

PART 16

Minister for Tourism, Regional Development and Industry

Summary of Portfolio Budgets

Page	Agency	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
3-167	Department of Tourism, Regional Development and Industry - controlled	231,992	205,463	225,457
	Department of Tourism, Regional Development and Industry - administered	38,131	38,744	49,276
3-186	Tourism Queensland	66,459	66,120	63,498

Notes:

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

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Department of Tourism, Regional Development and Industry

Departmental Overview

Strategic Issues

The Department of Tourism, Regional Development and Industry (DTRDI) is the Government's key economic development agency and has a lead role to play in maintaining Queensland's strong economic performance and accelerating further growth opportunities in business, industry and in the high growth regions of Queensland.

In late 2007 two new industries were added to the portfolio - tourism and wine. Tourism is the State's fourth largest export industry (\$3.2 billion in 2006-07) and a fundamental contributor to the Queensland economy. In 2006-07 expenditure by overseas, interstate and local tourists in Queensland was \$12 billion, an increase of \$1 billion on the previous year.

Through a range of services, the department facilitates growth of existing businesses and targeted industries, building on regional strengths, and supporting innovative projects that can deliver industry-wide impacts and economic growth across all regions of the State.

For the eleventh year in a row, economic growth in Queensland has outperformed the rest of the Nation - 5.7 per cent in 2006-07, compared to 2.6 per cent for the rest of Australia. This growth has delivered a generational low unemployment rate (4%) and strong employment growth (4.6%) in 2006-07.

Strong economic growth in Queensland continued to be fuelled by global demand for commodities and booming infrastructure investment. Queensland's commodity exports rapidly increased in value as a result of the global boom of recent years.

The coming year will see a more challenging environment. The uncertain global economy and its effects on our major trading partners (Japan, Korea, European Union, China and India) will impact on Queensland; as will national economic conditions, such as higher interest rates, rising inflation levels, tight labour markets, the high Australian dollar and ongoing global risks such as terrorism and climate change.

Maintaining and increasing productivity is a central challenge for the State's economy and this can be achieved not only through improved infrastructure and skills, but also through innovation in every aspect of business. The Department seeks to harness the knowledge capabilities created by the Smart State agenda to help business and industry find new ideas and technology to improve their performance. The Department seeks to leverage growth opportunities in priority sectors, at both a State and a regional level by working closely with business and industry, with other agencies and levels of government. The aim is to target efforts where the Department can have the greatest positive impact on growth, for business, industry and regions.

2008-09 Highlights

The Department's 2008-09 Highlights will include:

Building on Economic Success

- Implement sector action plans for Tourism, Wine, Advanced Manufacturing, Biotechnology, Therapeutic Medicines and Devices, Processed Foods, Aviation, Creative Industries, Alternative Fuels, Information and Communication Technology, Environmental and Mining Technologies and Services and Marine Industries.
- Implement, in partnership with Tourism Queensland and industry, actions under the Queensland Tourism Strategy to progress the ongoing development of a strong and sustainable tourism industry in Queensland.
- Release the State-wide review of the tourism network which aims to shape the strategic and long-term future of the tourism industry.
- Prepare and release a five year Skilled and Business Migration Strategy.
- Target contestable investment opportunities through Invest Queensland. The Queensland Investment Incentives Scheme will be used to seek targeted strategic investment in regional areas.
- Sustain the State-wide roll-out of the 'Create It Make It Live It' manufacturing careers campaign to attract quality new entrants to the industry.
- Increase engagement of Queensland manufacturers with technology diffusion and product and process programs that support innovation.
- Complete five Business and Industry Transformation Incentives funding rounds.
- Fund the Queensland Brain Institute \$25 million over 5 years to attract internationally regarded scientists.
- Facilitate a commercially viable scale-up manufacturing Infrastructure (BioPharmaceuticals Australia (Network) Pty Ltd) for pharmaceuticals.
- Deliver Biotechnology initiatives by continuing to support the Biotech Commercialisation pipeline including assisting pharmaceutical and medical device firms and hosting an investment forum for Biotechnology CEOs and Directors to assist in attracting investment into the State's emerging firms.
- Launch of the New ICT Strategy 2009-2010. Themes will include skills, green ICT and ICT as an "enabling technology" across industry sectors.
- Launch next Smart State Innovation Funds rounds.
- Develop a Tropical Science Strategy and a QTropics Action Agenda.
- Provide access to design expertise through The Design Integration Program to the manufacturing and business community.

Embracing Growth in Cities and Regions

- Through the Centres of Enterprise initiative, attract new investment, expand business and build strength in regional economies, in collaboration with industry and local stakeholders.
- Deliver Regional R&D Forums within the Centres of Enterprise.
- Develop and publish detailed profiles for five of Queensland's high growth regions to promote migration and investment.
- Continue to expand the Queensland Capital Raising Pipeline into Regional Queensland particularly through the Mentoring for Growth investment readiness program.

- Facilitate planning of the Smart Therapies Institute and the Smart State Medical Research Institute.
- Commence construction of the Health and Food Sciences Precincts.
- Undertake the delivery of the Tech Clinic Program to bring together industry and R&D providers to enhance innovation and product development to regional Queensland.

Managing Climate Change and Protecting the Environment

- Influence policy strategies to foster a lower-carbon economy and promote climate change related innovation in industries, regions and businesses.
- Inform business and industry of strategies to prosper in a lower-carbon economy.
- Prepare Queensland's business, industry and regions to capture opportunities and address the risks arising from climate change.

