortisation		402	544	559
Finance/borrowing costs		..	..	..
Other expenses	10	7,163	8,088	8,335
Losses on sale/revaluation of property, plant and equipment and investments		603	150	150
Total expenses		51,478	48,682	54,544
Surplus or deficit before related income tax		44,403	18,346	12,370
Income tax expense/revenue	5,11,16	13,322	5,504	3,711
OPERATING SURPLUS/(DEFICIT) after related income tax		31,081	12,842	8,659

Statement of Changes in Equity

Property Services Group	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	17,20,23	667	(12,424)	(6,477)
Net amount of all revenue and expense adjustments direct to equity not disclosed above	18,21,24	9,683	12,424	6,477
Net income recognised directly in equity		10,350	..	..
Surplus/(deficit) for the period		31,081	12,842	8,659
Total recognised income and expense for the period		41,431	12,842	8,659
Equity injection/(withdrawal)	19,22,25	(27,058)	(7,400)	(37,358)
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
Total movement in equity for period		14,373	5,442	(28,699)

Balance Sheet

Property Services Group	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CURRENT ASSETS				
Cash assets	26,34,40	69,150	152,520	56,670
Receivables		10,679	10,421	10,219
Other financial assets		..	..	..
Inventories	27,41	329,361	251,849	328,229
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		409,190	414,790	395,118
NON-CURRENT ASSETS				
Receivables		47,782	48,605	45,735
Other financial assets		..	..	..
Property, plant and equipment	28	299,469	314,263	302,494
Deferred tax assets		1,835	2,317	2,317
Intangibles		120	135	105
Other		..	200	200
Total non-current assets		349,206	365,520	350,851
TOTAL ASSETS		758,396	780,310	745,969
CURRENT LIABILITIES				
Payables		10,947	9,451	9,581
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities	29,35	17,492	6,700	3,704
Accrued employee benefits		148	..	..
Provisions		..	..	..
Other	30,36	5,764	11,467	11,467
Total current liabilities		34,351	27,618	24,752
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		75,107	74,772	71,996
Accrued employee benefits		55	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		75,162	74,772	71,996
TOTAL LIABILITIES		109,513	102,390	96,748
NET ASSETS/(LIABILITIES)		648,883	677,920	649,221
EQUITY				
Capital/contributed equity	31,37,42	322,908	342,603	305,245
Retained surplus/(Accumulated deficit)	32,38,43	129,774	160,869	176,005
Reserves:				
- Asset revaluation reserve	33,39,44	196,201	174,448	167,971
- Other (specify)		..	..	..
TOTAL EQUITY		648,883	677,920	649,221

Cash Flow Statement

Property Services Group	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	45,54,60	87,837	54,918	60,868
Grants and other contributions		..	..	..
Other	46,61	8,038	14,436	6,558
Outflows:				
Employee costs		(1,678)	(1,612)	(1,904)
Supplies and services	47,55,62	(111,509)	(52,179)	(91,428)
Grants and subsidies	48,56	(20,241)	(30,624)	(32,978)
Borrowing costs		..	..	..
Taxation equivalents paid	49,63	(22,788)	(38,599)	(13,163)
Other		(57)	(87)	(90)
Net cash provided by/(used in) operating activities		(60,398)	(53,747)	(72,137)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	50,57	14,397	6,015	7,110
Investments redeemed		..	..	..
Loans and advances redeemed	51	4,914	7,334	6,571
Outflows:				
Payments for property, plant and equipment and intangibles		(20)	(170)	(20)
Payments for investments		..	..	..
Loans and advances made	52,58	(9,759)	(15)	(16)
Net cash provided by/(used in) investing activities		9,532	13,164	13,645
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	53,59,64	(27,058)	(7,400)	(37,358)
Net cash provided by/(used in) financing activities		(27,058)	(7,400)	(37,358)
Net increase/(decrease) in cash held		(77,924)	(47,983)	(95,850)
Cash at the beginning of financial year		147,074	200,503	152,520
Cash transfers from restructure		..	..	..
Cash at the end of financial year		69,150	152,520	56,670

