

PART 12

Department of Infrastructure and Planning

Summary of departmental portfolio budgets

Page	Agency	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
2-72	Infrastructure and Planning - controlled	722,893	850,624	685,634
	Infrastructure and Planning - administered	388,784	568,600	451,040
2-96	Property Services Group	54,544	59,140	96,157
2-104	Urban Land Development Authority	37,070	21,271	70,445

Note:

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

DEPARTMENTAL OVERVIEW

MINISTERIAL RESPONSIBILITY

The Department of Infrastructure and Planning delivers three services. The first service, Local Government, is the responsibility of the Minister for Local Government and Aboriginal and Torres Strait Islander Partnerships. The second two services, Infrastructure and Economic Development and Planning, reside with the Minister for Infrastructure and Planning's portfolio.

STRATEGIC ISSUES

The department supports the Coordinator-General in undertaking his regulatory role in assessing and approving infrastructure and other major projects. During 2010-11 the department will continue to deliver benefits for Queensland through planning, facilitation, delivery and coordination of strategic land use and major infrastructure projects and initiatives in collaboration with local governments and the community.

The objectives of the department are:

- plan, coordinate and deliver key infrastructure for economic, environmental and social development and employment creation in Queensland
- facilitate and lead major private sector and government projects
- plan, secure and manage land supply for urban, industrial and economic development and for conservation and public recreation
- collaboratively plan sustainable and dynamic urban and regional communities
- shape and support an efficient, effective and sustainable local government system
- strengthen a professional, ethical and high-performing organisation that values and nurtures its employees.

These objectives will be achieved when:

- critical and strategic infrastructure is facilitated and developed to meet government objectives
- grants and subsidies funding for local government is distributed to meet community needs
- major projects are facilitated and managed through the formal evaluation and approval stages in a timely manner
- land is identified and acquired to meet the delivery of critical, complex and strategic infrastructure
- land available for public recreation is increased
- regional plans are developed and implemented
- building sustainability is improved
- local governments meet financial management and accountability obligations
- governance, management practices and business systems are effective
- a diverse, flexible and highly-skilled workforce is delivering effective organisational outcomes.

As Queensland's population continues to grow, greater pressure will be placed on the capacity of existing infrastructure and demand for new infrastructure will increase. There will also be greater challenges in achieving housing affordability. Growth Management Queensland (GMQ) has been established within the department to implement the outcomes from the Queensland Growth Management Summit held in March 2010 and to enhance Queensland's approach to managing the opportunities and challenges of growth. GMQ will provide better linkages between land use planning, infrastructure delivery, economic development, protection of environmental assets, expansion of greenspace and affordable housing. It will also provide a complementary approach to regional planning and regional development.

Facilitating the delivery of infrastructure development opportunities and economic and social development that is sustainable remains a high priority for the department. Addressing the impacts on resource communities as a result of rapid growth also remains a focus of the department.

The department provides a policy and program environment that stimulates project development and streamlines project approvals to support job creation opportunities 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. The department is well positioned to ensure land use and infrastructure planning outcomes deliver ecologically sustainable growth that effectively manage the competing demands posed by Queensland's continued growth. This includes outcomes as diverse as planning and preparing for adequate supplies of industrial land and land for nature conservation and public recreation.

The department contributes to the Government's *Toward Q2: Tomorrow's Queensland* ambitions of Strong - *Creating a diverse economy powered by bright ideas*, Green - *Protecting our lifestyle and environment* and Healthy - *making Queenslanders Australia's healthiest people*. In particular, the department leads the delivery of the Green target - *Protect 50% more land for nature conservation and public recreation*.

A key priority of the department is to work in partnership with the local government sector to build the sustainability of Queensland's local government system in line with the implementation of national frameworks for local governments. The provision of legislative and contemporary governance frameworks will shape and support an efficient, effective and sustainable local government system. To enable the local government sector to continually improve its performance and sustainability, the department will provide ongoing, generalised assistance to support skill and capacity development. Targeted assistance and capacity development will continue to address areas of particular risk to the sector.

2010-11 HIGHLIGHTS

Key service priorities for 2010-11 and beyond are:

- progressing the Government's growth management agenda arising from the Queensland Growth Summit including leading the government's regionalisation and decentralisation agenda and the development of the new Queensland Regionalisation Strategy
- coordinating the South East Queensland Infrastructure Plan and Program (SEQIPP) and the new Queensland Infrastructure Plan
- enabling infrastructure arrangements for growth areas in South East Queensland
- releasing the Wide Bay Burnett Regional Plan; the Draft Whitsunday Hinterland and Mackay Regional Plan

- implementing the SEQ Regional Plan; the Action Plan for the Far North Queensland Regional Plan; Maranoa-Balonne Regional Plan; Central West Regional Plan; and South West Regional Plan
- coordinating with North Queensland Bulk Ports on the proposed multi-cargo facility to expand commodity exports and aid large scale industrial development in the Abbot Point State Development Area, delivering on the Northern Economic Triangle Strategic Plan
- facilitating Transit Orientated Development (TOD) outcomes in key regional centres through the continuation of partnership projects in Brisbane, Moreton Bay, Logan and the Gold Coast
- releasing initial land parcels to market for the Yeerongpilly TOD, a demonstration project being undertaken in partnership with Brisbane City Council
- developing new \$45 million per annum Local Government Grants and Subsidies Program to commence on 1 July 2011
- providing support and advice to Councils on the new *Local Government Act 2009* as part of the Local Government Capacity Building Program
- providing funding of \$13.7 million to Cassowary Coast Regional Council for projects including the upgrade of the Innisfail water treatment plant and Jubilee Bridge
- continuing Local Government Electorate Act development
- providing ongoing support to Local Governments to develop Community Plans
- delivering Financial Management and Sustainability Workshops for Local Governments
- supporting the introduction of the *City of Brisbane Act 2010*
- reviewing Statutes applying to Local Governments, including the *Local Government Aboriginal Land Act 1978*
- providing \$5 million to the Mackay Regional Council to enhance the quality of show facilities at the Mackay Showgrounds
- finalising the Strategic Cropping Land Framework
- developing the Growth Management Program for South East Queensland
- completing the Surat Basin Regional Development Strategy
- progressing Stage 1 of the subdivision for the Aerospace and Defence Support Centre at Amberley
- completing the Structure Plan for the Ebenezer Regional Industrial Area and Maryborough Regional Industrial Area including Moonaboola Industrial Estate
- completing region wide industrial land demand studies for the Whitsunday Hinterland and Mackay (WHAM) Region and the Wide Bay Burnett Region as part of an economic and industrial land planning program
- completing availability and suitability assessments of identified sites for future industrial development at Mackay
- completing the Far North Queensland Industrial Land Study
- finalising corridor routes within the Gladstone State Development Area to facilitate the emerging LNG industry
- progressing Airport Link and Northern Busway Upgrade projects for completion by mid 2012 and Airport Roundabout Upgrade by end 2011
- continuing construction of Wyaralong Dam due by end 2011
- continuing construction of Northern Pipeline Interconnector (Stage 2) from Eudlo to Lake MacDonald which is due for completion by end 2011
- commencing construction of the Wyaralong Water Treatment Plant
- commencing investigation phase of Cedar Grove Connector
- completing design and construction of Whitsunday Coast Airport Upgrade by end 2010

- implementing water fluoridation infrastructure in 26 regional water treatment plants and completing fluoridation within South East Queensland and within Indigenous local authorities
- continuing to undertake Environmental Impact Statements on behalf of the Coordinator-General under the *State Development and Public Works Organisation Act 1971*
- coordinating stakeholder forum to identify common infrastructure and skills requirements associated with the development of the Galilee Basin
- completing CoalPlan 2030 which identifies likely growth path for Queensland's coal industry over the next 20 years and outlines infrastructure requirements to support this growth
- continuing implementation of remaining actions in Northern Economic Triangle Infrastructure Plan and complete review of the Plan
- coordinating delivery of infrastructure and planning initiatives under the Surat Basin Future Directions Strategy
- implementing the State's obligations under the Exclusive Mandate for Surat Basin Railway
- continuing the North West Queensland Energy Review to facilitate the provision of competitively priced and reliable energy to the north west
- delivering Stage 1 of the \$57.2 million Indigenous Community State Infrastructure Program to provide essential environmental and health infrastructure
- implementing the Priority Sewage Treatment Plant Upgrade Program (\$64.4 million)
- implementing the COAG Strategy on Water and Wastewater Services in remote communities under the National Water Security Plan for Cities and Town
- progressing the Gateway Process whereby significant programs or projects are reviewed at six key decision points in their lifecycle
- continuing to facilitate the delivery of the Gold Coast University Hospital
- progressing delivery of the Gold Coast Health and Knowledge Precinct, surrounding and integrated with the Gold Coast University Hospital and Griffith University in coordination with the Gold Coast Commonwealth Games Bid in terms of planning for the Games Village
- working in partnership with Brisbane City Council to develop the River City Blueprint
- delivering on Government's Cleaner, Greener Buildings policy by requiring new homes and major renovations to meet 6 star or equivalent energy efficient standards and codify requirements of 'end of trip' facilities for major developments by end of 2010
- evaluating the performance of Councils through the sustainability reporting process in line with implementation of the National Frameworks for Local Government Sustainability
- implementing Stage 2 of the Government's Pool Safety Improvement Program
- continuing to deliver on *Toward Q2: Tomorrow's Queensland* 'Green' target of protecting 50 per cent more land for nature conservation and public recreation including implementation of the SEQ Greenspace Strategy; and Network and Urban Open Space and opening the Maroochy River Trail and 100km of the Brisbane Valley Rail Trail
- progressing the Koala State Planning Policy and State Planning Regulatory Provisions
- completing Stage 2 of the Land Management Plan for the Environmental Management Precinct, Curtis Island and Gladstone State Development Area
- establishing an Environmental Management Precinct for the Kaili Valley Wetlands within the Abbot Point State Development Area.