2007-08 Achievements

The Department's achievements in 2007-08 include:

Building on Economic Success

- Released the Smart Industry Policy which articulates a targeted and collaborative approach to driving productivity through innovation across our industries, regions, services and issues. The Policy is supported by 15 sector action plans and a Decision-Making Framework: A guide to identifying future priority sectors and determining Government support.
- Reformed the Department's financial incentive schemes following internal and external reviews. Twenty-two schemes have been condensed into five. The five core schemes offer fewer, larger incentives targeted at more significant, collaborative projects in priority industry sectors and Centres of Enterprise. The five core schemes are:
 - Business and Industry Transformation Incentives;
 - Significant Regional Projects Fund;
 - Industry and Sectoral Projects Fund, including a Trade Show Incentives program;
 - Queensland Investment Incentives Scheme; and
 - Innovation Program.
- Launched the Minor Tourism Infrastructure Grants Program providing up to \$0.03 million towards minor tourism infrastructure projects for North-West Queensland with a focus on upgrading or developing non-urban roadside facilities/amenities.
- Continued implementation of the Queensland Tourism Strategy - A 10 year vision for sustainable tourism.
- Launched a revised Wine and Food Map of Queensland to provide visitors and tourists with comprehensive information about the State's complementary food and wine businesses; and led passage of the *Wine Industry Amendment Bill 2007* to amend the *Wine Industry Act 1994* to support innovation and growth in the industry and avoid unnecessary regulation.
- Delivered interstate and international skills attraction and migration services, through Migration and Skills Recruitment Queensland to help address skills shortages within Queensland.
- Continued implementation of Invest Queensland's investment attraction strategy, securing new investment in key sectors including the attraction of:
 - Global venture capital fund managers, Castle Harlan to set up an office in Brisbane;
 - Aerospace composite production Infrastructure with Daher/Australian Aerospace; and
 - National Mine Machine Assembly and Logistics Centre for Komatsu.

- Facilitated Smart State alliances with Dow Chemicals and Syngenta which will lead to new investment in the industrial biotechnology sector.
- Formed Marine Industries Reference Group chaired by the Minister to prioritise actions outlined in the Marine Industries Action Plan and provide industry advice to the Minister.
- Engaged over 1200 manufacturing firms with technology diffusion programs delivered through the Department's partnership with QMI Solutions.
- The Local Industry Policy has supported Queensland firms win over \$100 million worth of contestable contracts as suppliers on major projects
- Achieved \$78 million in outcomes for Queensland designers, musicians, photographers, writers, architects from \$4.4 million invested in Creative Industries since 2004-05.
- The Smart ICT Taking it to the World industry development strategy has been assisting the sector develop since December 2004. In that time employment in the industry has grown 24% (compared to Queensland average of 9%), and sales have increased 12%.
- Continue the contribution to the ICT industries drive towards excellence in ICT R&D including: Australian e-Research Centre; National ICT Australia Queensland Research Laboratory; and Queensland Cyber Infrastructure Foundation.
- Hosted the highly successful AusBiotech National Conference in October 2007.
- Led targeted industry delegations to the US and Canada in March 2008 and NZ Bio in April 2008 that identified partnering opportunities for Queensland biotechnology firms and researchers.

Embracing Growth in Cities and Regions

- Developed 11 Centres of Enterprise regional action plans in six regions that address issues such as skills and training, investment attraction, innovation and technology diffusion, and infrastructure needs, in partnership with industry.
- Secured new regional investments including the relocation and consolidation of Transpacific manufacturing operations to Bundaberg providing \$2.7 million of new investment and 270 new and retained jobs for the region.
- Expanded the Queensland Capital Raising Pipeline into Regional Queensland and implemented new investment readiness programs in Townsville, Bundaberg and Gympie.
- Sold sawmilling assets under the Western Hardwoods Plan and delivered continued operation of mills at Dingo, Maryborough, Monto and Mundubbera.
- Completed design for the \$290 million Ecosciences and the Health and Food Sciences Precincts.
- The Smart State Innovation Funds and the Smart State Research Facilities Fund distributed \$76 million to funding recipients in 2007-08 including the following projects; James Cook University for the Australian Tropical Science and Innovation Precincts, development of OZ-ECP Brakes at the Central Queensland University and Bridging the Gap at the University of Southern Queensland. An additional 45 recipients were approved in 2007-08, with funding to be distributed over the next six years.
- Provided continued commercialisation support through i.lab, teQstart and Australian Institute of Commercialisation.

Departmental Outputs

The department's achievements broaden and strengthen Queensland's economic base and drive the implementation of the Smart State Agenda. The department's activities focus on one output for 2008-09. The name of the output has been changed to better reflect the department's role, particularly the increased focus on regional development.

Industry and Regional Development

- Supporting and empowering regional communities to identify and realise sustainable development opportunities;
- Developing Queensland's industries through the promotion of traditional and emerging growth industries, sectoral strategies and targeted industry support programs;
- Improving the business environment, enhancing business efficiency and assisting business start-up, survival and growth;
- Attracting major domestic and international firms to Queensland through providing information and intelligence on emerging markets and opportunities and promoting the competitive advantage that Queensland offers;
- Facilitating sustainable economic development through the provision of leadership and coordination in economic development policy and strategic planning matters; and
- Promoting knowledge creativity and innovation to generate opportunities and investment in both traditional industries and those within science and technology sectors.

The output Industry and Regional Development is linked to the government outcomes of:

- A strong diversified economy;
- A community of well-skilled and knowledgeable people; and
- A clean, liveable and healthy environment.

Staffing¹

Output	Notes	2007-08 Adjusted Budget	2007-08 Est. Actual	2008-09 Estimate
Output				
Industry and Regional Development	2	741	741	749
Total		741	741	749

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are included in the output.

Administered Items

Description

Tourism Queensland

The department will provide a grant of \$47.3 million to Tourism Queensland. For information on this administered item, please refer to the separate section for Tourism Queensland.

Smart State Research Facilities Fund

The Queensland Government approved \$170 million for the Smart State Research Facilities Fund (SSRFF). The SSRFF facilitated the establishment of world-class science and technology infrastructure in Queensland to enable specialised research and to foster partnerships between industry, the research sector, and government. Agreements to fund SSRFF projects provide a return to the State over the term of the funding agreement (usually 30 years).

Review of Output Performance

Recent achievements and emerging issues

Four SSRFF funding rounds have been concluded since 2001-2002, resulting in commitments to 26 projects totalling \$170 million, with a total project value in excess of \$587 million. Projects to be funded in 2008-09 include:

- The Australian Institute of Marine Science's Centre for Marine Microbiology and Genetics Research;
- The Mater Medical Research Institute (MMRI);
- Griffith University for Queensland Microtechnology Infrastructure (QMF);
- University of Queensland for Centre for Advanced Animal Science (CAAS);
- James Cook University (Townsville) for Australian Tropical Science and Innovation Precincts;
- Queensland University of Technology for Australian Research Centre for Aerospace Automation; and
- The University of Queensland for Centre for Clinical Research.