Explanation of Variances in the Financial Statements

Property Services Group

Income Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

1. The decrease in user charges primarily relates to lower land sales revenue caused by the slow down in economic conditions.
2. The increase in other revenue relates to interest receipts from higher than expected cash balances.
3. The decrease in supplies and services relates to the decrease in cost of land sold, in line with lower land sales.
4. The increase in grants and subsidies relates to new grant funding for additional projects approved and payment of the second instalment to Queensland Institute of Medical Research for development of the Smart State Medical Research Centre.
5. The decrease in income tax expense is due to a lower operating surplus resulting from the decline in land sales.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

6. The decrease in user charges reflects expected reduced demand for serviced industrial land during 2009-10.
7. The decrease in other revenue is due to lower interest receipts on the business unit's lower cash balance.
8. The decrease in supplies and services relates to the decrease in cost of land sold, in line with lower land sales.
9. The increase in grants and subsidies relates to carryover of project funding from 2008-09.
10. The increase in other expenses is primarily due to increases in equivalents of land tax and local authority rates and charges.
11. The decrease in income tax expense is due to lower operating revenue.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

12. The increase in user charges relates to an expected increase in the sale of serviced industrial land.
13. The decrease in other revenue results from interest receipts being lower due to the business unit's lower cash reserve.
14. The increase in supplies and services relates to higher cost of land sold, in line with the expected increase in land sales.
15. The increase in grants and subsidies relates to carryover of grant funds from 2008-09.
16. The decrease in income tax expense results from the lower operating surplus on the business unit's operations.

Statement of Changes in Equity

Major variations between 2008-9 Budget and 2008-09 Estimated Actual include:

17. The decrease in the asset revaluation reserve relates primarily to the sale of non-inventory land and the consequent write back of the reserve.
18. The increase relates primarily to a higher level of disposals of non-inventory land, resulting in transfers between the revaluation reserve and retained earnings.
19. The reduction relates primarily to the deferral of planned equity payments to the Department of Infrastructure and Planning (DIP) for land acquisitions from 2008-09 to 2009-10.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

20. The movement reflects the expected level of disposals of non-inventory land during 2009-10, resulting in write-backs of the asset revaluation reserve.
21. The reduction in the movement reflects a lower level of expected disposals of non-inventory land during 2009-10, resulting in lower transfers between retained earnings and the asset revaluation reserve.
22. The increase primarily reflects the approval of an additional equity withdrawal to DIP to fund the Coal Seam Gas Pipeline project.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

23. The reduction in the movement reflects a lower level of expected disposals of non-inventory land during 2009-10, resulting in lower write-backs of the asset revaluation reserve.
24. The decrease relates to reduced transfers between the asset revaluation reserve and retained earnings, which occur when revalued assets are disposed of.
25. The increase primarily relates to the payment of equity payments to DIP for land acquisitions deferred from 2008-09, and the provision of an additional equity withdrawal to the Department of Infrastructure and Planning to fund the Coal Seam Gas Pipeline project.

Balance Sheet

Major variations between 2008-9 Budget and 2008-09 Estimated Actual include:

26. The increase in cash reserves primarily relates to lower than expected capital works caused by delays in gaining development approvals.
27. The decrease in inventories is due to lower than expected capital works expenditure on land development activities.
28. The increase relates to higher than expected revaluations of land and buildings in 2007-08.
29. The decrease in current tax liabilities reflects the decrease in income tax expense following a reduction in the operating surplus.
30. The increase relates to an increase in the deposits held for sale of land and building.
31. The increase in contributed equity relates to the deferral of equity withdrawals originally scheduled for 2008-09.
32. The increase in retained earnings is primarily due to a higher than expected surplus having been earned during 2007-08, as well as a higher transfer to retained earnings from the asset revaluation reserve due to higher sales of non-inventory land.
33. The decrease in asset revaluation reserve relates primarily to sale of non-inventory land and the consequent write back of the reserve.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

34. The decrease in cash balances relates to equity withdrawals and an increase in capital works.
35. The decrease in current tax liability relates to decrease in income tax as a result of the business unit's lower operating surplus.
36. The increase relates to an increase in the deposits held for sale of land and building.