RECENT ACHIEVEMENTS

Significant achievements and targets met during 2009-10 include:

- a successful submission to Infrastructure Australia with funding obtained from the Building Australia Fund for the Ipswich Motorway; Bruce Highway; Gold Coast Rapid Transit; and Brisbane Inner City Rail Feasibility Study
- prepared 10 Coordinator-General's evaluation reports and two Coordinator-General's evaluation change reports for projects with an estimated capital value of \$25 billion and estimated to support around 23,000 construction and operational jobs. Approximately 90% of these jobs are estimated to be created in regional Queensland
- undertook assessment of environmental impact statements for a further 29 projects with an estimated capital value of around \$92 billion and estimated to support around 59,100 construction and operational jobs
- facilitated development of the Surat Basin Future Directions Strategy
- commenced community consultation on the proposal to declare a State Development Area over the Surat Basin Railway corridor
- completed 42 of the 120 Actions identified under the Northern Economic Triangle Infrastructure Plan
- updated the Project Assurance Framework and Value for Money Framework
- continued the roll-out of water fluoridation infrastructure achieving the delivery of fluoridated water for almost 80 percent of Queensland's population (100% within South East Queensland and 33% for regional Queensland), and continued to progress implementation of fluoridation in six Indigenous Councils
- identified a baseline of 81,000 hectares for land for public recreation in the South East Queensland region and collected data in order to finalise a baseline for Queensland
- released the *Draft Queensland Greenspace Strategy* for public consultation. The strategy focuses on implementation processes to achieve the Toward Q2 target - *Protect 50% more land for nature conservation and public recreation.*
- completed the *Queensland Outdoor Recreation Strategic Framework* and the *SEQ Outdoor Recreation Strategy*
- opened a further 21 km of regional recreation trails in South East Queensland
- the *Sustainable Planning Act 2009* commenced on 18 December 2009 and combines cultural and operational changes to deliver a more sustainable planning system
- commenced a state-wide program of capacity building and training, under the Qplan banner providing new tools to users of the planning, development and building system
- continued roll-out of Smart eDA with 35 Councils and 16 state government referral agencies signed up to participate in the more effective and efficient development assessment service
- released the South East Queensland Regional Plan 2009–2031; South West Queensland Regional Plan; Central West Queensland Regional Plan; Maranoa-Balonne Regional Plan; Draft State Planning Regulatory Provisions for Wide Bay Burnett; North West Queensland Regional Plan and Far North Queensland Regional Plan
- developed the *Draft South East Queensland Climate Change Management Plan* for public consultation
- implemented the Housing Affordability Strategy including Ministerial approval of the Fitzgibbon, Northshore Hamilton and Bowen Hills Urban Development Area Schemes and the declaration of the Clinton (Gladstone); Oonoonba (Townsville); Andergrove (Mackay); and Wolloongabba Urban Development Areas
- progressed the planning for several Declared Master Planned Areas including Coomera, Palmview, Maroochydore and Caloundra South to provide planning certainty and improve land supply for housing and employment

- supported local governments to prepare Priority Infrastructure Plans
- continued to deliver commitments under the completed Local Government Grants and Subsidies Program including high priority sewerage treatment plant upgrades totalling \$437.9 million
- introduced a new state-wide performance measurement and reporting system for councils in accordance with the National Frameworks for Local Government Sustainability including the Asset Management Advancement Program (A-MAP) and a “Guide to Financial Management (Sustainability) 2009”
- delivered Financial Management and Sustainability Workshops for Mayors, Councillors and CEOs across the State as a key component of the Local Government reform program
- supported the implementation of the *Animal Management (Cats and Dogs) Act 2009*
- provision under the Natural Disaster Resilience Program for Murweh Shire Council to identify flood mitigation strategies, allowing Council to employ a Community Economic Recovery Coordinator to work on flood mitigation
- provision of additional funding of \$8 million to the Lockyer Valley Regional Council towards the Gatton Art and Cultural Centre bringing total government contribution for the project to \$11 million
- implemented Stage 2 of the Sustainable Housing Policy by mandating 5 star energy equivalence rating for new houses and major renovations; a mandatory sustainability declaration; greenhouse efficient hot water systems; electricity sub-metering for all new multi-residential and office buildings; and Banning the Banners
- introduced a two-staged swimming pool safety improvement strategy
- established the Transit Oriented Development Implementation Unit and the Board for Urban Places to advise on major urban development and infrastructure projects
- released the *North East Gold Coast land use, economic and infrastructure strategy* and the *Strategic Cropping Land Framework discussion paper* for public comment
- continued to work with Chalco and the Aurukun and Bowen communities in relation to the feasibility study for a bauxite mine and alumina refinery
- commenced upgrade to the existing Whitsunday Coast Airport (\$7 million)
- facilitated arrangements to develop the future Townsville Ocean Terminal and its integration within the Port of Townsville
- undertook the tender and bidding process for the Northern and Southern Gold Coast Marine Development projects
- continued to facilitate the delivery of the Gold Coast University Hospital
- progressed Development Application for Material Change of Use for development of the Aerospace and Defence Support Centre at Amberley
- progressed delivery of a Gold Coast Health & Knowledge Precinct, surrounding and integrated with the Gold Coast University Hospital and Griffith University
- completed industrial land studies for the Moreton Bay, North Brisbane and Gympie regions
- completed site suitability studies for provision of future industrial land in Mackay
- secured industrial land in Cairns through the Mount Peter Master Planning Project
- initiated the preparation of the Industrial land Monitoring Program for SEQ
- completed Stages 1 and 2 of the Special Industry Estates Study, including identification and assessment of preferred sites; commenced stage 3 of detailed on-site land suitability investigations; and consultations with local governments and community
- completed a Social Infrastructure Strategic Plan for the Gladstone Region, including an Action Plan to guide future investment in regional social infrastructure

- progressed the planning and corridor development in the Gladstone region to facilitate the LNG industry, including the declaration of Callide Infrastructure Corridor State Development Area as a “gas superhighway” to facilitate and effectively manage the planned development of co-located pipelines and associated infrastructure
- commenced extension of the Gladstone State Development Area to include an Infrastructure Corridor crossing The Narrows to Curtis Island to facilitate the LNG project
- completed Stage 1 of the Environmental Management Precinct study, Curtis Island, Gladstone State Development Area. Commenced Stage 2 to develop a management plan for the area
- completed corridor and industrial and parcel identification in the Abbot Point State Development Area and identified three possible areas for future coal stockpiles
- commenced a study to investigate the possibility of LNG industries at Abbot Point and developed an environmental management precinct in the Abbot Point State Development Area
- five Material Change of Use applications approved to assist with the new land use development within the Queensland Children’s Hospital State Development Area and the delivery of the Queensland Children’s Hospital project.

DEPARTMENTAL SERVICES

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

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

The Department of Infrastructure and Planning delivers three services:

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.

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.

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

*Note: This incorporates the former output of Infrastructure Services.

STAFFING¹

Service	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
Services				
Planning	2	331	264	276
Infrastructure and Economic Development	3,4,5	233	270	271
Local Government		160	193	189
Total services		724	727	736
BUSINESS UNITS				
Property Services Group		20	19	20
Total business units		20	19	20
Total		744	746	756

Notes:

1. Full-time equivalents as at 30 June.
- As the ratio of staff between services has changed since 2008-09 the corporate allocations have changed accordingly.
- The 2010-11 Estimate has been calculated using a 6% vacancy rate.
2. The FTEs for Planning service has been reduced by 24 due to the machinery of government transfer of the Planning Information and Forecasting Unit to the Government Statistician's office.
3. The Infrastructure and Economic Development (IED) service has been impacted by the transfer of the Liquid Natural Gas program (6) to Department of Employment, Economic Development and Innovation.
4. Infrastructure and Economic Development has gained a number of positions (12) for Land Acquisition that have been filled during the year. These positions are on a cost recovery basis. The number of temporary placements within IED has grown by 25 due to project commitments.
5. Infrastructure Policy was part of the IED output for the 2009-10. This is now in the corporate distribution.

2010-11 SERVICE SUMMARY¹

Service area	Total cost \$'000	Sources of revenue			
		State Contribution \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Planning	51,412	50,188	178	..	1,046
Infrastructure and Economic Development	88,256	53,634	11,738	..	34,749
Local Government	545,966	545,966	..	..	..
Total	685,634	649,788	11,916	..	35,795

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 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
- for Queensland Water Infrastructure Pty Ltd to enable repayment of debt
- for the continuing operation of the Urban Land Development Authority (ULDA).

DESCRIPTION

Commonwealth Financial Assistance Grants

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. The grant is aimed at improving the capacity of local governments to provide services. In 2009-10, \$0.28 million was made available to local governments for general purposes and road purposes. An advance payment from 2009-10 was paid to local governments in 2008-09 of \$94.5 million. Queensland's Local Government Grants Commission will continue to undertake research on its distribution methodology as outlined in the Commission's yearly report for 2009. Funding of \$397.7 million will be made available to local governments in 2010-11.

Kuranda Infrastructure Levy

The department administered an arrangement which resulted in \$0.44 million in 2009-10 (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 \$0.4 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 2009-10.

Queensland Water Infrastructure

The Government provided funding in the form of a grant to Queensland Water Infrastructure Pty Ltd to enable repayment of debt related to the estimated costs of the Traveston Crossing Dam as a result of the decision not to proceed with construction of the dam.