In 2005, the Queensland Government made a further commitment of funds via the Smart State Innovation Building Fund that expands upon the success of the SSRFF. Activities of the Innovation Building Fund are not treated as Administered Items.

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

Departmental Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Industry and Regional Development				
Number of clients, businesses and economic development organisations assisted through industry development assistance	2,3	5,318	5,001	3,911
Estimated value of capital investment generated as a result of targeted investment development activities in strategic sectors and regions	2,4	\$1.0 billion	\$1.0 billion	\$700 million
Estimated value of new business secured, including exports, and imports replaced as a result of DTRDI activities in strategic sectors and local content policy	2,5	\$341.8 million	\$196.3 million	\$157 million
Estimated value of expenditure on R&D resulting from DTRDI activities (in private and public sectors)	1	New Measure	New Measure	\$144.6 million
% of assisted firms reporting improved internal performance due to targeted technology diffusion activities	1	New Measure	New Measure	80%
% of completed business and industry transformation incentives applications assessed within the specified evaluation period	1	New Measure	New Measure	100%
Number of regional clients and businesses (and % of total) assisted through:				
• information and skills development programs	1	.. (75%)	.. (71%)	654 (68%)
• business and industry transformation incentives	1	New Measure	New Measure	7 (50%)
• innovation program funding	1	New Measure	New Measure	12 (27%)
Number of significant regional projects facilitated	1	New Measure	New Measure	6
State contribution (\$000)		219,238	193,413	217,011
Other revenue (\$000)		13,402	13,484	10,403
Total cost (\$000)		231,441	205,318	225,457

Notes:

1. A new measure developed as a result of a review of performance measures to better reflect the Department's service delivery model.
2. The wording of this measure was altered following a review of performance measures to better reflect the Department's service delivery model.
3. The decrease between the 2007-08 estimated actual and the 2008-09 estimated target reflects a shift in focus, from providing individual assistance to developing strategic industry sectors.
4. The decrease between the 2007-08 estimated actual and the 2008-09 estimated target is primarily due to the cessation of the Queensland Industry Development Scheme that was a significant contributor to this measure.
5. The decrease between the 2007-08 target and the 2007-08 estimated actual is primarily due to the cessation of the Queensland Industry Development Scheme in September of 2007 that was a significant contributor to this measure. The 2008-09 target also reflects this situation.

Discontinued Performance Measures

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Industry and Regional Development				
Number of business licences processed	6,9	18,000	16,000	Discontinued
Number of clients, businesses and economic development organisations assisted through Business and Market Development Services and Innovation support:				
• Significant business consultations	6,10	14,184	12,677	Discontinued
• Access to business opportunities	6,11	160	26	Discontinued
• Innovation products and services	6	990	1,075	Discontinued
Number of information transactions and packages distributed	6,12	535,580	711,229	Discontinued
Number of information/skills development programs conducted	6	958	1,030	Discontinued
Number of participants on information/skills development programs [#]	6	24,950	29,173	Discontinued
Number of targeted analyses, market assessments and industry guides developed for priority sectors and regions	6,7	146	112	Discontinued
Number of regulatory reform projects and services	8	23	80	Discontinued
Number of companies attracted to invest or reinvest in Queensland strategic sectors	6,7	32	31	Discontinued
Number of investment leads generated and/or followed up	8	362	212	Discontinued
Number of targeted investment information briefs and submissions developed	8	110	110	Discontinued
Number of Foreign Investment Review Board advices	8	89	77	Discontinued
Estimated number of jobs created and/or retained or vacancies filled through DTRDI activities in regions and strategic sectors	6,7,13	6,058	4,965	Discontinued
Savings to business generated through DTRDI activities in relation to Smart Licences and GOBIS	6,7,14	\$30.2 million	\$33.8 million	Discontinued
% of Queensland based institutions applying the Code of Ethical Practice for Biotechnology	8	95%	95%	Discontinued
% of client satisfied or more than satisfied with DTRDI's information provision and skill development workshops	6,7	95%	95%	Discontinued

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Average time to respond to and resolve complaints under the Code of Ethical Practice for Biotechnology	8	8 Weeks	8 Weeks	Discontinued
% of Business and Market Development Services and Innovation clients assisted who are located in regional Queensland	8	47%	49%	Discontinued

The 2007-08 Estimated Actual includes over 10,000 online workshops and an increase in interactions with strategic clients in priority industry sectors.

Notes:

6. These performance measures will continue to be collected; however, they will not be published in the Service Delivery Statement in future years.
7. The wording of this measure was altered following a review of performance measures to better reflect the Department's service delivery model.
8. This measure will be discontinued in 2008-09.
9. The decrease between the 2007-08 estimated actual and the 2008-09 estimated target is primarily due to an expected decrease in processing resulting from the introduction of online business name renewals.
10. The decrease between the 2007-08 target, the 2007-08 estimated actual and the 2008-09 estimated target reflects the shift in the service delivery model being adopted by regional centres involving a focus on targeted delivery and significant regional projects.
11. The decrease between the 2007-08 target and the 2007-08 estimated actual has arisen due to a change in measurement. The 2007-08 target was based on the total number of participants, whilst the estimated actual and the 2008-09 target reflects the number of firms assisted.
12. The increase between the 2007-08 target and the 2007-08 estimated actual is primarily due to increased interest in new online tools and Centres of Enterprise information provided. The decrease between the 2007-08 estimated actual and the 2008-09 target reflects a change in measurement where internet download contributions will not be included in the target.
13. The decrease between the 2007-08 target, the 2007-08 estimated actual and the 2008-09 estimated target is primarily due to the cessation of the Queensland Industry Development Scheme that was a significant contributor to this measure.
14. The 2007-08 target differs from that reported in the 2007-08 MPS (\$45.2 million) due to Retail Shop Leases (\$9 million) transferring to the Department of Justice and Attorney-General and Queensland Office of Regulatory Efficiency (\$6 million) transferring to Queensland Treasury under Machinery-of-Government changes.