37. The decrease in equity relates to the increase in equity withdrawals which include withdrawals deferred from 2007-08 and 2008-09.
38. The increase in retained earnings reflects a higher than expected operating surplus during 2007-08, transfers to retained earnings from the asset revaluation reserve due to sales of non-inventory land, and the operating surplus earned during 2009-10.
39. The decrease in asset revaluation reserve relates primarily to sale of non-inventory land, and the consequent write back of the reserve.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

40. Decrease in cash primarily relates to higher equity withdrawals and the increase in expenditure on land development activities.
41. The increase in inventories is due to increased expenditure on the development of serviced industrial land.
42. The decrease in equity relates to the increase in equity withdrawals for project funding, including withdrawals deferred from previous years.
43. The increase in retained earnings reflects the operating surplus earned during 2009-10, as well as transfers from the asset revaluation reserve to retained earnings due to sales of non-inventory land.
44. The decrease in asset revaluation reserve relates primarily to sale of non-inventory land, and the consequent write back of the reserve.

Cash Flow Statement

Major variations between 2008-9 Budget and 2008-09 Estimated Actual include:

45. The decrease primarily relates to delays in settlement of properties and withdrawal of sales due to the slow down in economic conditions.
46. The increase in other operating inflows relates to interest receipts on higher than expected cash balances.
47. The reduction in outflows for supplies and services reflects lower land development costs due to delays in receiving development approvals.
48. The increase in grants and subsidies relates to new grant funding for additional projects approved and payment of the second instalment to Queensland Institute of Medical Research for development of the Smart State Medical Research Centre.
49. The increase in outflows for tax equivalents relates to increases in tax remitted to the Crown, resulting from a higher than expected operating surplus during 2007-08.
50. The decrease is primarily due to a reduction in cash sales of non-inventory land, with a corresponding increase in finance leases, which have no immediate impact upon cash when they commence.
51. The increase in inflows is due to increases in repayments on the higher level of finance leases.
52. The decrease in loans and advance payments is due to new loans being primarily finance leases, which have no immediate impact upon cash when they commence.
53. The decrease in outflows in equity withdrawals primarily relates to funding to DIP for Targinie and Stanwell Infrastructure Corridor being deferred to 2009-10.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

54. The decrease primarily relates to a lower level of land sales due to the slow down in economic conditions.
55. The reduction in outflows for supplies and services relates to a lower level of land purchases during 2009-10.
56. An increase in outflows for grants and subsidies is due to the payment of grant funds deferred from 2008-09.
57. The decrease is primarily due to a reduction in cash sales of non-inventory land, with a corresponding increase in finance leases, which have no immediate impact upon cash when they commence.
58. The decrease in loans and advance payments is due to new loans being primarily finance leases, which have no immediate impact upon cash when they commence.
59. The increase in outflows of equity withdrawals is due to the provision of an additional equity payment to the Department of Infrastructure and Planning to fund the Coal Seam Gas Pipeline project.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

60. The increase in inflows relates to an expected increase in the sale of serviced industrial land.
61. The decrease in inflows from other operating inflows is primarily due to decrease in interest earned on cash balances.
62. The increase in outflows for supplies and service is primarily due to an increase in expenditure on land development activities.
63. The decrease in outflows for tax equivalents is due to a reduction in payments of income tax equivalents to the Crown, reflecting the reduction in the business unit's operating surplus during 2009-10, relative to 2007-08.
64. The increase in outflows of equity withdrawals is due to payments to DIP for Targinie and Stanwell Infrastructure Corridor being deferred from 2008-09 and an additional equity payment to the Department of Infrastructure and Planning to fund the Coal Seam Gas Pipeline project.

