

PART 18

Treasurer

Summary of Portfolio Budgets

Page	Agency	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
2-245	Queensland Treasury - controlled	166,185	206,548	209,659
	Queensland Treasury - administered	2,553,550	3,339,401	2,922,667
3-268	Motor Accident Insurance Commission	9,747	9,587	9,668
3-274	Nominal Defendant	56,602	(1,191)	55,603
3-278	Queensland Future Growth Corporation	2,350	2,167	2,135

Notes:

1. Explanations of variances are provided in the financial statements.
2. The departmental 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.

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Treasury Department

Departmental Overview

Strategic Issues

Treasury Department contributes to the Queensland Government's social and fiscal objectives for the community as outlined in the *Charter of Social and Fiscal Responsibility*. In 2008-09 Treasury's contribution to these objectives will expand with the addition of liquor industry regulation and racing.

Faced with environmental factors such as strong population and economic growth, a commensurate demand for infrastructure, a national economic and social change agenda and challenging global economic conditions, Queensland's need for sustainable long-term economic growth and strong fiscal performance is evident. In 2008-09 Treasury's strategic direction will continue to build on the State's economic and fiscal strength.

2008-09 Highlights

Treasury will implement the following initiatives in 2008-09:

- managing and coordinating the State Budget process within agreed timeframes, in accordance with the *Charter of Social and Fiscal Responsibility*
- continuing to provide commercial and financial advice to the Government on major asset management and infrastructure projects and monitoring the progress of the South East Queensland Infrastructure Plan and Program (SEQIPP), industry capacity issues and general economic conditions affecting infrastructure delivery
- managing the process for the long term lease of the Cairns and Mackay airports
- continuing to progress key government-owned corporation (GOC) strategic policy directions to optimise the State's shareholding in the GOCs sector, not only from an individual GOC but also a whole-of-portfolio perspective (such as the impact of any emissions trading scheme)
- working with shareholding departments, GOCs and industry to ensure key infrastructure priorities are delivered (particularly in the areas of energy, ports and rail) in a timely and efficient manner, observing commercial principles and optimal risk allocations across the GOC sector and the users or beneficiaries of that infrastructure
- improving whole-of-Government sharing of administrative statistics
- increasing the use of econometric models for policy evaluation on key issues, for example global warming
- continuing to enhance revenue compliance activities with an emphasis on client education and support for all revenue streams through the Office of State Revenue's Client Contact Centre, website and Client Engagement Team
- undertaking a Red Tape Reduction program within the Office of State Revenue to further assist the competitiveness of business in Queensland by reducing the administrative costs by 20% by 30 June 2009
- progressing the development of the Revenue Management System (RMS) to include land taxes, grants and subsidies
- structurally integrating the Queensland Office of Gaming Regulation, Liquor Licensing Division and the Office of Racing

- implementing a package of responsible gambling measures to enhance harm minimisation including the introduction of a cap on gaming machines in clubs and a freeze on machine numbers in hotels for two years
- assisting the Queensland racing industry maintain compliance with the *Racing Act 2002* and continue to improve its animal welfare, drug control and integrity practices and procedures
- investigating matters that may affect integrity, and consequently, public confidence in Queensland's racing industry
- implementing the comprehensive review of the *Liquor Act 1992* with the first objective of harm minimisation from the misuse of alcohol
- continuing to implement the *Strong Community Life* campaign across the 18 alcohol-restricted Indigenous communities to educate residents on the responsible consumption of alcohol.

2007-08 Achievements

In 2007-08, Treasury's key achievements included:

- managing and coordinating the State Budget process within agreed timeframes and maintaining the State's net worth, AAA credit rating and fiscal principles in accordance with the *Charter of Social and Fiscal Responsibility*
- providing commercial and financial advice to the Government on major asset management and infrastructure projects and monitoring the progress of the SEQIPP, industry capacity issues and general economic conditions affecting infrastructure delivery
- completing the wind-up of Enertrade, the sale of wind assets, and the transfer of the Port of Brisbane Corporation Limited's 25% shareholding in Brisbane Airport to Queensland Investment Corporation
- securing the long-term future of the Port of Bundaberg through a merger with the Port of Brisbane Corporation Limited as a wholly-owned subsidiary, and positioning it to continue as an important part of the State's ports network
- acquisition of the South East Queensland bulk water assets from local councils and other water entities, the calculation of compensation to be paid to councils of around \$2 billion and the establishment of the Queensland Bulk Water Supply Authority and the Queensland Bulk Water Transport Authority
- completing an economic research project on the drivers of productivity in Queensland
- broadening the dissemination of statistical decision support systems across the Queensland Government
- enabling the Office of State Revenue's clients to lodge returns and pay taxes electronically by implementing the pay-roll tax and duties modules of the RMS
- enabling improved forecasting, client profiling and risk management capabilities through the development of revenue base management as a tool
- implementing outcomes from the *Gambling Legislation Amendment Bill* including strengthening the regulatory framework preventing minors accessing casinos, licensing regimes for businesses that test gaming equipment, stronger licensing provisions and governance arrangements for major art union operators, and recommendations from the *Review of Hotel Gaming Machine Operating Authority Reallocation Scheme*
- distributing an estimated \$35.5 million in grants from the Gambling Community Benefit Fund and \$5.4 million from the casino community benefit funds