Income Statement

Department of Tourism, Regional Development and Industry	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
Output revenue	1,15	219,789	193,558	217,011
User charges		4,320	4,345	4,264
Grants and other contributions	9,16	9,082	9,139	6,139
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		233,191	207,042	227,414
Expenses				
Employee expenses		65,681	67,971	69,541
Supplies and services	2,10,17	49,893	36,554	42,662
Grants and subsidies	3,18	91,252	76,313	94,270
Depreciation and amortisation	4,11	2,099	8,113	7,696
Finance/borrowing costs		8,514	8,514	8,369
Other expenses		150	150	139
Losses on sale/revaluation of property, plant and equipment and investments	5,12,19	14,403	7,848	2,780
Total expenses		231,992	205,463	225,457
OPERATING SURPLUS/(DEFICIT)		1,199	1,579	1,957

Statement of Changes in Equity

Department of Tourism, Regional Development and Industry	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	6,20	..	16,236	..
Increase/(decrease) in asset revaluation reserve	7,13	..	38,500	38,500
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	38,500	38,500
Surplus/(deficit) for the period		1,199	1,579	1,957
Total recognised income and expense for the period		1,199	1,579	1,957
Equity injection/(withdrawal)	8,14,21	78,500	20,311	162,104
Equity adjustments (MoG transfers)		1,199	1,191	..
Total movement in equity for period		80,898	77,817	202,561

Balance Sheet

Department of Tourism, Regional Development and Industry	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	22,31	20,291	32,894	33,130
Receivables		6,575	7,020	6,590
Other financial assets		..	..	..
Inventories		..	..	..
Other		173	680	680
Non-financial assets held for sale	23,32	..	1,500	1,500
Total current assets		27,039	42,094	41,900
NON-CURRENT ASSETS				
Receivables	24,33,40	38,819	16,972	46,614
Other financial assets		..	..	..
Property, plant and equipment	25,34,41	195,519	239,581	404,380
Intangibles		10	10	10
Other		15,603	15,043	14,441
Total non-current assets		249,951	271,606	465,445
TOTAL ASSETS		276,990	313,700	507,345
CURRENT LIABILITIES				
Payables	26,35	789	14,461	14,031
Employee benefit obligations	27,36	4,169	6,445	6,445
Interest-bearing liabilities and derivatives		8,628	8,629	9,144
Provisions		..	..	..
Other		1,306	835	835
Total current liabilities		14,892	30,370	30,455
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations	28,37	1,364	205	205
Interest-bearing liabilities and derivatives		137,941	135,301	126,300
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		139,305	135,506	126,505
TOTAL LIABILITIES		154,197	165,876	156,960
NET ASSETS/(LIABILITIES)		122,793	147,824	350,385
EQUITY				
Capital/contributed equity	29,38,42	225,218	165,748	327,852
Retained surplus/(accumulated deficit)		(102,425)	(110,658)	(108,701)
Reserves:				
- Asset revaluation reserve	30,39	..	92,734	131,234
- Other (specify)		..	..	..
TOTAL EQUITY		122,793	147,824	350,385

Cash Flow Statement

Department of Tourism, Regional Development and Industry	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	43,54	219,789	199,764	217,011
User charges		4,320	3,283	4,264
Grants and other contributions	50,55	9,082	8,938	6,139
Other		..	..	..
Outflows:				
Employee costs		(65,427)	(68,150)	(69,541)
Supplies and services	44,56	(44,892)	(34,151)	(42,060)
Grants and subsidies	45,57	(91,252)	(80,620)	(94,270)
Borrowing costs		(8,514)	(8,514)	(8,369)
Other		(150)	(355)	(139)
Net cash provided by/(used in) operating activities		22,956	20,195	13,035
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	46,51,58	(52,361)	(13,064)	(136,775)
Payments for investments		..	..	..
Loans and advances made	47,59	(29,763)	(9,214)	(29,500)
Net cash provided by/(used in) investing activities		(82,124)	(22,278)	(166,275)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	48,52,60	80,053	27,878	169,310
Outflows:				
Borrowing redemptions		(8,141)	(10,757)	(8,628)
Finance lease payments		..	..	..
Equity withdrawals	49,53	(1,553)	(7,567)	(7,206)
Net cash provided by/(used in) financing activities		70,359	9,554	153,476
Net increase/(decrease) in cash held		11,191	7,471	236
Cash at the beginning of financial year		7,549	23,872	32,894
Cash transfers from restructure		1,551	1,551	..
Cash at the end of financial year		20,291	32,894	33,130

Income Statement

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		5	5	..
Royalties, property income and other territorial Revenue		..	..	..
Interest		23	..	..
Administered revenue	1,3	38,131	38,744	49,276
Other		..	..	..
Total revenues		38,159	38,749	49,276
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation				
Grants and subsidies	2,4	38,131	38,744	49,276
Benefit payments				
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		38,131	38,744	49,276
Net surplus or deficit before transfers to Government		28	5	..
Transfers of administered revenue to Government		463	5	..
OPERATING SURPLUS/(DEFICIT)		(435)	..	..

Balance Sheet

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	5,9	2,447	9,049	9,049
Receivables	6,10	13,723	1,535	1,970
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		16,170	10,584	11,019
NON-CURRENT ASSETS				
Receivables	7,11	183,780	174,866	187,901
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		183,780	174,866	187,901
TOTAL ADMINISTERED ASSETS		199,950	185,450	198,920
CURRENT LIABILITIES				
Payables		2,500	5,100	5,100
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		2,500	5,100	5,100
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		2,500	5,100	5,100
ADMINISTERED NET ASSETS/(LIABILITIES)		197,450	180,350	193,820
EQUITY				
Capital/Contributed equity	8,12	210,493	193,623	207,093
Retained surplus/(Accumulated deficit)		(13,043)	(13,273)	(13,273)
Reserves:		..	..	..
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		197,450	180,350	193,820