Urban Land Development Authority

The Government provided funding of \$7.6 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

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Service: Planning				
Percentage of milestones completed on priority projects identified in Regional Plan implementation programs	1	80%	80%	80%
Number of Regional Plans reviewed in accordance with statutory timeframes	2	1	1	1
Percentage of statutory advice provided to councils, development industry and community within statutory timeframes	3	100%	100%	100%
Delivery of agreed policies under the Cleaner, Greener, Building election commitment and other building-related policy reforms at the agreed times	4	New measure	100%	100%
Delivery of the agreed policies for pool safety law related changes at the agreed times.	5	New measure	100%	100%
Development of a land inventory system to support monitoring and reporting on progress toward the Q2 green target (land inventory system to support monitoring and reporting progress to achieve the Q2 target to protect 50% more land for nature conservation and public recreation).	6	New measure	95%	100%
Delivery of approved program of strategic land use and infrastructure projects within agreed timeframes.	7	New measure	100%	100%
Degree of stakeholder satisfaction with training and capacity building initiatives delivered to support the implementation of reforms to improve the State's planning and development framework.	8	New measure	87%	85%
State contribution (\$000)	21,23	54,941	49,461	50,188
Other revenue (\$000)	24,26	2,493	3,476	1,224
Total cost (\$000)	22,25	57,434	51,212	51,412

Service: Infrastructure and Economic Development

Industry, key stakeholders and community groups level of satisfaction with the timeliness and subsequent quality of outcomes from the economic projects and programs delivered during the year:

• Satisfaction	9	New measure	84%	75%
• Timeliness	9	New measure	66.5%	65%

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Community and environmental groups level of satisfaction with the sustainability of decisions on departmental infrastructure projects during the year.	10	New measure	N/A	75%
Percentage of total number of projects being progressed or implemented, which met committed timeframes and milestones	11	New measure	85%	80%
Number of State infrastructure projects being progressed or delivered (including projects associated with major strategies and plans) to meet committed Government outcomes	12	New measure	74	75
Number of industrial land solutions implemented during the year across the State for proposed major project developments.	13	New measure	1,248	1,100
Percentage of Queensland population receiving fluoridated drinking water supply:				
• within SEQ	14	New measure	100%	N/A
• outside SEQ (excluding Indigenous local authorities)	15	New measure	33%	66%
• within Indigenous local authorities	16	New measure	0%	100%
State contribution (\$000)	27,28,31	61,501	58,554	53,634
Other revenue (\$000)	29,32	34,670	34,748	46,487
Total cost (\$000)	30,33	93,671	94,174	88,256
Service: Local Government				
Percentage of local governments satisfied with advice and services provided by the department	17	80%	83%	95%
Percentage of community infrastructure projects funded by the department completed by local governments within approved timeframes	18	New measure	80%	85%
Percentage of local governments considered to be sustainable in accordance with local government performance measurement and reporting standards	19	New measure	64%	100%
Percentage of targets achieved in the strategy addressing significant issues in the Queensland Auditor-General's Annual Report	20	New measure	87%	90%
State contribution (\$000)	34,37,40	565,581	689,014	545,966
Other revenue (\$000)	35,38	6,207	..	..
Total cost (\$000)	36,39,41	571,788	705,238	545,966

Notes:

1. Currently more than 60 priority projects associated with Regional Plan implementation programs across the State are being progressed by the department.
2. Following a review during 2009-10 the *South East Queensland Regional Plan 2009-2031* was released in July 2009. The 2010-11 Target/estimate refers to the Wide Bay Burnett Regional Plan due for finalisation in March 2011.
3. The 2009-10 Estimated actual indicates the department met all timeframes under the *Sustainable Planning Act 2009* in relation to Ministerial Call-ins and concurrency agency requests.
4. The 2009-10 Estimated actual reflects the department's responsibility for delivering four of the initiatives of the Cleaner Greener Buildings policy, and building policy reforms including *Toward Q2: Tomorrow's Queensland*, *Climate Q: Toward a Greener Queensland*, *Climate Smart 2050* and the Council of Australian Government's agenda.
5. The department successfully implemented Stage one during 2009-10, with all components being achieved and is on track to fully implement stage two of the new pool safety laws.
6. During the year the department successfully identified a methodology to identify and use existing datasets within State Government to capture information on Land for Public Recreation. This is expected to be finalised in 2010-11.
7. The department fully achieved its program of strategic land use and infrastructure projects during 2009-10. This included 12 headline strategic planning and infrastructure projects, incorporating 16 milestones.
8. The 2009-10 Estimated actual includes results of surveys and feedback obtained through the department's planning and building programs. The planning program conducted 62 training and information events for more than 2,900 clients regarding QPlan, whilst the building program conducted seminars and roadshows to train and inform about building legislative changes.
9. Results were determined from an annual Business Improvement Survey. The element of satisfaction is an average of the satisfaction of the respondents with the department in relation to its level of expertise, the willingness to assist and the transparency in the context of the environmental impact process. The element of timeliness is an average of the satisfaction of the respondents with the department in relation to its responsiveness and timeliness in the context of the environmental impact process.
10. The annual Business Improvement Survey conducted in 2009-10 did not include questions to allow for this service standard to be calculated. Specific questions will be included in the 2010-11 survey.
11. The 2009-10 Estimated actual reflects 147 of 173 projects on track to committed timeframes and milestones.
12. The 2009-10 Estimated actual of 74 comprises 61 projects directly related to private and public State infrastructure projects and a further 13 projects associated with conducting additional research, planning, studies and assessments etc.
13. The definition of a "land solution" includes a number of actions and deliverables associated with land projects undertaken by the department. Actions and deliverables may include the registration of a Critical Infrastructure Easement within the Titles Office, gazettal of land, signing of a contract to purchase, declaration of a State Development Area, material change of use approval or the finalisation of a report identifying land for industrial development.
14. Seqwater has completed construction of all 20 water treatment plants required to be fluoridated by 31 December 2009, achieving a fluoridated water supply to 100% of the population within South East Queensland. To ensure safe ongoing supply, commissioning and performance testing has been extended, which requires varying fluoridation hours, allowing for any monitoring, upgrade or rectification to be completed within the plants. Service standard not continued into 2010-11 as program has been completed.
15. The 2009-10 Estimated actual reflects that six non-SEQ water supply treatment plants commenced fluoridation during 2009-10. The 2010-11 Estimated target represents an additional 26 non-SEQ water supply treatment plants to be fluoridated next year. This will leave a balance of 71 non-SEQ water supply treatment plants to be fluoridated to ensure full compliance with the Water Fluoridation Regulation 2008.
16. Fluoridation to be implemented at Torres Shire, Yarrabah, Aurukun, Doomadgee, Palm island and Cherbourg water supplies is now scheduled for completion in September 2010. These implementations are 9 months behind the regulated date due to advice from Queensland Health to address issues specific to communities including undertaking detailed consultation with these communities. All activities were delayed due to restricted access to communities during the last wet season. Kowanyama Aboriginal Shire Council successfully sought an exemption from the requirement to fluoridate due to the naturally occurring high levels of fluoridation in the groundwater that supplies the town.
17. The 2009-10 Estimated actual was determined through the department's annual Business Improvement Survey.
18. Of the 452 projects scheduled for completion in 2009-10, representing \$818 million in allocated funding, there has been 362 (80%) completed on target this financial year.
19. The 2010-11 Target/estimate reflects the department's aspiration to achieve a high standard. The first annual Financial Management (Sustainability) return process was concluded in December 2009. All mainstream councils and Torres Strait Island Regional Council were included in the process, with 54 councils providing returns. The councils were assessed against criteria including asset management, financial management (sustainability), governance and community engagement. Support to councils is provided through provision of Financial Management and Reporting workshops held throughout the State and provision of practical guides. It is anticipated that all Indigenous councils will also be included in the State Sustainability and Reporting process within the near future.
20. As a result of the 2009 Auditor-General's report the department's strategy was to provide intensive support to Indigenous Councils to assist them in submitting their 2008-09 financial statements to the Auditor-General's office by their due date. This support resulted in a significant reduction in the number of Indigenous Councils who did not lodge financial statements on time (sixteen reduced to two).

Planning

Major variations between 2009-10 Adjusted Budget and 2009-10 Estimated actual

21. The decrease principally relates to the deferral of funding for the Transit Oriented Development program to 2010-11 as a result of ongoing consultations with Regional Councils.
22. The decrease principally relates to the deferral of funding for the Transit Oriented Development program to 2010-11 as a result of ongoing consultations with Regional Councils.

Major variations between 2009-10 Adjusted Budget and 2010-11 Estimate

23. The decrease principally reflects the reduced funding for a number of planning projects as they near completion.
24. The decrease principally due to a decrease in capital grants received from the Australian Government for the Smart eDA program.
25. The decrease principally reflects the reduced funding of a number of planning projects as they near completion.

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

26. The decrease is principally due to a decrease in capital grants received from the Australian Government for the Smart eDA program.

Infrastructure and Economic Development

Major variations between 2009-10 Adjusted Budget and 2009-10 Estimated actual

27. The decrease principally relates to the transfer of funding for the new marine precinct in Townsville to another department.

Major variations between 2009-10 Adjusted Budget and 2010-11 Estimate

28. The decrease principally relates to a reduced level of funding for managing the Airport Link Project.
29. The increase reflects the contributions to the Whitsunday Coast Airport upgrade, the Surat Basin Railway project, and the purchase of easements along the Stanwell to Gladstone corridor.
30. The decrease principally relates to a reduced level of funding for the Airport Link Project.

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

31. The decrease principally relates to a reduced level of funding for managing the Airport Link Project.
32. The increase reflects the contributions to the Whitsunday Coast Airport upgrade, the Surat Basin Railway project, and the purchase of easements along the Stanwell to Gladstone corridor.
33. The decrease principally relates to a reduced level of funding for managing the Airport Link Project.

Local Government

Major variations between 2009-10 Adjusted Budget and 2009-10 Estimated actual

34. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements and the bring forward of funding for the Local Government Grant and Subsidy programs. This is partially offset by the realignment of funding to 2010-11 and 2011-12 as a result of revised forecasts for the Indigenous State Infrastructure program.
35. The decrease is due to a reduction in the recognition of funds previously recognised from unearned revenue for Joint Agency Infrastructure programs.
36. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements and the bring forward of funding for the Local Government Grant and Subsidy programs. This is partially offset by the realignment of funding to 2010-11 and 2011-12 as a result of revised forecasts for major the Indigenous State Infrastructure program.

Major variations between 2009-10 Adjusted Budget and 2010-11 Estimate

37. The decrease principally relates to the bring forward of funding for the Local Government Grant and Subsidy program. This is partially offset by the realignment of funding from 2009-10 to 2010-11 as a result of revised forecasts the Indigenous State Infrastructure program.
38. The decrease is due to a reduction in the recognition of funds previously recognised from unearned revenue for Joint Agency Infrastructure programs.
39. The decrease principally relates to the bringing forward of funding for the Local Government Grant and Subsidy program. This is partially offset by the realignment of funding from 2009-10 to 2010-11 as a result of revised forecasts for the Indigenous State Infrastructure program.

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

40. The decrease principally relates to the provisional decrease in funding for the Natural Disaster Relief and Recovery Arrangements pending final assessment of funding requirements for 2010-11; and the bring forward of funding for the Local Government Grant and Subsidy program.
41. The decrease principally relates to the provisional decrease in funding for the Natural Disaster Relief and Recovery Arrangements pending final assessment of funding requirements for 2010-11, and the bring forward of funding for the Local Government Grant and Subsidy program.