- ensuring racing control bodies maintain appropriate standards of animal welfare, drug control and integrity
- conducting an assessment of applications for control body approvals for the greyhound and harness codes of racing
- completing the review of the *Liquor Act 1992* and progressing major liquor reform based on harm minimisation.

Departmental Outputs

Financial and economic policy

Treasury Office provides policies, strategies and advice at a whole-of-Government level to promote value-for-money service delivery, manage the State's finances in accordance with the *Charter of Social and Fiscal Responsibility*, and advance the performance of the Queensland economy to support growth and employment.

The output helps to deliver accountable government, economic success and growth in cities and regions by:

- providing financially sustainable service through developing and monitoring the State Budget
- promoting Queensland's position in negotiations with the Commonwealth and other states and territories
- evaluating the impact that changes to taxes will have on the State's tax competitiveness
- promoting public sector productivity improvement options
- providing financial advice to foster state-wide infrastructure development and secure water supply and quality for the long term.

Government-owned corporations performance and governance

The Office of Government Owned Corporations (OGOC) provides advice and support to shareholding Ministers in administering the Government's shareholding in GOCs, which operate in open and competitive markets, subject to competitive neutrality. This includes taking a strategic approach to policy development for GOCs, monitoring performance and ensuring compliance with relevant legislation.

The output undertakes activities that support and assist the GOC sector in delivering competitive and cost-effective infrastructure and services to contribute to and build on Queensland's economic success. In this role, the output aims to maximise shareholder returns, build shareholder value and ensure appropriate principles of corporate governance are in place.

Economic and statistical research

The Office of Economic and Statistical Research (OESR) is responsible for economic and statistical research, in particular coordinating key statistical and economic research standards and whole-of-Government activities.

The output helps to deliver accountable government, economic success and growth in cities and regions by:

- providing and promoting a knowledge sharing and modelling capacity for Government and the community
- coordinating the activities of key providers of statistics to establish and maintain an integrated statistical service across governments
- working with other jurisdictions and Queensland agencies to reform statistical policies and processes

- providing a broad range of statistical services to support stakeholders' evidence base for policy evaluation and performance
- maintaining and enhancing rigorous economic and social research agendas to advance the State
- enhancing and expanding official surveys and methodology capabilities.

Taxation

The Office of State Revenue (OSR) administers State taxation by collecting revenue (comprising duties, pay-roll tax, land tax, Community Ambulance Cover levy and gambling taxes), making grant and subsidy payments as part of the First Home Owner Grant Scheme and Fuel Subsidy Scheme, and conducting revenue investigation and debt recovery. Key clients include taxpayers, grant and subsidy recipients, their agents and professional advisers.

The output builds on Queensland's economic success and helps to deliver accountable government by:

- maintaining a competitive tax environment for business development and tax growth
- further progressing the development and implementation of the Revenue Management System. The system is designed to employ contemporary technology to provide revenue and information management and e-business capability to better service the people of Queensland.

Gambling

The Queensland Office of Gaming Regulation (QOGR) regulates and monitors the conduct of legalised gambling within Queensland. It is responsible for implementing policies and programs to ensure that, on balance, the State and the community as a whole benefit from gambling.

By regulating gambling in this way, the output helps to build on Queensland's economic success by maximising the economic benefit to the State and community as a whole while minimising harm.

Racing

The Office of Racing encourages public confidence in, and the accountability of, the Queensland racing industry through reviewing and assessing racing control bodies' compliance with established animal welfare, drug control and integrity standards.

The output contributes to contemporary, accountable and responsive government by maintaining the highest levels of integrity and accountability, resulting in increased public confidence in the Queensland racing industry.