Cash Flow Statement

CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE-OF-GOVERNMENT	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	13,16	38,131	50,816	49,276
Grants and other contributions		..	..	..
Taxes, fees and fines		5	5	..
Royalties, property income and other territorial revenues		..	..	..
Other		458	..	..
Outflows:				
Transfers to Government		(463)	(5)	..
Grants and subsidies	17,20	(38,131)	(38,744)	(49,276)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	12,072	..
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	14,18,21	..	..	..
Loans and advances made		(61,009)	(52,689)	(13,470)
Net cash provided by/(used in) investing activities		(61,009)	(52,689)	(13,470)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	15,19,22	..	..	..
Equity injections		61,009	47,689	13,470
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		61,009	47,689	13,470
Net increase/(decrease) in cash held		..	7,072	..
Administered cash at beginning of financial year		14,519	14,049	9,049
Cash transfers from restructure		(12,072)	(12,072)	..
Administered cash at end of financial year		2,447	9,049	9,049

Explanation of Variances in the Financial Statements

Income Statement

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

1. The variance primarily reflects the deferral of funding from 2007-08 into 2008-09 and outyears as a result of timing of projects and payment milestones under the Western Hardwoods Plan, Alternative Fuels and BioPharmaceuticals Australia (Network) Pty Ltd offset in part by increased funds for the Institute of Glycomics and depreciation of the State Common User Infrastructure at Port of Central Queensland.
2. The decrease in Supplies and services is a result of the deferral of funding from 2007-08 into the outyears due to a shift in timeframes in progressing industry development projects and the Western Hardwoods Plan.
3. Variance for Grants and subsidies is due to later than expected milestone payments particularly for BioPharmaceuticals Australia (Network) Pty Ltd and business adjustment payments associated with construction of the Traveston Crossing Dam.
4. The increase reflects additional expenditure associated with the commencement of depreciation of the State Common User Infrastructure at Port of Central Queensland.
5. The decrease in the Loss on sale is due to the shift in the timing of acquisition and sale of mills under the Western Hardwoods Plan, and the consequent recognition of the loss on the sale.
6. Reflects 2005-06 adjustment in value associated with the State Common User Infrastructure assets held at Port of Central Queensland.
7. Reflects anticipated increase in value of the State Common User Infrastructure assets held at Port of Central Queensland.
8. Variance reflects reduced Equity injection associated with the deferral of funds for the Ecosciences and Health and Food Sciences Precincts due to delays with the start of the construction offset by a return of funds for depreciation of the State Common User Infrastructure at Port of Central Queensland.

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

9. The variation reflects reduced grants primarily from the Estates Construction Fund due to the completion of some industry development projects.
10. The decrease in Supplies and services is a result of the deferral of funding from 2007-08 into the outyears particularly for the Western Hardwoods Plan and due to the completion of some industry development projects.
11. The increase is associated with the commencement of depreciation of the State Common User Infrastructure at Port of Central Queensland.
12. Reflects the anticipated Loss on sale of timber mills in conjunction with the Western Hardwoods Plan.
13. Reflects anticipated increase in value of the State Common User Infrastructure assets held at Port of Central Queensland.
14. Variance reflects Equity injection associated with the commencement of the construction of the Ecosciences and Health and Food Sciences Precincts and the meeting of milestones associated with the Innovation Building Fund offset by a return of funds for depreciation of the State Common User Infrastructure at Port of Central Queensland.

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

15. The variance primarily reflects additional funding for the Western Hardwoods Plan in 2007-08 and operational funds for the Brain Institute together with the deferral of funds from 2007-08 into 2008-09 due to a shift in timeframes in milestone payments under grant schemes.
16. The variation reflects reduced grants primarily from the Estates Construction Fund due to the completion of some industry development projects.
17. The increase in Supplies and services is due the deferral of funding from 2007-08 to 2008-09 to progress industry development projects and funding required for the Western Hardwoods Plan in 2008-09.
18. Variances for Grants and subsidies reflects funding required to meet milestone payments including increased payments for the Innovation Funds and business adjustment payments associated with the construction of the Traveston Crossing Dam.
19. Reflects the anticipated Loss on sale of timber mills in conjunction with the Western Hardwoods Plan.
20. The decrease reflects the one-off 2005-06 prior year adjustment in value associated with the State Common User Infrastructure assets held at Port of Central Queensland.
21. Variance reflects Equity injection associated with the commencement of construction of the Ecosciences and Health and Food Sciences Precincts and the meeting of milestones associated with the Innovation Building Fund.

Balance Sheet

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

22. The movement in Cash represents funding required to meet the increase in Payables being trade and grants creditors, salaries payable and Employee benefit obligations.
23. Variation reflects timber mills held for sale associated with the Western Hardwood Plan.
24. The decrease in Receivables represents a shift in milestones from 2007-08 to 2008-09 for anticipated loans provided under the Innovation Building Fund.
25. The movement in Property, plant and equipment is primarily attributed to the revaluation of the State Common User Infrastructure at Port of Central Queensland.
26. The increase in Payables reflects trade and grants creditors that are anticipated at year end.
27. The increase in Employee benefits obligations is due to salaries payable at year end and a shift from Non-Current Employee benefit obligations to reflect the timing of annual leave taken.
28. The variation reflects a shift to Current Employee benefit obligations to reflect the timing of annual leave taken.
29. The variance reflects reduced equity associated with deferral of funds for the Ecosciences and Health and Food Sciences Precincts due to delays with the commencement of the construction.
30. The increase in Asset revaluation reserve reflects asset revaluations associated with the State Common User Infrastructure at Port of Central Queensland.

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

31. The movement in Cash represents funding required to meet the increase in Payables being trade and grant creditors, salaries and Employee benefit obligations.

32. Variation reflects timber mills held for sale associated with the Western Hardwood Plan.
33. The increase represents anticipated loans provided under the Innovation Building Fund as milestones are met during 2008-09.
34. The increase in Property, plant and equipment is attributed to the commencement of construction of the Ecosciences and Health and Food Sciences Precincts and the revaluation of the State Common User Infrastructure at Port of Central Queensland during 2008-09.
35. The increase in Payables reflects trade creditors for industry development projects and payment of milestones under grant schemes anticipated at year end.
36. The increase in Employee benefits obligations is due to salaries payable at year end and a shift from Non-Current Employee benefit obligations to reflect timing of annual leave to be taken.
37. The variation reflects a shift to Current Employee benefit obligations to reflect timing of annual leave to be taken.
38. The variance reflects additional equity injection associated with Ecosciences and Health and Food Sciences Precincts and the Innovation Building Fund.
39. The increase in Asset revaluation reserve reflects asset revaluation of the State Common User Infrastructure at Port of Central Queensland.