INCOME STATEMENT

Department of Infrastructure and Planning	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
Service revenue	1,7,15	682,023	797,029	649,788
User charges	2,8,16	14,650	17,218	11,916
Grants and other contributions	3,9,17	27,694	19,980	34,769
Other revenue		1,026	1,026	1,026
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		725,393	835,253	697,499
Expenses				
Employee expenses	4,10,18	84,544	78,575	82,255
Supplies and services	11,19	86,833	85,582	72,066
Grants and subsidies	5,12,20	548,056	683,007	529,356
Depreciation and amortisation		1,367	1,367	1,064
Finance/borrowing costs		..	..	..
Other expenses		893	893	893
Losses on sale/revaluation of property, plant and equipment and investments	13,21	1,200	1,200	..
Total expenses		722,893	850,624	685,634
OPERATING SURPLUS/(DEFICIT)	6,14,22	2,500	(15,371)	11,865

STATEMENT OF CHANGES IN EQUITY

Department of Infrastructure and Planning	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		2,500	(15,371)	11,865
Total recognised income and expense for the period		2,500	(15,371)	11,865
Equity injection/(withdrawal)		23,673	15,857	(7,571)
Equity adjustments (MoG transfers)		..	(45)	..
Total movement in equity for period		26,173	441	4,294

BALANCE SHEET

Department of Infrastructure and Planning	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	23,35,47	19,605	47,637	31,849
Receivables	24,36	11,625	5,456	5,456
Other financial assets		..	..	..
Inventories		..	54	54
Other		104	200	200
Non-financial assets held for sale	25,37	27,502	6,170	6,170
Total current assets		58,836	59,517	43,729
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		21,137	21,137	21,137
Property, plant and equipment	26,38,48	95,196	104,639	119,271
Intangibles	27,39,49	18,540	6,995	12,445
Other		..	..	..
Total non-current assets		134,873	132,771	152,853
TOTAL ASSETS		193,709	192,288	196,582
CURRENT LIABILITIES				
Payables	28,40	26,002	33,684	33,684
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions	29,41	2,464	11,238	11,238
Other	30,42	1,637	(101)	(101)
Total current liabilities		30,103	44,821	44,821
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions	31,43	3,423	..	..
Other		..	..	..
Total non-current liabilities		3,423	..	..
TOTAL LIABILITIES		33,526	44,821	44,821
NET ASSETS/(LIABILITIES)		160,183	147,467	151,761
EQUITY				
Capital/contributed equity	32,44,50	(6,212)	118,978	111,407
Retained surplus/(accumulated deficit)	33,45,51	17,803	(1,812)	10,053
Reserves:				
- Asset revaluation reserve	34,46	148,592	30,301	30,301
- Other (specify)		..	..	..
TOTAL EQUITY		160,183	147,467	151,761

CASH FLOW STATEMENT

Department of Infrastructure and Planning	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	52,61,69	685,898	804,549	649,788
User charges	53,62,70	13,150	130,525	11,916
Grants and other contributions	54,71	33,901	19,980	34,769
Other		1,026	1,026	1,026
Outflows:				
Employee costs	55,63,72	(84,544)	(78,575)	(82,255)
Supplies and services	56,73	(90,708)	(198,457)	(72,066)
Grants and subsidies	57,64,74	(548,056)	(686,652)	(529,356)
Borrowing costs				
Other		(893)	(893)	(893)
Net cash provided by/(used in) operating activities		9,774	(8,497)	12,929
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	65,75	..	..	5,335
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	58,66,76	(46,042)	(13,079)	(26,481)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(46,042)	(13,079)	(21,146)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	59,67,77	199,420	36,720	112,896
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	60,68,78	(175,747)	(20,863)	(120,467)
Net cash provided by/(used in) financing activities		23,673	15,857	(7,571)
Net increase/(decrease) in cash held		(12,595)	(5,719)	(15,788)
Cash at the beginning of financial year		32,214	53,370	47,637
Cash transfers from restructure		(14)	(14)	..
Cash at the end of financial year		19,605	47,637	31,849

ADMINISTERED INCOME STATEMENT

Department of Infrastructure and Planning	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Revenues				
Commonwealth grants	79,81,83	377,840	283,716	397,696
Taxes, fees and fines		488	488	488
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	80,82,84	388,784	568,600	451,040
Other		..	..	..
Total revenues		767,112	852,804	849,224
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation		..	..	..
Grants and subsidies	80,82,84	388,784	568,600	451,040
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		388,784	568,600	451,040
Net surplus or deficit before transfers to Government		378,328	284,204	398,184
Transfers of administered revenue to Government		378,328	284,204	398,184
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of Infrastructure and Planning	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS	85,86			
Cash assets		135	1,599	1,599
Receivables		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		135	1,599	1,599
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ADMINISTERED ASSETS		135	1,599	1,599
CURRENT LIABILITIES	85,86			
Payables		..	1,597	1,597
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		..	1,597	1,597
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		..	1,597	1,597
ADMINISTERED NET ASSETS/(LIABILITIES)		..	2	2
EQUITY				
Capital/Contributed equity		(64,055)	(63,193)	(63,193)
Retained surplus/(Accumulated deficit)		64,190	63,195	63,195
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		135	2	2

ADMINISTERED CASH FLOW STATEMENT

Department of Infrastructure and Planning	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	87,91,93	388,784	663,271	451,040
Grants and other contributions	88,92,94	377,840	283,716	397,696
Taxes, fees and fines		488	488	488
Royalties, property income and other territorial revenues		..	..	..
Other	89,95	..	6,789	..
Outflows:				
Transfers to Government	92,94	(378,328)	(378,086)	(398,184)
Grants and subsidies	90,91,96	(388,784)	(568,600)	(451,040)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	7,578	..
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		..	7,578	..
Administered cash at beginning of financial year		135	(5,979)	1,599
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		135	1,599	1,599

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements and the bring forward of funding for the Local Government Grant and Subsidy programs. This is partially offset by the realignment of funding to 2010-11 and 2011-12 as a result of revised forecasts under the Indigenous State Infrastructure program.
2. The increase principally relates to increased recoveries for project costs incurred by the department on behalf of Special Purpose Vehicle (SPV) companies associated with delivering the SEQ Water Grid, and fees collected in respect of applications to the Co-ordinator General for a significant project declaration.
3. The decrease reflects the deferral of contributions to the Whitsunday Coast Airport upgrade and the sustainable land and precinct planning and development programs.
4. The decrease principally relates to the transfer of the Gladstone LNG project team, and the Regional Water Projects to the Department of Employment, Economic Development and Innovation (DEEDI) and the Department of Environment and Resource Management (DERM), respectively.
5. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements and the bring forward of funding for the Local Government Grant and Subsidy programs. This is partially offset by the realignment of funding to 2010-11 and 2011-12 as a result of revised forecasts for major infrastructure projects by local councils under the Indigenous State Infrastructure program.
6. The decrease primarily reflects the timing of receipts under the Australian Government funding programs.

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

7. The decrease principally relates to the bring forward of funding for the Local Government Grant and Subsidy program to 2009-10 and the reduced level of funding for managing the Airport Link Project. This is partially offset by the realignment of funding from 2009-10 to 2010-11 as a result of revised forecasts for the Indigenous State Infrastructure program.
8. The decrease principally relates to reduced recoveries for project costs incurred by the department on behalf of SPV companies associated with delivering the SEQ Water Grid. This is partially offset by the increase in fees collected in respect of applications to the Coordinator-General for significant projects.
9. The increase reflects the contributions to the Whitsunday Coast Airport upgrade, the Surat Basin Railway project and the purchase of easements along the Stanwell to Gladstone corridor.
10. The decrease principally relates to the transfer of the Gladstone LNG project team, and the Regional Water project to DEEDI and DERM, respectively. This is partially offset by an increase in enterprising bargaining (EB) costs.
11. The decrease principally relates to a reduced level of funding for managing the Airport Link Project.
12. The decrease principally relates to the bringing forward of funding for the Local Government Grant and Subsidy program to 2009-10. This is partially offset by the realignment of funding from 2009-10 to 2010-11 as a result of revised forecasts for the Indigenous State Infrastructure program.
13. The decrease reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct, situated at Gladstone.
14. The increase principally reflects the increase in grants funding received for the Whitsunday Coast Airport Terminal Upgrade and the Surat Basin Rail corridor which will be capitalised.

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

15. The decrease principally relates to the provisional decrease in funding for the Natural Disaster Relief and Recovery Arrangements pending final assessment of funding requirements for 2010-11; and the bring forward of funding for the Local Government Grant and Subsidy program to 2009-10.
16. The decrease principally relates to decreased recoveries for project costs incurred by the department on behalf of SPV companies associated with delivering the SEQ Water Grid.
17. The increase reflects the contributions to the Whitsunday Coast Airport upgrade, the Surat Basin Railway project, the purchase of easements along the Stanwell to Gladstone corridor and the deferral of contributions to the sustainable land and precinct planning and development programs and State Development Areas.
18. The increase principally reflects the additional Enterprise Bargaining agreement employee costs.
19. The decrease principally relates to a reduced level of funding for managing the Airport Link Project.
20. The decrease principally relates to the provisional decrease in funding for the Natural Disaster Relief and Recovery Arrangements pending final assessment of funding requirements for 2010-11; and the bring forward of funding for the Local Government Grant and Subsidy program to 2009-10.
21. The decrease reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct, situated at Gladstone.
22. The increase principally reflects the increase in capital grants received for the Whitsunday Coast Airport Terminal Upgrade and the Surat Basin Rail corridor which will be capitalised and the timing of receipts under the Australian Government funding programs.

Balance sheet

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

23. The increase reflects the transfer of cash due to the transfer of the Local Government function from the former Department of Local Government, Sport and Recreation to the department.
24. The decrease reflects a lower amount outstanding from the delivery activities of projects undertaken by the department on behalf of SPV companies associated with delivering the SEQ Water Grid and other water pipeline and land corridor projects.
25. The decrease reflects land assets held for sale and acquisitions of land and easements granted on behalf of the department's controlled entities which have been reimbursed by the companies.
26. The increase principally relates to the reclassification of land held for sale at Coomera to Property, Plant and Equipment. This is partially offset by the deferral of land acquisition of properties in the Targinie Precinct, situated at Gladstone, and Narangba Hard Rock Haulage route; the upgrade to the Whitsunday Coast Airport; and the reappraisal of the accounting treatment from capital to operating in respect of the easements acquired for the Stanwell to Gladstone corridor.