Liquor industry services and regulation

Liquor Licensing Division provides a contemporary regulatory framework for the responsible sale and supply of liquor by administering the *Liquor Act 1992*, and for the regulation of the adult entertainment industry.

In this way, the output helps to build on Queensland's economic success, secure safe communities and deliver responsive, accountable government by:

- minimising alcohol-related harm in the community
- providing a responsive regulatory framework that reflects community standards while accommodating the responsible sale and supply of liquor.

Staffing¹

Output	Notes	2007-08 Adjusted Budget	2007-08 Est. Actual	2008-09 Estimate
Outputs				
Financial and economic policy	3	275	249	285
GOC performance and governance	4	39	32	35
Economic and statistical research		115	114	113
Taxation	5	483	539	507
Gambling		248	252	249
Racing		31	31	31
Liquor industry services and regulation		121	115	120
Total outputs	2	1,312	1,332	1,340
Other services provided to other agencies				
QSuper	6	410	419	434
Other Agencies	7	19	17	15
Total		1,741	1,768	1,789

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the outputs to which they relate.
3. The decrease in the 2007-08 Estimated Actual and subsequent increase in the 2008-09 Estimate is primarily due to staffing vacancies as at 30 June 2008 being filled during 2008-09.
4. Excludes Queensland Treasury Corporation staff working in the Information Modelling Team.
5. The increase in the 2007-08 Estimated Actual is attributable to the pay-roll tax harmonisation and RMS 2 (duties) projects. The subsequent decrease in the 2008-09 Estimate is due to the completion of the RMS 2 project.
6. This line relates to Treasury Department staff who are contracted to provide superannuation services to QSuper Ltd, a wholly owned subsidiary of the QSuper Board as trustees of the State Public Sector Superannuation Scheme.
7. Includes staff providing corporate support to MAIC and the Nominal Defendant as well as some minor residual IT services to Corpotech after its transition to the Department of Public Works on 1 July 2008.

2008-09 Output Summary¹

Output	Total cost \$'000	Sources of revenue			
		Appropriation \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Financial and economic policy	45,701	43,149	2,552	..	..
GOC performance and governance	5,667	5,023	644	..	..
Economic and statistical research	15,722	9,429	6,293	..	..
Taxation	71,628	69,532	2,096	..	..
Gambling	40,010	4,221	35,769	..	582
Racing	7,717	4,252	3,499	..	10
Liquor industry services and regulation	16,473	15,446	847	..	180
Departmental	202,918	151,052	51,700	..	772
Other²	11,766	8,585	3,181	..	..
Reconciliation adjustment to the Income Statement³	(5,025)	..	(5,025)	..	..
Total⁴	209,659	159,637	49,856	..	772

Notes:

1. Explanations of variances are provided in the financial statements.
2. Total sources of revenue do not equal the 'Total income' in the Income Statement as the Department provides corporate services to non-departmental outputs (Motor Accident Insurance Commission, Nominal Defendant, QSuper Ltd. and CorpTech).
3. This line represents the eliminations upon consolidation for internal trading between outputs.
4. This line reconciles to the 'Income Statement' where total cost is represented by total expenses and other revenue represents grants and other contributions and other revenue. Total sources of revenue are \$0.61 million greater than total cost due to revenue to fund principal loan repayments and funding for the development of a new grants management system in the Queensland Office of Gaming Regulation.

Administered Items

Description

Treasury is responsible for overseeing significant administered revenues and expenses. Treasury receives a large proportion of the State's taxation and Australian Government revenue which is used to fund Government priorities.

In addition, Treasury administers major grants and subsidies programs such as the First Home Owner Grant and Fuel Subsidy Scheme.

Since 1 July 2000, the Queensland Government, administered through Treasury, has provided a \$7,000 grant - the First Home Owner Grant - to eligible persons to help offset the cost of building or purchasing a first home. The total cost of this First Home Owner Grant Scheme is estimated at \$210 million in 2007-08 and \$214 million in 2008-09.

The Queensland Fuel Subsidy Scheme provides a benefit of 8.354 cents per litre on eligible fuel purchases. The cost of this Scheme is estimated at \$555 million in 2007-08 and \$572 million in 2008-09.

In its capacity as the Government's financial manager, Treasury also manages the Government's cash balances and financing requirements

Review of Output Performance

Transfer Duty – Relief for Homebuyers

This Budget includes an increase in the first home buyer transfer duty exemption threshold from the current level of \$320,000 to \$350,000 from 1 July 2008, with a further increase to \$500,000 from 1 September 2008.