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

40. The increase represents anticipated loans provided under the Innovation Building Fund as milestones are met during 2008-09.
41. The increase in Property, plant and equipment is attributed to the commencement of construction of the Ecosciences and Health and Food Sciences Precincts during 2008-09.
42. Variance reflects additional Equity injection associated with Ecosciences and Health and Food Sciences Precincts and the Innovation Building Fund.

Cash Flow Statement

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

43. The variance primarily reflects the deferral of funding from 2007-08 into 2008-09 and outyears as a result of timing of projects and payment milestones under the Western Hardwood Plan, Alternative Fuels and BioPharmaceuticals Australia (Network) Pty Ltd offset in part by increased funds for the Institute of Glycomics and depreciation of the State Common User Infrastructure at Port of Central Queensland.
44. The decrease in Supplies and services is a result of the deferral of funding from 2007-08 into the outyears due to a shift in timeframes in progressing industry development projects and the Western Hardwoods Plan.
45. The variance for Grants and subsidies is due to later than expected milestone payments particularly for BioPharmaceuticals Australia (Network) Pty Ltd and business adjustment payments associated with construction of the Traveston Crossing Dam.
46. Reduction in Payments for property, plant and equipment is attributed to a deferral of funds to 2008-09 due to delays to the start of construction for the Ecosciences and Health and Food Sciences Precincts.
47. The decrease represents a shift in milestones from 2007-08 to 2008-09 for anticipated loans provided under the Innovation Building Fund.
48. Variance reflects a reduced Equity injection associated with the deferral of funds for the Ecosciences and Health and Food Sciences Precincts due to delays with the start of the construction.
49. The increase in Equity withdrawals is a return of funds for depreciation of the State Common User Infrastructure at Port of Central Queensland.

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

50. The variation reflects reduced grants primarily from the Estates Construction Fund due to the completion of some industry development projects.
51. The increase in Payments for property, plant and equipment is attributed to the commencement of construction of the Ecosciences and Health and Food Sciences Precincts during 2008-09.
52. Variance reflects Equity injection associated with the commencement of construction of the Ecosciences and Health and Food Sciences Precincts and the meeting of milestones associated with the Innovation Building Fund.
53. The increase in Equity withdrawals is a return of funds for depreciation of the State Common User Infrastructure at Port of Central Queensland.

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

54. The variance primarily reflects increased funding for the Western Hardwoods Plan and the Brain Institute and the deferral of funds from 2007-08 into 2008-09 due to a shift in timeframes for milestone payments under grant schemes.
55. The variation reflects reduced grants primarily from the Estates Construction Fund due to the completion of some industry development projects.
56. The increase in Supplies and services is due to the deferral of funding from 2007-08 to 2008-09 to progress industry development projects and funding required for the Western Hardwoods Plan in 2008-09.
57. Variances for Grants and subsidies reflects funding required to meet milestone payments including additional payments for the Innovation Funds and business adjustment payments associated with the construction of the Traveston Crossing Dam.
58. The increase in Payments for property, plant and equipment is attributed to the commencement of construction of the Ecosciences and Health and Food Sciences Precincts during 2008-09.
59. The increase reflects loans provided from the Innovation Building Fund in 2008-09 as project milestones are met.
60. Variance reflects Equity injection associated with commencement of construction of the Ecosciences and Health and Food Sciences Precincts and the meeting of milestones associated with the Innovation Building Fund.

Income Statement

Revenue and Expenses Administered on behalf of the Whole of Government

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

1. The increase reflects the full year impact of receiving Administered item revenue for Tourism Queensland following the Machinery-of-Government changes effective 1 October 2007.
2. The increase reflects the full year impact of forwarding grants to Tourism Queensland following the Machinery-of-Government changes effective 1 October 2007.

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

3. The increase reflects the full year impact of receiving Administered item revenue for Tourism Queensland following the Machinery-of-Government changes effective 1 October 2007.
4. The increase reflects the full year impact of forwarding grants to Tourism Queensland following the Machinery-of-Government changes effective 1 October 2007.

Balance Sheet

Assets and Liabilities Administered on behalf of the Whole of Government

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

5. The variance represents payments to Tourism Queensland following the Machinery-of-Government change effective 1 October 2007, offset by the payment of cash held for loans under the Smart State Research Facilities Fund now recognised as Receivables.
6. Receivables represents appropriation receivable for the Tourism Queensland quarterly grant payment as a result of the Machinery-of-Government change effective 1 October 2007.
7. The decrease represents a deferral of funds from 2007-08 to 2008-09 under the Smart State Research Facilities Fund.
8. The variance represents a deferral of funds under the Smart State Research Facilities Fund.

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

9. The variance represents payments to Tourism Queensland following the Machinery-of-Government change effective 1 October 2007.
10. Receivables represents appropriation receivable for the Tourism Queensland quarterly grant payment as a result of the Machinery-of-Government change effective 1 October 2007.

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

11. The increase represents anticipated loans provided under the Smart State Research Facilities Fund as project milestones are met during 2008-09.
12. The variance reflects equity contributions as project milestones are met associated with the Smart State Research Facilities Fund.

Cash Flow Statement

Cash Flows Administered on behalf of the Whole of Government

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

13. The increase reflects the full year impact of receiving Administered item revenue for payments to Tourism Queensland as a result of the Machinery-of-Government change effective 1 October 2007.
14. The decrease represents a deferral of funds from 2007-08 to 2008-09 under the Smart State Research Facilities Fund to reflect a reduction in Loans and Advances made.
15. The decrease represents a deferral of funds from 2007-08 to 2008-09 under the Smart State Research Facilities Fund to reflect a reduction in Loans and Advances made.