Statutory Body

Urban Land Development Authority

Overview

The Urban Land Development Authority (ULDA) was established under the *Urban Land Development Act 2007* to facilitate the availability of land and a greater range of housing options, including affordable housing.

Since the ULDA was established the housing buyers market has changed due to the global economic slowdown, improving short term housing affordability. However the ability of the private sector to maintain the long term supply of land has been impacted by the credit restriction in the banking sector. The housing rental market prices continue to grow, despite the improvement in housing affordability as a result of the global economic slowdown.

There are also affordable housing pressures due to continued strong population growth, with the Australian Bureau of Statistics projecting that by 2056 Queensland will have more than doubled its 2007 population of 4.2 million to 8.7 million.

Therefore long term residential market supply issues remain and the need for land being brought to the market faster and a diversity of housing products continues.

The ULDA's staffing numbers for 2009-10 will be 33 full time equivalents.

Review of Performance

Recent achievements

- Completion of draft Development Schemes for Bowen Hills, Northshore Hamilton and Fitzgibbon
- Release for sale residential land within Stages 1 to 2 of Fitzgibbon Chase of up to 57 dwellings with at least 66% of the development be for sale at below the Brisbane median house price
- Draft Affordable Housing and Infrastructure policies developed
- Approval of development applications of two major private sector projects at Northshore Hamilton including components of affordable housing.

Future developments

- Development Schemes for Bowen Hills, Northshore Hamilton and Fitzgibbon approved by Minister for Infrastructure and Planning
- Release for sale of Stages 3 and 4 at Fitzgibbon Chase with at least 66% of the residential development for sale at below the Brisbane median house price
- Declaration of Woolloongabba, Mackay and other possible Urban Development Areas (UDA)
- Finalisation of Affordable Housing Policy and Infrastructure Policy.

Statements

Performance Statement

Urban Land Development Authority	Notes	2008-09 Target/Est.	2008-09 Est. Actual	2009-10 Target/Est.
Interim Land Use Plans (ILUP) Approved	1	3	3	2
Development Schemes Approved	2, 3	2	..	Discontinued
Community Engagement forums held in declared UDAs		10	14	7
Development applications approved that meet standards	3	70%	100%	Discontinued
Inquiries responded to in a timely manner		90%	95%	95%
Development Schemes approved within the legislated timeframes	2	2	..	3
Development applications processed within approved timeframes		70%	100%	100%
Interim Land Use Plans for a UDA outside SEQ		1	..	1
Development Schemes for UDAs outside SEQ		1	..	..

Notes:

1. Due to the recent state election, the 2007-08 Interim Land Use Plans (ILUPs) expired before the Development Scheme was able to be approved. The new ILUPs amend the date of the ILUP and do not change the content.
2. The approval processes for the Bowen Hills and Northshore Hamilton Development Schemes expired during the recent state election as the Minister was unable to make a decision on the Development Schemes due to the caretaker conventions. The approval processes have now commenced.
3. Discontinued performance measure due to similarity to other performance measure.

Income Statement

Urban Land Development Authority	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Income				
User charges	1,5,11	..	180	31,295
Grants and other contributions	2,6,12	9,500	9,358	10,100
Other revenue	3	..	110	75
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		9,500	9,648	41,470
Expenses				
Employee expenses	4,7,13	2,727	3,893	4,049
Supplies and services	4,8,14	6,771	5,481	32,264
Grants and subsidies		..	..	..
Depreciation and amortisation	9,15	2	7	86
Finance/borrowing costs		..	..	..
Other expenses		..	55	71
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		9,500	9,436	36,470
Surplus or deficit before related income tax		..	212	5,000
Income tax expense/revenue	10,16	..	..	1,500
OPERATING SURPLUS/(DEFICIT) after related income tax		..	212	3,500