In addition, the homebuyer concession threshold will also be increased from \$320,000 to \$350,000 from 1 July 2008, providing relief to those homebuyers who have previously purchased a home.

Transfer Duty – Revised rate structure

This Budget revises and simplifies the transfer duty rate structure and improves competitiveness with other states. The changes to transfer duty will take effect from 1 July 2008 and are expected to provide an additional \$74.6 million of revenue in 2008-09, due to the application of higher duty rates to properties with relatively high values.

When combined with revisions to the transfer duty schedule, the changes introduced in the 2008-09 Budget will result in savings of up to \$9,500 for first home buyers from 1 September 2008 and savings of up to \$750 for other homebuyers from 1 July 2008. All homebuyers purchasing homes valued between \$320,000 and \$1 million will be better off as a result of the changes to transfer duty rates, thresholds and concessions. All other property purchases of \$590,000 or less will also be liable for less duty.

Transfer Duty – Assistance for Older Persons

This Budget also extends certain concessional rates and exemptions to reduce housing costs for older persons. The measures include providing a land tax exemption for aged care facilities, which will complement the existing exemption for retirement villages. Also, the transfer duty home buyer concession will be extended to apply to residents of retirement villages who are required to enter lease and sub-lease occupancy arrangements.

Abolition of Mortgage Duty

This Budget brings forward the full abolition of mortgage duty to 1 July 2008 (previously scheduled for 1 January 2009). The abolition of mortgage duty will provide relief of over \$190 million in 2008-09, including \$100 million associated with bringing forward abolition by six months.

Land Tax Relief

This Budget includes \$17 million of land tax relief, following a review of land tax rates. Approximately 15,000 resident individual tax payers – the 88% of resident individual land tax payers who have land holdings with a taxable value of up to \$1.8 million – will benefit as a result of the change. Companies, trustees and absentees with land holdings with a taxable value below \$750,000 will also benefit from a reduced land tax liability.

Payroll tax deduction extension

This Budget further improves the competitiveness of Queensland's payroll tax regime by extending the \$1 million deduction such that it phases out at a rate of \$1 in every \$4 of taxable wages above the threshold, rather than \$1 in every \$3. This will provide a benefit to all businesses with taxable wages between \$1 million and \$5 million. The extension of the payroll tax deduction is estimated to provide \$20 million in payroll tax relief in 2008-09.

Departmental Statements

Performance Statement

Measures	Notes	2007-08 Adjusted Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Financial and economic policy				
Quarterly reports on financial position within six weeks of quarter end		4	4	4
Number of written pieces of portfolio resource allocation advice provided		1,450	1,400	1,500
Number of written pieces of economic and inter-governmental relations advice provided		600	550	700
Number of written pieces of fiscal, taxation policy and financial management advice provided		700	700	800
Number of written pieces of infrastructure policy advice provided	1	240	320	350
Adherence to fiscal objectives as described in the <i>Charter of Social and Fiscal Responsibility</i>		100%	100%	100%
Compliance with the Uniform Presentation Framework requirements and relevant Australian Accounting Standards for whole-of-Government financial reporting		100%	100%	100%
Achievement of key milestones in the budget process		100%	100%	100%
Achievement of key milestones in the <i>Report on State Finances</i> process		100%	100%	100%
Data provision to the Commonwealth Grants Commission and Australian Bureau of Statistics within agreed timeframes		100%	100%	100%
Cost of portfolio resource allocation advice	2	\$6.3 million	\$6 million	\$6.7 million
Cost of economic and inter-governmental relations advice		\$1.8 million	\$1.5 million	\$1.4 million
Cost of fiscal, taxation policy and financial management advice	2	\$5.1 million	\$4.9 million	\$5.3 million
Cost of infrastructure policy advice	2	\$3.4 million	\$1.8 million	\$2.8 million
State contribution (\$000)	3	33,568	54,820	43,149
Other revenue (\$000)	4	2,259	11,594	2,552
Total cost (\$000)		35,827	66,414	45,701