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

16. The increase reflects the full year impact of receiving Administered item revenue for payments to Tourism Queensland.
17. The increase reflects the full year impact of payment of grants to Tourism Queensland.
18. The reduction in the Loans and advances made reflects lower commitments under the Smart State Research Facilities Fund as the fund becomes fully committed.
19. The reduction in the Loans and advances made reflects lower commitments under the Smart State Research Facilities Fund as the fund becomes fully committed.

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

20. The increase reflects the full year impact of payment of grants to Tourism Queensland.
21. The reduction in the Loans and advances made reflects the commitments under the Smart State Research Facilities Fund as the fund becomes fully committed.
22. The reduction in the Loans and advances made reflects the commitments under the Smart State Research Facilities Fund as the fund becomes fully committed.

Tourism Queensland

Overview

Tourism Queensland maintains a network of international offices and works closely with Queensland's regional tourism organisations, government agencies, industry and the community to:

- Provide industry leadership to ensure the ongoing development of a strong and sustainable tourism industry in Queensland;
- Deliver effective tourism marketing to grow leisure visitation, length of stay and expenditure in all of the state's destinations particularly for the benefit of Queensland's economy and job creation; and
- Further develop tourism destinations by identifying new and enhanced tourism experiences and products.

Review of Performance

Recent Achievements

- Continued to implement actions under the Queensland Tourism Strategy with a focus on coordination and partnerships, investment, infrastructure and access, workforce development, natural environment and culture, research and development, and marketing a Queensland-style visitor experience.
- Promoted Queensland internationally through furthering trade relationships and aviation partnerships and public relations, media, digital and consumer marketing activities.
- Implemented the second year of the four-year, \$6.5 million *Where Else But Queensland* marketing campaign through television, print, digital and outdoor activities.
- Coordinated annual domestic marketing campaigns for Queensland's destinations.
- Continued to support the growth of Queensland's international and domestic aviation access and capacity by presenting business cases and market analysis to key airlines. Successes in 2007-08 include the introduction of AirAsia X, Etihad Airways and Tiger Airways services to Queensland.

Future Developments

- Develop a Queensland global brand strategy to establish Queensland's global brand platform and position Tourism Queensland as a brand leader.
- Continue to develop and promote Queensland destinations and experiences through domestic and international marketing activity and the continued implementation of the Queensland Tourism Strategy.
- Facilitate growth in aviation access to Queensland from priority markets by targeting key hub destination airlines and encouraging non-stop services from carriers in emerging markets.
- Respond to the findings of the Tourism Network Review.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Value of media and publicity generated by Tourism Queensland's activities in domestic and international markets		\$320 million	\$348 million	\$370 million
Number of cooperative advertising partners	1	710	784	Discontinued
Value of cooperative investment by tourism industry in marketing campaigns	2, 3	\$11.4 million	\$11 million	Discontinued
Value of cooperative investment in marketing campaigns		New measure	New measure	\$10.8 million
Number of Queensland Tourism Strategy initiatives implemented	4	42	51	54
Number of Destination Management Plan initiatives implemented	5	160	160	Discontinued
Number of unique visitors to Tourism Queensland's websites	6	5.75 million	5.85 million	6.10 million
Number of subscribers to email database from market activity	7	New measure	New measure	400,000
% of cooperative investment funding by industry for marketing campaigns	3	37%	35%	33%
% of consumer awareness of Queensland as a holiday destination	8	49%	46%	Discontinued
% of consumer preference for Queensland as a holiday destination	9	36%	31%	42%
State contribution (\$'000)		49,988	51,332	49,070
Other revenue(\$'000)		16,471	14,788	14,428
Total cost (\$'000)		66,459	66,120	63,498

Notes:

1. An increase in the number of smaller operators taking part in Tourism Queensland's co-operative campaigns has led to an increase in the number of co-operative partners in 2007-08. This measure is being discontinued due to the changing nature of advertising in the tourism industry and the changing structure of tourism operations. The measure "Value of cooperative investment in marketing campaigns" offers a more accurate measure of the attractiveness of Tourism Queensland's advertising campaigns.
2. This measure is being discontinued and replaced with a measure "Value of cooperative investment in marketing campaigns" that will include cooperative income from non tourism industry partners. This is the direct result of the changing advertising environment in the tourism industry.
3. The decline of investment in cooperative marketing campaigns can be attributed primarily to large accommodation groups negotiating attractive rates directly with the media rather than advertising through Tourism Queensland's cooperative program. In the longer-term, to assist in offsetting this loss Tourism Queensland is changing its cooperative strategy to actively targeting non tourism industries to become involved in marketing campaigns.
4. This measure includes initiatives implemented by the department's Tourism Strategy Unit.
5. This measure is being discontinued due to Tourism Queensland's changing role in the delivery of destination management plan initiatives. The regional tourism organisations are embracing a stronger leadership role, particularly with the roll-out of the destination management officers. Therefore, Tourism Queensland's role in the delivery/implementation of destination management plan initiatives is minimised, given the regional tourism organisations are now primarily responsible for implementation.

6. It is anticipated that website users will increase as a result of increased digital marketing activities; therefore the target for 2008-09 has increased.
7. As part of Tourism Queensland's ongoing marketing campaigns consumers are encouraged to visit the campaign's call to action which is either the campaign's website or the Queensland Holidays website. Most campaigns encourage visitors to subscribe to a database to receive ongoing information on their favourite Queensland holiday destinations. On-going communications provide excellent long-term value to Tourism Queensland.
8. Consumer awareness and preference figures are sourced from the Roy Morgan Holiday Tracking Survey. This measure is to be discontinued as it takes into account advertising that is not limited to Tourism Queensland as it also includes the wider tourism industry. In addition, consumer awareness does not necessarily indicate future intention to travel to Queensland it simply provides an insight into the reach of marketing campaigns.
9. This measure was previously based on data relating to preference of a trip for 3 or more nights stay. The significant increase in the target for 2008-09 can be attributed to the measure being amended to be based on preference for trips of 1 or more nights' stay, which takes into account the important short break market.