27. The decrease reflects the deferral of the acquisitions of easements as part of the LNG land corridor between Callide and Gladstone for the co-location of underground gas pipelines for LNG proponents.
28. The increase reflects an increase in creditors at year end for payments under the Natural Disaster Relief and Recovery Arrangements.
29. The increase reflects an increase in the amount of compensation the department expects to pay for compulsory land resumptions relating to the Townsville State Development Area and the Northern Pipeline Interconnectors.
30. The decrease relates to a reduction in general unearned revenue.
31. The decrease reflects payments of compensation for compulsory land resumptions and the accounting reclassification of the remaining balance to the current asset provision.
32. The increase is a result of realigning the contribution equity for the transfer of the Local Government function to the department from the former Department of Local Government, Sport and Recreation.
33. The decrease primarily reflects the forecast deficit for 2009-10.
34. The reduction is a result of the realignment of the asset revaluation reserve to reflect departmental actual.

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

35. The increase reflects the transfer of cash due to the transfer of the Local Government portfolio from the former Department of Local Government, Sport and Recreation to the department.
36. The decrease reflects a lower receivables from SPV companies associated with delivering the SEQ Water Grid and other water pipeline and land corridor projects.
37. The decrease reflects land assets held for sale and acquisitions of land and easements granted on behalf of the department's controlled entities which have been reimbursed by the entities.
38. The increase principally relates to the reclassification of land held for sale at Coomera to Property, Plant and Equipment; the acquisition of properties in the Surat Basin Railway Corridor and the increase in the upgrade of the Whitsunday Coast Airport. This is partially offset by the reappraisal of the accounting treatment from capital to operating the easements acquired for the Stanwell to Gladstone corridor.
39. The decrease reflects the reappraisal of the acquisition costs for the easements as part of the LNG land corridor between Callide and Gladstone for the co-location of underground gas pipelines for LNG proponents.
40. The increase reflects an increase in creditors at year end for payments under the Natural Disaster Relief and Recovery Arrangements.
41. The increase reflects an increase in the amount of compensation the department expects to pay for the acquisitions of compulsory resumptions relating to the Townsville State Development Area and the Northern Pipeline Interconnectors.
42. The decrease relates to a reduction in general unearned revenue.
43. The decrease reflects payments of compensation for compulsory resumptions acquired and the reclassification of the remaining balance to the current provision.
44. The increase is as result of realigning the contribution equity for the transfer of the Local Government function to the department from the former Department of Local Government, Sport and Recreation.
45. The decrease primarily reflects the forecast deficit for 2009-10.
46. The reduction is a result of the realignment of the asset revaluation reserve.

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

47. The decrease reflects the draw down of cash received in prior years under the Australian Government contribution towards the Joint Agency Infrastructure programs.
48. The increase principally relates to the acquisition of properties in the Targinie Precinct, Narangba Hard Rock Haulage route and the Surat Basin Railway Corridor; and the increase in the scope of works for the Whitsunday Coast Airport upgrade.
49. The increase reflects increased acquisitions of easements as part of the LNG land corridor between Callide and Gladstone for the co-location of underground gas pipelines for LNG proponents.
50. The decrease reflects the return of contributions received by the department in respect of the Surat Basin Railway Corridor.
51. The increase primarily reflects the forecast surplus for 2009-10.

Cash flow statement

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

52. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements and the bring forward of funding for the Local Government Grant and Subsidy programs. This is partially offset by the realignment of funding to 2010-11 and 2011-12 as a result of revised forecasts for the Indigenous State Infrastructure program.
53. The increase primarily reflects the settlement of 2008-09 accounts with the former Department of Local Government, Sport and Recreation in respect of the transfer of the Local Government function to the department.
54. The decrease reflects the deferral of contributions to the Whitsunday Coast Airport upgrade and the sustainable land and precinct planning and development programs.
55. The decrease principally relates to the transfer of the Gladstone LNG project team and the Regional Water project to DEEDI and DERM, respectively.
56. The increase primarily reflects the settlement of 2008-09 accounts with the former Department of Local Government, Sport and Recreation in respect of the transfer of the Local Government function to the department.
57. The increase primarily reflects increased funding for Natural Disaster Relief and Recovery Arrangements and the bringing forward of funding for the Local Government Grant and Subsidy programs. This is partially offset by the realignment of funding to 2010-11 and 2011-12 as a result of revised forecasts for the Indigenous State Infrastructure program.
58. The decrease reflects the deferral of acquisition of properties in the Targinie Precinct and Narangba Hard Rock Haulage route; the upgrade to the Whitsunday Coast Airport; and the deferral of acquisitions of easements as part of the LNG land corridor between Callide and Gladstone for the co-location of underground gas pipelines for LNG proponents, and the reappraisal of the accounting treatment from capital to operating in respect of the easements acquired for the Stanwell to Gladstone Infrastructure Corridor.
59. The decrease reflects the deferring of equity funding to 2010-11 for the Airport Link project.
60. The decrease reflects the deferral of capital contributions to 2010-11 for the Airport Link project.

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

61. The decrease principally indicates the bring forward of funding for the Local Government Grant and Subsidy program, and a reduced level of funding for managing the Airport Link Project. This is partially offset by the realignment of funding from 2009-10 to 2010-11 as a result of revised forecasts for the Indigenous State Infrastructure program.
62. The decrease principally relates to decreased recoveries of project costs incurred by the department on behalf of SPV companies associated with delivering the SEQ Water Grid. This is partially offset by the increase in fees collected in respect of applications to the Coordinator-General for a declaration of significant projects.
63. The decrease principally relates to the transfer of the Gladstone LNG project team, and the Regional Water project to DEEDI and DERM, respectively. This is partially offset by an increase in EB costs.
64. The decrease principally relates to the bringing forward of funding for the Local Government Grant and Subsidy program. This is partially offset by the realignment of funding from 2009-10 to 2010-11 as a result of revised forecasts for the Indigenous State Infrastructure program.
65. The increase reflects the sale of land which was acquired for the Surat Basin Railway Corridor.
66. The decrease reflects the reduced level in easements acquired, which cost over \$0.1 million, for the Stanwell to Gladstone Infrastructure Corridor, and the reappraisal of the acquisition costs for the easements as part of the LNG land corridor between Callide and Gladstone for the co-location of underground gas pipelines for LNG proponents.
67. The decrease reflects a reduced level of capital funding for the Airport Link project for 2010-11.
68. The decrease reflects a reduced level of capital funding for the Airport Link project for 2010-11.

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

69. The decrease principally relates to the provisional decrease in funding for the Natural Disaster Relief and Recovery Arrangements, pending final assessment of funding requirements for 2010-11; and the bringing forward of funding for the Local Government Grant and Subsidy program.
70. The decrease primarily reflects the settlement of 2008-09 accounts with the former Department of Local Government, Sport and Recreation in respect of the transfer of the Local Government portfolio to the department for 2009-10.
71. The increase reflects the contributions to the Whitsunday Coast Airport upgrade, the Surat Basin Railway project, and the purchase of easements along the Stanwell to Gladstone corridor and the deferral of contributions to the sustainable land and precinct planning and development programs.
72. The increase principally reflects increased EB costs.
73. The decrease primarily reflects the settlement of 2008-09 accounts with the former Department of Local Government, Sport and Recreation in respect of the transfer of the Local Government portfolio to the department for 2009-10.
74. The decrease principally relates to the provisional decrease in funding for the Natural Disaster Relief and Recovery Arrangements, pending final assessment of funding requirements for 2010-11; and the bring forward of funding for the Local Government Grant and Subsidy program.
75. The increase reflects the sale of land which was acquired for the Surat Basin Railway Corridor.
76. The increase principally relates to the acquisition of properties in the Targinie Precinct, Gladstone, Narangba Hard Rock Haulage route and the Surat Basin Railway Corridor, the increase in the scope of works for the Whitsunday Coast Airport upgrade; and increased in the acquisitions of easements as part of the LNG land corridor between Callide and Gladstone for the co-location of underground gas pipelines for LNG proponents.
77. The decrease reflects the deferral of equity injections funding to 2010-11 for the Airport Link project.
78. The decrease reflects the deferral of capital contributions to 2010-11 for the Airport Link project.

Administered income statement

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

79. The decrease primarily relates to the advance payment made in June 2009 for the Financial Assistance Grant (FAG) that apply to 2009-10. This decrease is partially offset by increased funding from the Australian Government for the FAG to local governments in 2009-10.
80. The increase principally relates to funding for the payment of capital grants to Queensland Water Infrastructure, additional funding for payment of amalgamation costs for local governments, and funds received in relation to tax equivalents from the Gladstone Area Water Board and Mount Isa Water Board. This increase is partially offset by decreases for FAG, and a decrease due to the deferral of funds to 2010-11 for the contribution to Urban Land Development Authority (ULDA).

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

81. The increase primarily reflects projected annual adjustments to the calculation of funding for the Australian Government FAG to local governments.
82. The increase primarily relates to funding for the payment of capital grants to Queensland Water Infrastructure, in addition to funding deferred from 2009-10 for contribution for the ULDA and the projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.

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

83. The increase reflects an advance payment made in June 2009 for the FAG that decreased the 2009-10 estimated actual, and projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
84. The decrease primarily reflects the grants to Queensland Water Infrastructure in 2009-10, in addition to the one off additional amalgamation funding paid to local governments. This decrease is partially offset by deferral for the contribution to the ULDA from 2009-10, and an increase arising from the projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.

Administered balance sheet

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

85. The movement relates to post Machinery of Government adjustments with Department of Communities (Sport and Recreation) where the Local Government portfolio transferred from the former Department of Local Government, Sport and Recreation to the Department of Infrastructure and Planning on 26 March 2009.