Measures	Notes	2007-08 Adjusted Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: GOC performance and governance				
Number of GOC Statements of Corporate Intent (SCI) completed	5	18	16	16
Number of performance monitoring reports completed	5	66	64	64
Percentage of Ministerial correspondence prepared to agreed Treasury standards	6	95%	95%	Discontinued
Percentage of SCIs received and reviewed within the scheduled timeframe		95%	95%	95%
Cost of monitoring and governance per GOC	7	\$0.18 million	\$0.22 million	\$0.22 million
State contribution (\$000)		4,872	4,818	5,023
Other revenue (\$000)	8	724	905	644
Total cost (\$000)		5,596	5,723	5,667
Output name: Economic and statistical research				
Survey, data processing or data construction projects	9	70	70	Discontinued
Data dissemination outputs including official publications, client reports or databases	9	150	150	Discontinued
Formal written briefings or reports provided to key clients on economic statistical and spatial issues	9,10	100	150	Discontinued
Number of hits on OESR web site	9	0.9 million	0.9 million	Discontinued
Number of hits on Data Hub homepage	9	25,000	25,000	Discontinued
Collaborative projects undertaken with or sponsored by other teams in Government or external researchers	9	25	25	Discontinued
Development and coordination of whole-of-Government policy issues or relations with organisations in other jurisdictions (number of projects)	9,11	45	130	Discontinued
Responses to ad hoc requests for information		3,000	3,000	2,800
Formal products and services delivered to Treasury Office	9	New measure	New measure	150
Formal products and services delivered to other Government agencies	9	New measure	New measure	450
Successful external quality audits	9	100%	100%	Discontinued

Measures	Notes	2007-08 Adjusted Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Stakeholder and client satisfaction with outputs (rated satisfied or very satisfied)	12	90%	100%	90%
Delivery of outputs within timeframes agreed with clients (excludes internet services)		90%	90%	90%
Briefings and reports delivered to clients outside Treasury Office	9,13	50%	90%	Discontinued
Revenue from fee-for-service outputs	14	\$4.6 million	\$5.5 million	\$5.8 million
State contribution (\$000)		9,216	9,449	9,429
Other revenue (\$000)	15	5,197	6,060	6,293
Total cost (\$000)		14,413	15,509	15,722
Output name: Taxation				
Amount of revenue, grants and subsidies administered	16	\$9.2 billion	\$9.3 billion	\$9.8 billion
Number of amendment provisions including subordinate legislation developed		5	5	5
Number of First Home Owner Grant (FHOG) applications paid	16,17	34,700	30,000	30,600
Number of fuel subsidy payments	18	22,500	20,514	20,000
Client satisfaction with service provided		70%	70%	70%
Legislative amendment program and revenue policy advice within standards	16	90%	90%	90%
FHOG applications processed within service standards		95%	95%	95%
Percentage of investigations performed within standards	16	90%	90%	90%
Legislation program and deliverables within deadlines		90%	90%	90%
Payment of fuel subsidy claims within standards	16	90%	90%	90%
Policy advice, briefings and Ministerial correspondence within deadlines	19	90%	70%	90%
Revenue collected within due dates	16	95%	95%	95%
Total revenue dollars administered per dollar expended – accrual	20	\$228	\$193	\$162
State contribution (\$000)	21	54,381	56,957	69,532
Other revenue (\$000)		2,353	2,550	2,096
Total cost (\$000)		56,734	59,507	71,628

Measures	Notes	2007-08 Adjusted Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Gambling				
Audit, probity and inspection activities completed in accordance with annual program		95%	95%	95%
Percentage of gambling providers committing to the implementation of the <i>Code of Practice</i>		80%	82%	82%
Suitability of all gambling participants and systems proven to be satisfactory		95%	98%	95%
Licence applications processed within set time		90%	90%	90%
Gambling Community Benefit Fund applications processed within set times		95%	100%	99%
State contribution (\$000)		3,900	4,069	4,221
Other revenue (\$000)	22	30,750	32,229	36,351
Total cost (\$000)	23	34,650	36,298	40,010
Output name: Racing				
Service level agreement performance standards for delivery of drug control, animal welfare, disease control and other services met		Yes	Yes	Yes
Annual accreditation of the Racing Science Centre to international standards maintained		Yes	Yes	Yes
Percentage of investigations completed to required standard		95%	95%	95%
Percentage of drug sample analyses completed within 10 working days		95%	95%	95%
State contribution (\$000)		4,112	4,365	4,252
Other revenue (\$000)	24	2,744	2,894	3,509
Total cost (\$000)	25	6,814	7,217	7,717
Output name: Liquor industry services and regulation				
Number of compliance activities conducted in Indigenous communities and catchment areas		250	260	250
Number of community development activities conducted in Indigenous communities	26	150	290	150
Number of industry information bulletins and liquor trade journal activities produced	27	36	..	Discontinued
Number of licensed premises checked for compliance	28	6,500	5,500	6,500