Income Statement

Tourism Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	1,3	11,471	9,547	10,569
Grants and other contributions	2	49,988	51,332	49,070
Other revenue		5,000	5,223	3,859
Gains on sale/revaluation of property, plant and equipment and investments		..	18	..
Total income		66,459	66,120	63,498
Expenses				
Employee expenses		13,612	13,495	14,359
Supplies and services	4,5	45,290	45,443	41,616
Grants and subsidies		5,985	5,988	5,985
Depreciation and amortisation		813	755	1,100
Finance/borrowing costs		..	..	..
Other expenses		740	439	438
Losses on sale/revaluation of property, plant and equipment and investments		19	..	..
Total expenses		66,459	66,120	63,498
OPERATING SURPLUS/(DEFICIT)		..	..	..

Statement of Changes in Equity

Tourism Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	43	..
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		..	43	..
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		..	43	..

Balance Sheet

Tourism Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	6,14	9,923	6,302	7,495
Receivables	7,15	10,826	7,231	7,279
Other financial assets	8,16	..	6,500	6,500
Inventories		..	..	..
Other		516	442	443
Non-financial assets held for sale		..	..	..
Total current assets		21,265	20,475	21,717
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		230	230	230
Property, plant and equipment		2,121	2,249	1,751
Intangibles		556	..	183
Other		..	..	..
Total non-current assets		2,907	2,479	2,164
TOTAL ASSETS		24,172	22,954	23,881
CURRENT LIABILITIES				
Payables	9,17	19,509	11,537	12,649
Employee benefits obligations		1,977	1,783	1,936
Interest-bearing liabilities and derivatives	10,18	307	6,500	6,500
Provisions		795	531	431
Other	11,19	1	948	948
Total current liabilities		22,589	21,299	22,464
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		91	229	239
Interest-bearing liabilities and derivatives	12,20	765	..	..
Provisions		468	162	162
Other	13,21	..	784	536
Total non-current liabilities		1,324	1,175	937
TOTAL LIABILITIES		23,913	22,474	23,401
NET ASSETS (LIABILITIES)		259	480	480
EQUITY				
Capital/contributed equity		..	..	..
Retained surplus/(Accumulated deficit)		259	480	480
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		259	480	480

Cash Flow Statement

Tourism Queensland	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	22,26	9,451	8,147	10,549
Grants and other contributions	23	49,988	51,538	49,070
Other		5,541	4,646	3,583
Outflows:				
Employee costs		(13,521)	(13,418)	(14,196)
Supplies and services	27,28	(44,615)	(43,261)	(41,147)
Grants and subsidies		(5,985)	(5,988)	(5,985)
Borrowing costs		..	..	..
Other		(690)	(339)	(398)
Net cash provided by/(used in) operating activities		169	1,325	1,476
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		(19)	18	..
Investments redeemed		..	(1,007)	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments	24,29	(690)	(309)	(283)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(709)	(1,298)	(283)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	25,30	..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	823	..
Finance lease payments		(267)	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(267)	823	..
Net increase/(decrease) in cash held		(807)	850	1,193
Cash at the beginning of financial year		10,730	5,452	6,302
Cash transfers from restructure		..	..	..
Cash at the end of financial year		9,923	6,302	7,495

Explanation of Variances in the Financial Statements

Income Statement

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

1. The variance in User charges primarily reflects reduced receipts for co-operative advertising.
2. The increase in Grant revenue is due to additional funding acquired for Airline Agreements.

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

3. The variance in User charges primarily reflects reduced receipts for co-operative advertising.
4. The reduction in Supplies and services reflects reduced marketing and development expenses in line with reduced revenue.

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

5. The reduction in Supplies and services reflects reduced marketing and development expenses in line with reduced grant and other revenue.

Balance Sheet

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

6. The reduction in Cash is attributed to a reduction in Payables and revenue received.
7. The movement in Receivables is due to hedge receivable reclassified to Other financial assets offset by an increase in the anticipated balance of Receivables at year end.
8. The increase in Other financial assets is due to a reclassification of a hedge receivable from Receivables.
9. The decrease in Payables is primarily due to the reclassification of hedge payable to Interest-bearing liabilities and derivatives.
10. The movement in Interest-bearing liabilities and derivatives reflects the reclassification of hedge payable from Payables offset by the reclassification of finance leases to Other Liabilities.
11. The increase in Other Liabilities is due to a reclassification of finance leases from Interest-bearing liabilities and derivatives.
12. The decrease in Non-Current Interest-bearing liabilities and derivatives is due to a reclassification of finance leases to Non Current liabilities Other.
13. The increase in Non-Current Liabilities Other is due to a reclassification of finance leases from Non Current Interest-bearing liabilities and derivatives.

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

14. The reduction in Cash is attributed to a reduction in Payables and revenue received.
15. The movement in Receivables is due to hedge receivable reclassified to Other financial assets offset by an increase in the anticipated balance of Receivables at year end.
16. The increase in Other financial assets is due to a reclassification of the hedge receivable from Receivables.
17. The decrease in Payables is primarily due to the reclassification of hedge payable to Interest-bearing liabilities and derivatives.
18. The movement in Interest-bearing liabilities and derivatives reflects the reclassification of hedge payable from Payables offset by the reclassification of finance leases to Other Liabilities.
19. The increase in Other Liabilities is due to a reclassification of finance leases from Interest-bearing liabilities and derivatives.
20. The decrease in Non-Current Interest-bearing liabilities and derivatives is due to a reclassification of finance leases to Non-Current Other.
21. The increase in Non-Current Liabilities Other is due to a reclassification of finance leases from Non Current Interest-bearing liabilities and derivatives.

Statement of Cash Flows

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

22. The variance in User charges primarily reflects reduced receipts for co-operative advertising.
23. The increase in Grant revenue is due to additional funding acquired for Airline Agreements.
24. The movement in Payments for investments reflects anticipated increase in hedge receivable including revaluation.
25. The movement in Borrowings reflects anticipated increase in hedge payable.

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

26. The movement in User charges primarily reflects receipts for co-operative advertising.
27. The reduction in Supplies and services reflects reduced marketing and development expenses in line with reduced revenues.

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

28. The reduction in Supplies and services reflects reduced marketing and development expenses in line with reduced revenue.
29. The reduction in Payments for investments reflects one-off increase in hedge receivable including revaluation.
30. The reduction in Borrowings reflects a one-off increase in hedge payable.