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

86. The movement relates to Machinery of Government adjustments that carried forward from 2009-10 to 2010-11.

Administered cash flow statement

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

87. The increase relates to funding for the payment of capital grants to Queensland Water Infrastructure, additional funding for payment of amalgamation costs for local government, funds received in relation to tax equivalents from the Gladstone Area Water Board and Mount Isa Water Board, and receipt of administered item appropriation following an early payment of the 2009-10 estimated FAG pool late in 2008-09. This increase is partially offset by decreases for FAG for an advance payment made in June 2009 and a decrease due to deferral of funds to 2010-11 for the contribution to the ULDA.
88. The decrease primarily relates to the advance payment made in June 2009 for the FAG.
89. The increase principally reflects revenue recovered from Queensland Water Commission for services rendered in 2008-09.
90. The increase principally relates to funds for the payment of capital grants to Queensland Water Infrastructure, additional funding for payment of amalgamation costs for local governments, and funds received in relation to tax equivalents from the Gladstone Area Water Board and Mount Isa Water Board. This increase is partially offset by decreases for FAG for an advance payment made in June 2009, and a decrease due to deferral of funds to 2010-11 for the contribution to ULDA.

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

91. The increase primarily reflects projected annual adjustments to the calculation of funding for the Australian Government FAG to local governments, deferral of funds from 2009-10 to 2010-11 for the contribution to the ULDA and funding for payment of capital grants to Queensland Water Infrastructure.
92. The increase reflects projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.

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

93. The decrease principally relates to the one off receipt of administered item appropriation following an early payment of the 2009-10 estimated FAG pool late in 2009, the one off amalgamation costs to local governments, decrease in capital grants to Queensland Water Infrastructure, and contributions to the ULDA. This decrease is 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.
94. The increase reflects an advance payment made in June 2009 for the FAG that decreased the 2009-10 Estimated actual, and projected annual adjustments to the calculation of funding from the Australian Government FAG to local governments.
95. Decrease reflects the recovery from Queensland Water Commission for services rendered in 2008-09.
96. The decrease principally relates to the one off amalgamation costs to local governments, decrease in capital grants to Queensland Water Infrastructure, and contributions to the ULDA. This decrease is 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 Units

Property Services Group

OVERVIEW

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 property sales for 2009-10 was \$43 million. Industrial property related activities have continued to experience a difficult trading environment as a consequence of the economic downturn. These conditions are expected to continue into 2010-11 as the economy recovers.

REVIEW OF PERFORMANCE

Recent achievements

- Sold 24 industrial sites, valued at \$43 million in industrial land, throughout Queensland. The industries located on these sites generated an estimated 100 jobs and created an estimated \$20 million in capital investment through improvements on the sites.
- Entered into conditional contracts with three LNG industry proponents for the sale of land on Curtis Island.
- Completed construction of the 19 lot extension of the Crestmead Industrial Estate and the seven lot extension to the Clinton Industrial Estate.
- Commenced construction of Stage 6 of the Bohle Industrial Estate and first stage of the Coolum Industrial Estate.

Future developments

- Twenty-seven industrial sites, valued at \$40.3 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 Bohle, South Mackay and Nordale Industrial Estates and Stage 1 of the Coolum Industrial Estate.

STATEMENTS

PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Financial Performance Measures				
Value of land sale settlements	1	\$47.6 million	\$43 million	\$40.3 million
Non-Financial Performance Measures				
Number of new land lots developed and buildings constructed	2	39	29	87
Number of land leases administered		135	129	120
Number of properties acquired	3	3	2	4
Estimated number of jobs generated through successful land sale applications		100	100	100
Estimated value of capital investment created through successful land sales applications	4	\$40 million	\$20 million	\$40 million
Percentage of total number of land sales in Regional Queensland	5	58%	71%	63%

Notes:

1. The lower than expected sales revenue is as a consequence of the reduction in demand for industrial land under the prevailing economic conditions. The 2010-11 Target/estimate anticipates this trend to continue well into the year.
2. Reduced actual performance in 2009-10 results from delays in development approvals for the Nordale Industrial Estate, Mount Isa. The 2010-11 Target/estimate provides for the completion of the Bohle Industrial Estate (28 lots) and Coolum Industrial Estate (35 lots) developments.
3. The reduced performance for 2009-10 is due to the delays in entering into contracts to acquire land at Amberley.
4. Prevailing economic conditions that have resulted in a marked reduction in the demand for industrial land and consequently, a negative impact on the associated capital investment through successful land sales applications during 2009-10. The 2010-11 Target/estimate, although remaining relatively low, anticipates a higher level of capital investment as the economic situation eases.
5. A total of 17 of 24 land sales in 2009-10 were in the regions. In 2010-11, it is expected that 17 of 27 land sales will be in the regions.

INCOME STATEMENT

Property Services Group	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
User charges	1,7,11	60,874	56,590	53,220
Grants and other contributions		..	..	..
Other revenue	2,12	6,040	8,251	6,800
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		66,914	64,841	60,020
Expenses				
Employee expenses		1,904	1,499	1,864
Supplies and services	3,13	15,048	16,390	15,286
Grants and subsidies	4,8,14	28,548	25,444	62,058
Depreciation and amortisation		559	285	285
Finance/borrowing costs		..	..	..
Other expenses	5,9,15	8,335	15,105	16,639
Losses on sale/revaluation of property, plant and equipment and investments		150	417	25
Total expenses		54,544	59,140	96,157
Surplus or deficit before related income tax		12,370	5,701	(36,137)
Income tax expense/revenue	6,10,16	3,711	1,710	..
OPERATING SURPLUS/(DEFICIT) after related income tax		8,659	3,991	(36,137)

STATEMENT OF CHANGES IN EQUITY

Property Services Group	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	17,20,23	(6,477)	(10,380)	(13,503)
Net amount of all revenue and expense adjustments direct to equity not disclosed above	18,21,24	6,477	10,380	18,222
Net income recognised directly in equity		..	..	4,719
Surplus/(deficit) for the period		8,659	3,991	(36,137)
Total recognised income and expense for the period		8,659	3,991	(31,418)
Equity injection/(withdrawal)	19,22,25	(37,358)	16,499	(14,839)
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
Total movement in equity for period		(28,699)	20,490	(46,257)

BALANCE SHEET

Property Services Group	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	26,36,46	56,670	194,983	90,535
Receivables		10,219	12,518	12,569
Other financial assets				
Inventories	27,37,47	328,229	280,386	351,492
Other		..	16	16
Non-financial assets held for sale		..	..	..
Total current assets		395,118	487,903	454,612
NON-CURRENT ASSETS				
Receivables	28,38	45,735	39,092	39,710
Other financial assets		..	..	..
Property, plant and equipment	29,39	302,494	339,330	324,507
Deferred tax assets		2,317	4,911	4,911
Intangibles		105	107	77
Other		200	511	511
Total non-current assets		350,851	383,951	369,716
TOTAL ASSETS		745,969	871,854	824,328
CURRENT LIABILITIES				
Payables	30,40	9,581	16,835	18,368
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities		3,704	4,824	5,467
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other	31,41	11,467	6,535	6,535
Total current liabilities		24,752	28,194	30,370
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities	32,42	71,996	86,728	83,284
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		71,996	86,728	83,284
TOTAL LIABILITIES		96,748	114,922	113,654
NET ASSETS/(LIABILITIES)		649,221	756,932	710,674
EQUITY				
Capital/contributed equity	33,43,48	305,245	393,183	378,343
Retained surplus/(accumulated deficit)	34,44,49	176,005	165,265	147,350
Reserves:				
- Asset revaluation reserve	35,45,50	167,971	198,484	184,981
- Other (specify)		..	..	..
TOTAL EQUITY		649,221	756,932	710,674

CASH FLOW STATEMENT

Property Services Group	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	51,58,65	60,868	56,587	53,215
Grants and other contributions		..	..	..
Other	52	6,558	8,098	7,402
Outflows:				
Employee costs		(1,904)	(1,499)	(1,864)
Supplies and services	53,59,66	(91,428)	(55,366)	(86,392)
Grants and subsidies	54,60,67	(32,978)	(25,444)	(62,058)
Borrowing costs		..	..	..
Taxation equivalents paid	55,61,68	(13,163)	(23,448)	(19,879)
Other		(90)	(45)	(45)
Net cash provided by/(used in) operating activities		(72,137)	(41,117)	(109,621)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	62,69	7,110	7,413	13,635
Investments redeemed		..	..	..
Loans and advances redeemed		6,571	6,061	6,414
Outflows:				
Payments for property, plant and equipment and intangibles		(20)	(20)	(20)
Payments for investments		..	..	..
Loans and advances made		(16)	(16)	(17)
Net cash provided by/(used in) investing activities		13,645	13,438	20,012
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	56,63	..	23,449	25,215
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	57,64,70	(37,358)	(6,950)	(40,054)
Net cash provided by/(used in) financing activities		(37,358)	16,499	(14,839)
Net increase/(decrease) in cash held		(95,850)	(11,180)	(104,448)
Cash at the beginning of financial year		152,520	206,163	194,983
Cash transfers from restructure		..	..	..
Cash at the end of financial year		56,670	194,983	90,535

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The decrease in user charges primarily relates to lower land sales revenue resulting from the slow down in the industrial land market.
2. The increase in other revenue relates to interest income from higher than expected cash balances.
3. The increase in supplies and services relates to cost of land sold effected by an increase in cost of sales margin.
4. The decrease in grants and subsidies relates to carryover of project funding for the Whitsunday Airport upgrade project from 2009-10 to 2010-11.
5. The increase in other expenses is primarily due to increases in equivalents of land tax and local authority rates and charges.
6. The decrease in income tax expense results from the lower operating surplus on the business unit's operations.

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

7. The decrease in user charges reflects expected reduced demand for serviced industrial land during 2010-11.
8. The increase in grants and subsidies relates to new grant funding approved to Queensland Institute of Medical Research, Surat Basin Rail project and Stanwell to Gladstone Infrastructure Corridor project and the deferral of grant payments to Department of Infrastructure and Planning (DIP) to 2010-11.
9. The increase in other expenses is primarily due to increases in equivalents of land tax and local authority rates and charges.
10. The decrease in income tax expense is due to the operating deficit resulting from the increase in grants and subsidies costs in 2010-11.