Statement of Changes in Equity

Urban Land Development Authority	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		..	212	3,500
Total recognised income and expense for the period		..	212	3,500
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		..	212	3,500

Balance Sheet

Urban Land Development Authority	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CURRENT ASSETS				
Cash assets	17,22,30	1,316	755	5,081
Receivables	18,23,31	3	202	302
Other financial assets		..	..	..
Inventories	19,24,32	..	41,152	37,917
Other		..	89	89
Non-financial assets held for sale		..	..	..
Total current assets		1,319	42,198	43,389
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25,33	9	97	437
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		9	97	437
TOTAL ASSETS		1,328	42,295	43,826
CURRENT LIABILITIES				
Payables		1,200	703	703
Employee benefits obligations		128	218	310
Interest-bearing liabilities and derivatives	20,26,34	..	41,152	34,065
Current tax liabilities	27,35	..	..	1,500
Provisions	28,36	..	..	3,555
Other		..	..	..
Total current liabilities		1,328	42,073	40,133
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	69	40
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	69	40
TOTAL LIABILITIES		1,328	42,142	40,173
NET ASSETS/(LIABILITIES)		..	153	3,653
EQUITY				
Capital/contributed equity		..	(59)	(59)
Retained surplus/(Accumulated deficit)	21,29,37	..	212	3,712
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		..	153	3,653

Cash Flow Statement

Urban Land Development Authority	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	38,43,51	..	302	31,429
Grants and other contributions	39,44,52	9,500	9,358	10,100
Other		..	130	75
Outflows:				
Employee costs	40,45	(2,727)	(3,803)	(3,986)
Supplies and services	41,46,53	(6,773)	(48,075)	(29,263)
Grants and subsidies		..	..	..
Borrowing costs	47,54	..	..	3,555
Other		..	(55)	(71)
Net cash provided by/(used in) operating activities		..	(42,143)	11,839
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	48,55	..	(75)	(426)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	(75)	(426)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	42,49,56	..	41,152	23,860
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	50,57	..	..	(30,947)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	41,152	(7,087)
Net increase/(decrease) in cash held		..	(1,066)	4,326
Cash at the beginning of financial year		1,316	1,821	755
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,316	755	5,081

Explanation of Variances in the Financial Statements

Urban Land Development Authority

Income Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

1. The increase in User charges relates to fees received from development applications reviewed and approved.
2. The reduction in Grant received is due to minor prior year adjustment.
3. The increase in Other revenue is due to interest received on cash at bank.
4. The increase in employee expenses is due to appointment of permanent staff; this has also resulted in a corresponding reduction in supplies and services.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

5. The increase in User charges in 2010 reflects the sales of developed land at Fitzgibbon.
6. The increase in Grant revenue is due to receipt of grant funding which had been deferred from 2007-08.
7. The increase in Employee expenses is due to the appointment of permanent staff in 2008-09, and the budgeted appointment of additional staff and increased pay rates during 2009-10.
8. The increase in supplies and services reflects the cost of land sold.
9. The increase in Depreciation is mainly attributable to office refurbishment scheduled for 2009-10.
10. The increase in Income tax reflects the Authority's inclusion in the National Tax Equivalent Regime (NTER) from 2009-10.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

11. The increase in User charges reflects the sales of developed land at Fitzgibbon.
12. The increase in Grant revenue is due to receipt of grant funding which had been deferred from 2007-08.
13. The increase in employee expenses is due to the budgeted appointment of additional staff and increased pay rates.
14. The increase in Supplies and services reflects the cost of sales of developed land which is brought to account as sales occur.
15. The increase in Depreciation on Property, Plant and Equipment is mainly attributable to office refurbishment scheduled for 2009-10.
16. The increase in Income tax reflects the Authority's inclusion in the National Tax Equivalent Regime (NTER) from 2009-10.

Balance Sheet

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

17. The reduction in cash reflects a GST adjustment and capital expenditure.
18. The increase in receivables reflects the GST refund due to the Authority.
19. The increase in Inventories is due to the development of land in the Fitzgibbon Urban Development Area (UDA), which is being purchased from the Department of Communities.
20. The increase in Interest-bearing liabilities is due to drawing down on a loan facility from Queensland Treasury Corporation (QTC) for Fitzgibbon land and development costs.
21. The increase in Retained earnings is due to the surplus earned on the Authority's operations during 2008-09.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

22. The increase in the cash on hand in 2010 is primarily due to the cash surplus on the Authority's commercial operations.
23. The increase in Receivables reflects the GST refund due.
24. The increase in Inventories is due to the development of land at Fitzgibbon.
25. The increase in Property, plant and equipment includes costs for refurbishment of the Brisbane office.
26. The increase in Interest-bearing liabilities is due to drawing down on a loan facility from Queensland Treasury Corporation (QTC) for Fitzgibbon land and development costs.
27. The increase in Current tax liabilities reflects the Authority's inclusion in the National Tax Equivalent Regime (NTER) from 2009-10, and the income tax payable on the Authority's operating surplus.
28. The increase in Provisions is the amount for the competitive neutrality fee for affordable housing initiatives.
29. The increase in the Retained surplus reflects the Authority's operating surplus during 2008-09 and 2009-10.

Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:

30. The increase in the cash on hand in 2010 is primarily due to the cash surplus on the Authority's commercial operations.
31. The increase in Receivables reflects the GST refund due.
32. The reduction in inventory reflects sale of land.
33. The increase in Property, plant and equipment is mainly attributable to office refurbishment scheduled for 2009-10.
34. The reduction in borrowings reflects repayments of loan to QTC.
35. The increase in Current tax liabilities reflects the Authority's inclusion in the National Tax Equivalent Regime (NTER) from 2009-10, and the income tax payable on the Authority's operating surplus.
36. The increase in Provision is the amount for the competitive neutrality fee for affordable housing initiatives.
37. The increase in the Retained surplus reflects the Authority's operating surplus during 2009-10.

Cash Flow Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

38. The increase in User charges primarily relates to fees received from development applications reviewed and approved.
39. The reduction in Grant received is due to minor prior year adjustment.
40. The increase in employee expenses is due to appointment of permanent staff.
41. The increase in Supplies and services is primarily due to payments made for the development costs of land at Fitzgibbon.
42. The increase in Borrowings includes draw downs on loan facility from QTC for the land and development costs at Fitzgibbon.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

43. The increase in User charges in 2010 is primarily due to revenue from sale of developed land at Fitzgibbon.
44. The increase in grant received from Infrastructure is due to receipt of grant funding deferred from 2007-08.
45. The increase in Employee expenses is due to appointment of permanent staff.
46. The increase in Supplies and services reflects development expenditure on land at Fitzgibbon.
47. The reduction in Borrowing costs paid reflects the retention of this cash by the Authority.
48. The increase in expenditure on Property, plant and equipment includes costs for refurbishment of the Brisbane office.

49. The increase in Borrowings is due to drawing down on a loan facility from Queensland Treasury Corporation (QTC) for Fitzgibbon land and development costs.
 50. The increase in Borrowing redemptions reflects repayments of loan to QTC.
- Major variations between 2008-09 Estimated Actual and the 2009-10 Estimate include:
51. The increase in User charges is primarily due to revenue from the sale of developed land at Fitzgibbon.
 52. The increase in Grant revenue is due to the receipt of grant funding deferred from 2007-08.
 53. The reduction in Supplies and services is due to land having been acquired in 2008-09, with no further acquisitions in 2009-10.
 54. The reduction in Borrowing costs paid reflects the retention of this cash by the Authority.
 55. The increase in expenditure on Property, plant and equipment includes costs for refurbishment of the Brisbane office.
 56. The reduction in Borrowing is due to no funding being required for land acquisitions during 2009-10.
 57. The increase in Borrowing redemptions reflects repayments of loan to QTC.