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

11. The decrease in user charges reflects expected reduced demand for serviced industrial land during 2010-11.
12. The decrease in other revenue results from interest income being lower due to the business units lower cash reserve.
13. The decrease in supplies and services costs relates to lower costs resulting from the sale of the Brisbane Technology Park in 2010-11.
14. The increase in grants and subsidies relates to new grant funding for additional projects approved for Queensland Institute of Medical Research and Surat Basin Rail project; and the deferral of grant payments to DIP from 2009-10 to 2010-11.
15. The increase in other expenses is primarily due to increases in equivalents of land tax and local authority rates and charges resulting from revaluation of land.
16. The decrease in income tax expense is due to the operating deficit resulting from the increase in grants and subsidies costs in 2010-11.

Statement of changes in equity

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

17. The movement in the asset revaluation reserve relates primarily to the write back of the reserve subsequent to the sale of non-inventory land.
18. The increase relates primarily to a higher level of disposals of non-inventory land, resulting in transfers between the revaluation reserve and the retained earnings.
19. The increase in equity injection relates to injections resulting from retained tax equivalents, reduction in the funding allocated to Coal Seam Gas Pipeline Corridor project and deferral of planned equity payments to DIP from 2009-10 to 2010-11.

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

20. The movement reflects the expected level of disposals of non-inventory land during 2010-11, resulting in write backs of the revaluation reserve.
21. The movement reflects a higher level of expected disposals of non-inventory land during 2010-11, resulting in higher transfers between revaluation reserve and the retained earnings.
22. The movement in equity relates to equity injections for retained tax equivalents, the reduction in the equity withdrawal funding for the Coal Seam Gas Pipeline Corridor project and conversion of equity payments into recurrent grants payments.

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

23. The movement reflects a higher level of expected disposals of non-inventory land during 2010-11, resulting in higher reversals out of the asset revaluation reserve.
24. The increase relates to increased transfers between the asset revaluation reserve and retained earnings, which occur when re-valued assets are disposed of.
25. The increase in equity withdrawal primarily relates to approval of additional funding to Department of Health to fund the Translational Research Institute at the Princess Alexandra Hospital and deferral of scheduled payments to DIP from 2009-10 to 2010-11.

Balance sheet

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

26. Increase in cash reserves is due to equity injections related to retained tax equivalents, lower than expected capital works and deferral of equity payments to DIP for acquisition of land from 2009-10 to 2010-11.
27. The decrease in inventories is primarily due to lower than expected capital works expenditure on land development activities.
28. The decrease in receivable's relate to lower finance lease debtors resulting from fewer conversions to finance leases due to lower non inventory property sales during 2009-10.

29. The increase in property, plant and equipment relates to revaluation by the State Valuation Services in 2008-09.
30. The increase in payables is primarily due to increase in equivalents of land tax and local authority rates and charges.
31. The decrease in other current liabilities relates to a decrease in the deposits held for sale of land and building.
32. The increase in deferred tax liabilities relate to the provision of tax on the revaluation of non-inventory land.
33. The increase in contributed equity relates to the equity injected through retained tax equivalents, deferral of originally scheduled equity payments to DIP to 2010-11 and a reduction in funding allocated to Coal Seam Gas Pipeline Corridor project.
34. The decrease in retained earnings is primarily due to a lower than expected surplus having been earned during 2008-09 and lower operating surplus anticipated during 2009-10.
35. The increase in revaluation reserve is a result of land revaluations to reflect price increases during 2008-09.

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

36. The increase in cash balance relates to equity injections through retained tax equivalents.
37. The increase in inventories is primarily due to higher level of expected capital works expenditure on land development activities during 2010-11.
38. The decrease in receivable's relate to lower finance lease debtors resulting from fewer conversions to finance leases due to lower property sales during 2009-10.
39. The increase in property, plant and equipment relates to revaluation by the State Valuation Services in 2008-09.
40. The increase in payables is primarily due to increase in equivalents of land tax and local authority rates and charges.
41. The decrease in other current liabilities relates to a decrease in the deposits held for sale of land and building.
42. The increase in deferred tax liabilities relate to the provision of tax on the revaluation of non-inventory land.
43. The increase in contributed equity relates to the equity injected through retained tax equivalents and reduction in funding allocated to Coal Seam Gas Pipeline Corridor project together with conversion of equity payments into grant payments.
44. The decrease in retained earnings primarily relates to the expected deficit in 2010-11 primarily due to higher grant payments scheduled to be made during 2010-11.
45. The increase in revaluation reserve is a result of land revaluations to reflect the price increases during 2008-09.

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

46. The decrease in cash balance is primarily due to additional funding approved to Queensland Institute of Medical Research to fund the redevelopment of Queensland Radium Institute and to Queensland Health to fund Translational Research Institute at the Princess Alexandra Hospital and increase in capital works.
47. The increase in inventories is primarily due to higher level of expected capital works expenditure on land development activities during 2010-11.
48. The decrease in contributed equity is due to equity payments made to Queensland Health to fund Translational Research Institute Development at the Princess Alexandra Hospital and deferral of scheduled equity payments to DIP from 2009-10 to 2010-11.
49. The decrease in retained earnings primarily relates to a deficit recorded in 2010-11 due higher grant payments scheduled to be made during 2010-11.
50. The decrease in asset revaluation reserve is primarily due to anticipated sale of non-inventory land and the consequent write back of the reserve.

Cash flow statement

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

51. The decrease in user charges primarily relates to withdrawal of sales due to the slow down in the industrial land market.
52. The increase in other operating inflows relates to interest receipts from higher than expected cash balances.
53. The reduction in outflows for supplies and services reflects lower land development and land acquisition costs on development.
54. The decrease in outflows for grants and subsidies is due to the deferral of DIP grant payments from 2009-10 to 2010-11.
55. The increase in outflows for tax equivalents relates to increase in tax remittance to the Crown on equivalents of land tax and local authority rates and charges in 2009-10.
56. The increase in equity injections is due to retained tax equivalents and receipt from DIP in respect of Surat Basin Rail project.
57. The decrease in outflows in equity withdrawals primarily relates to a reduction in funds allocated to Coal Seam Gas Pipeline Corridor project and deferral of equity payments to DIP from 2009-10 to 2010-11.

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

58. The decrease in user charges primarily relates to a lower level of land sales due to the slow down in the industrial land market.
59. The decrease in outflows for supplies and services reflects lower land acquisition costs incurred for development.
60. The increase in grants and subsidies relates to grant funding approved to Queensland Institute of Medical Research, Surat Basin Rail project and Stanwell to Gladstone Infrastructure Corridor project and the deferral of grants payments to DIP from 2009-10.
61. The increase in outflows for tax equivalents relates to expected increase in tax remittance to the Crown on equivalents of land tax and local authority rates and charges in 2010-11.
62. The increase in inflows from property, plant and equipment relates to expected increase in sale of non inventory land during 2010-11.
63. The increase in equity injections primarily relate to retained tax equivalents and a reduction in funding allocated to the Coal Seam Gas Pipeline Corridor project.
64. The increase in outflows of equity withdrawals is due to the provision of an additional equity payment to the Department of Health to fund the Translational Research Institute at the Princess Alexandra Hospital.

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

65. The decrease in user charges primarily relates to an expected decrease in the sale of serviced industrial land in 2010-11.
66. The increase in outflows for supplies and services is primarily due to an increase in expenditure on acquisition of land and development activities during 2010-11.

67. The increase in grants and subsidies relates to new grant funding for additional projects approved for Queensland Institute of Medical Research and Surat Basin Rail project together with deferral of grants from 2009-10 to DIP.
68. 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 units operating surplus during 2009-10 and lower than expected non inventory land disposals in 2009-10.
69. The increase in inflows from property, plant and equipment relates to an expected increase in sale of non inventory land during 2010-11.
70. The increase in outflows of equity withdrawals is due to additional equity payment to the Department of Health to fund the Translational Research Institute Development at the Princess Alexandra Hospital and the deferral of scheduled payments from 2009-10 to 2010-11 to DIP.

Statutory Body

Urban Land Development Authority

OVERVIEW

The 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.

The work of the ULDA also involves:

- developing planning principles that give effect to ecological sustainability and best practice urban design
- assisting in providing the on-going availability of affordable housing options for low to moderate income households
- creating mixed use precincts, using transport oriented development and best practice urban design.

Over the next 20 years, Queensland's population is forecast to increase to somewhere between 6.3 million to 7 million people. This will result in Queensland needing up to nearly a million additional dwellings by 2031. With household sizes projected to continue to get smaller, greater demands for a diversity of housing will be generated.

The challenge is to provide affordable housing to bridge the gap between demand and supply of dwellings across Queensland. Other than Perth, South East Queensland's population has grown faster than other mainland capital city metropolitan areas in recent years. Residential market demand in regional Queensland is being driven by the growth in the resources sector and associated infrastructure delivery. This means there is a need for urban land to be brought to the market faster with a diversity of housing products right across Queensland.

The ULDA's staffing numbers for 2010-11 will be 48, compared to 42 forecast at the end of 30 June 2010. The ULDA employed 30 staff at the beginning of 2009-10.

REVIEW OF PERFORMANCE

Recent achievements

- First regional Urban Development Areas (UDA) declared for Clinton, Gladstone; Oonoonba, Townsville; and Andergrove, Mackay.
- Declaration of Woolloongabba Urban Development Area.
- Gazettal of the Development Schemes for Bowen Hills, Northshore Hamilton, and Fitzgibbon Chase Urban Development Areas.
- Completion of land development and release for sale of Stages 1 to 3 and commencement of construction of Stage 4 at Fitzgibbon Chase.
- Building, with East Coast Apprenticeships, the Fitzgibbon Chase Sales and Community Information Centre, providing 4,400 training hours to out of work apprentices.
- Commencement of house construction at Fitzgibbon Chase.
- Development approvals for 1,014 dwellings including approximately 422 affordable dwellings.
- Release of *Residential 30: Guidelines to deliver diversity in new neighbourhood development* and the first suite of *Practice Notes* to provide practical guidance on residential development.

- Acceptance of assets and obligations within the Northshore Hamilton UDA through transfer from Port of Brisbane Corporation.

Future developments

- Consideration of further regional Urban Development Areas, including in resource towns.
- Expected declaration of SEQ greenfield Urban Development Areas for Greater Flagstone, Yarrabilba and Ripley Valley.
- Determination of the RNA development application for the \$3 billion redevelopment of the RNA showgrounds.

SERVICES

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

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

STATEMENTS

STAFFING¹

	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
	2, 3	33	41.8	47.8

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. FTEs as at 30 June 2010 is estimated to be 41.8. This increase from 33 in the 2009-10 Budget is due to several staff who were on contract being permanently appointed to the ULDA. The increase in FTEs is also due to the additional number of Urban Development Areas (UDAs) estimated to increase during 2009-10 from three to ten.
3. The 2010-11 Estimate of 47.8 is higher than prior years because of an additional seven UDAs to be overseen by the ULDA. It is estimated that six of these new UDAs will be in regional Queensland.

PERFORMANCE STATEMENT

Urban Land Development Authority	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Interim Land Use Plans (ILUP) Approved	1	2	4	5
Community Engagement forums held in declared UDAs		7	6	6
Inquiries responded to in a timely manner		95%	95%	95%
Development Schemes approved within the legislated timeframes		3	3	4
Development applications processed within approved timeframes		100%	100%	100%
Interim Land Use Plans for a UDA outside SEQ	2	1	3	4
Development Schemes for UDAs outside SEQ	3	..	..	..
State contribution (\$'000)	4	10,100	7,600	2,500
Other revenue (\$'000)	5	31,970	15,583	72,283
Total cost (\$'000)	6	37,070	21,271	70,445

Note/s:

1. The 2009-10 Estimated actual of four Interim Land Use Plans has increased due to additional UDAs being declared.
2. The increase in Interim Land Use Plans outside of South East Queensland reflects the change in strategic direction during 2009-10 towards declaring Urban Development Areas (UDA) in regional Queensland.
3. The target of three Development Schemes outside South East Queensland reflects the change in strategic direction during 2009-10 towards declaring UDAs in regional Queensland and the subsequent requirement for Development Schemes to be completed within 12 months of a UDA being declared.
4. Deferral of \$2.5 million grant from 2009-10 to 2010-11 resulted in a \$7.6 million operational grant for 2009-10.
5. Due to delays in the land development project, Other revenue (\$15.5 million) for 2009-10 is less than original target of \$31.9 million. The 2010-11 Target/est. of \$72.2 million is higher than current year's sales due to the delayed sales from 2009-10 carrying over, as well as accelerated development to make more land available for the community.
6. Costs for 2009-10 of \$21.2 million are reduced due to less development activity during the year. It is expected to be higher in 2010-11 due to more activity in the land development project as well possible additional UDAs declared for the ULDA to oversee.

INCOME STATEMENT

Urban Land Development Authority	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
User charges	1, 7	31,895	14,821	70,214
Grants and other contributions	2, 8	10,100	8,190	4,477
Other revenue	3	75	172	92
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		42,070	23,183	74,783
Expenses				
Employee expenses	4, 9	4,649	4,956	6,806
Supplies and services	5, 10	32,264	16,183	63,346
Grants and subsidies		..	..	..
Depreciation and amortisation	11	86	70	191
Finance/borrowing costs		..	..	..
Other expenses		71	62	102
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		37,070	21,271	70,445
Surplus or deficit before related income tax		5,000	1,912	4,338
Income tax expense/revenue	6, 12	1,500	664	1,301
OPERATING SURPLUS/(DEFICIT) after related income tax	5	3,500	1,248	3,037

STATEMENT OF CHANGES IN EQUITY

Urban Land Development Authority	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		3,500	1,248	3,037
Total recognised income and expense for the period		3,500	1,248	3,037
Equity injection/(withdrawal)	13	..	296,000	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		3,500	297,248	3,037

BALANCE SHEET

Urban Land Development Authority	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	14, 21, 24	5,081	3,910	13
Receivables	21	302	240	410
Other financial assets		..	..	..
Inventories	15	37,917	132,018	144,180
Other	16, 22	89	4,907	4,900
Non-financial assets held for sale		..	..	..
Total current assets		43,389	141,075	149,503
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	17	437	3,547	6,836
Investment property	17	..	218,421	218,421
Deferred tax assets		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		437	221,968	225,257
TOTAL ASSETS		43,826	363,043	374,760
CURRENT LIABILITIES				
Payables	18, 23	703	1,925	3,442
Employee benefits obligations		310	255	598
Interest-bearing liabilities and derivatives	19, 25	34,065	8,748	21,971
Current tax liabilities	12	1,500	664	1,301
Provisions	20	3,555	9,096	9,143
Other		..	..	..
Total current liabilities		40,133	20,688	36,455
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		40	35	150
Interest-bearing liabilities and derivatives	19, 25	..	32,000	34,605
Deferred tax liabilities		..	..	..
Provisions	20	..	9,027	1,853
Other	26	..	2,633	..
Total non-current liabilities		40	43,695	36,608
TOTAL LIABILITIES		40,173	64,383	73,063
NET ASSETS/(LIABILITIES)		3,653	298,660	301,697
EQUITY				
Capital/contributed equity	13	(59)	296,000	296,000
Retained surplus/(Accumulated deficit)		3,712	2,660	5,697
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		3,653	298,660	301,697

CASH FLOW STATEMENT

Urban Land Development Authority	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	1, 7	31,429	17,650	69,989
Grants and other contributions	2, 8	10,100	8,190	4,477
Interest received		75	103	113
Other		..	50	1
Outflows:				
Employee costs	4, 9	(3,986)	(4,968)	(6,227)
Supplies and services	28	(29,263)	(27,493)	(83,401)
Tax equivalents paid		..	..	..
Borrowing costs	27	3,555	(639)	1,505
Other		(71)	2,397	(2,702)
Net cash provided by/(used in) operating activities		11,839	(4,710)	(16,245)
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	29	(426)	(982)	(3,480)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(426)	(982)	(3,480)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	27	23,860	12,830	70,774
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	27	(30,947)	(5,284)	(54,946)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(7,087)	7,546	15,828
Net increase/(decrease) in cash held		4,326	1,854	(3,897)
Cash at the beginning of financial year		755	2,056	3,910
Cash transfers from restructure		..	..	..
Cash at the end of financial year		5,081	3,910	13

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. User charges are less than original Budget due to delays in development of land project thereby reducing sales.
2. Deferral of \$2.5 million grant from 2009-10 to 2010-11 has resulted in \$7.6 million operational grant for 2009-10. This is offset by \$0.59 million from the Australian Government for community related capital projects not originally budgeted.
3. Other revenue includes recoupment of funds from the Annual Leave Central Scheme for staff transferring to the ULDA.
4. Higher employee expenses were incurred due to appointment of additional permanent staff not originally budgeted. This resulted from additional planning and development projects that the ULDA undertook during 2009-10.
5. Delays in development have resulted in reduced supplies and services, in particular cost of goods sold for land sold.
6. In 2009-10 the ULDA is captured in the National Tax Equivalents Regime (NTER). Tax expense is less than originally forecast due to the surplus being less than forecast.

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

7. Land sales originally forecast for 2009-10 are now expected to occur in 2010-11 in the Fitzgibbon Urban Development Area (UDA). In addition, more land is expected to become available earlier than forecast, resulting in an increase in land development. A total of \$0.37 million in user charges for rent received from Northshore properties is also expected in 2010-11.
8. Operational grant are ceasing in 2009-10. A total of \$1.4 million will be received in 2010-11 from the Australian Government for community capital projects in the Fitzgibbon UDA.
9. It is anticipated that additional staff will be required in 2010-11 to manage additional UDAs.
10. An increase in sales activity will result in higher cost of goods sold \$56.2 million and more UDAs will result in higher operational costs, in particular consultants and contractors \$4 million.
11. Depreciation on fixed assets will increase in 2010-11 due to the completion of the Sales and Information Centre in January 2010 as well as depreciating leasehold improvements and assets from Port of Brisbane Corporation (POBC).

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

12. Increased profit in 2010-11 will result in higher tax expense. In January 2010, the ULDA received approval to retain NTER funds and utilise it for affordable housing options for the community. NTER provision from 2009-10 is included as a grant to the ULDA in 2010-11.

Statement of changes in equity

13. On 9 April 2010, the Government transferred assets valued at \$296 million to the ULDA from the POBC. The ULDA will manage these assets located in the Northshore Hamilton UDA returning funds to the Consolidated fund as the land is developed and sold to the community.

Balance sheet

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

14. Reduced cash at bank at 30 June 2010 due to lower sales of land in the Fitzgibbon UDA than anticipated.
15. Inventories include development of land in the Fitzgibbon Urban Development Area (UDA) and in the Northshore Hamilton UDA from POBC.
16. Other current assets have increased due to \$4.9 million transferred from POBC for sale of land.
17. Property, plant and equipment valued at \$3 million and Investment Properties valued at \$218 million transferred to the ULDA from POBC in April 2010.
18. Payables reflect amounts owing to creditors, which is higher than the original budget due to increased contractors and consultants involved in the new UDAs.
19. Loan facility from Queensland Treasury Corporation (QTC) is \$53.2 million for Fitzgibbon land. Development costs funded during 2009-10 are apportioned between current and non-current liabilities. This also includes \$3.5 million to fund operational costs of the ULDA until sales of developed land are received from land development projects.
20. Provisions include \$14.3 million for deferred payment of land due in June 2011 and June 2012 as well as provisions for \$3 million competitive neutrality fee and \$2.6 million for infrastructure charges to be utilised in 2010-11.

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

21. Budgeted cash on hand at the end of 2011 is considerably lower than 2010 as a result of reduced grant funding and repayment of debt facility as land sales occur.
22. Other current assets include a contract on land transferred from POBC which is due for settlement once agreed capital projects have occurred in the Northshore Hamilton UDA.
23. Payables include higher amounts owing to contractors for land development projects as well as GST payable to the ATO from sale of land.

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

24. Budgeted cash on hand is reduced due to higher costs associated with land development projects and higher employee expenses.
25. Land development projects are debt funded which peaks during 2010-11 with projects underway in regional and South East Queensland UDAs.
26. Other non-current liabilities reduce as the competitive neutrality fee is utilised for affordable housing options.

Cash flow statement

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

27. Borrowings and repayments have reduced as the funds required for the development projects are less than estimated due to delayed works on the project and repayments commencing as land sales are received.

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

28. Higher development and contractor costs will occur in 2010-11 with the declaration of additional UDAs are approved.

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

29. The community centre will be completed in 2010-11 in the Fitzgibbon UDA.