Measures	Notes	2007-08 Adjusted Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Number of complaints investigated	28	1,500	2,500	2,000
Number of liquor, wine and adult entertainment applications processed:				
• complex applications (e.g. new licences, detached bottle shops, adult entertainment permits)	29	1,200	1,200	TBA
• moderate applications (e.g. no advertising required)	29	6,000	6,000	TBA
• standard applications (e.g. one-off permits)	29	13,000	13,000	TBA
Percentage of applications for decision review where original decision successfully defended		70%	67%	70%
Percentage of complaints finalised		90%	95%	90%
Percentage of complying licensees in Indigenous communities and catchment areas		60%	60%	60%
Percentage of front-end licensing activities completed within nominated timeframes		95%	95%	95%
State contribution (\$000)	30	11,384	12,507	15,446
Other revenue (\$000)		1,179	1,150	1,027
Total cost (\$000)		12,563	13,657	16,473

Notes:

1. The increase in the 2007-08 Estimated Actual and the 2008-09 Target/Estimate is due to growth in the State's infrastructure program.
2. The decrease in the 2007-08 Estimated Actual is due to a number of unanticipated staff vacancies. The subsequent increase in the 2008-09 Target/Estimate is due to these vacancies being filled.
3. The increase in the 2007-08 Estimated Actual is primarily due to the setup of the South East Queensland (SEQ) Water Reform Transaction Implementation Unit and funding for the Fuel Subsidy Commission of Inquiry. The subsequent decrease in the 2008-09 Target/Estimate is primarily due to the completion of the Fuel Subsidy Commission of Inquiry and the expected completion of the SEQ Water Reform Transaction Implementation Unit in the first half of the year.
4. The increase in the 2007-08 Estimated Actual and subsequent decrease in the 2008-09 Target/Estimate is due to the reimbursement of costs incurred by the Sale of Wind and Gas Assets project in 2007-08.
5. The decrease in the 2007-08 Estimated Actual and the 2008-09 Target/Estimate is due to a reduction in the number of GOCs, following the merger of the Bundaberg Port Authority and the Port of Brisbane Corporation Limited and the winding up of the Queensland Power Trading Corporation (Enertrade).
6. Given the variables involved, many of which are outside the control of OGOC, this measure is no longer considered meaningful and will be discontinued.
7. The increase in the 2007-08 Estimated Actual and the 2008-09 Target/Estimate is due to the reduction in the number of GOCs through amalgamation or windup (see Note 5). Although the number of entities has reduced, significant effort is still required to oversee the implementation of these restructures within the GOC sector. Resourcing requirements will continue to be reassessed following the completion of the restructure.
8. The increase in the 2007-08 Estimated Actual and subsequent decrease in the 2008-09 Target/Estimate is primarily due to reimbursable consultancy expenditure on the Queensland National Freight Strategy project in 2007-08.
9. This output's performance measures have been rationalised and consolidated following a review of current indicators. The revised measures will provide information regarding the output's total volume of products and services. Targets for the two new measures, which will replace a number of the original measures, will be estimated by using the previous year's estimated actuals. The new measures will be redefined in operational terms for improved measurement throughout 2008-09.
10. The increase in the 2007-08 Estimated Actual is a result of ongoing improvement in the awareness of the recording process for formal briefings and reports.
11. The increase in the 2007-08 Estimated Actual is due to the restructure of projects and outputs following a realignment of electronic document and records management requirements.
12. The increase in the 2007-08 Estimated Actual is due to the introduction of a web-based client evaluation form which is providing more accurate and positive results.

13. The increase in the 2007-08 Estimated Actual is due to improvements in recording practices, including acknowledging internal material published on the web.
14. The increase in the 2007-08 Estimated Actual is due to additional survey work, in particular survey work previously undertaken by Queensland Health and reimbursement by QUT for expenditure incurred under the Government Information Licensing Framework Project – Cooperative Research Centre for Spatial Information.
15. The increase in the 2007-08 Estimated Actual and the 2008-09 Target/Estimate is due to additional revenue generated from survey work on behalf of Queensland Health, and reimbursement by QUT for expenditure incurred under the Government Information Licensing Framework – Cooperative Research Centre for Spatial Information project.
16. Minor amendments have been made to the wording of these performance measures to better reflect the calculation methodology used.
17. The decrease in the 2007-08 Estimated Actual is due to a decrease in First Home Owner Grant applications received and paid.
18. The decrease in the 2007-08 Estimated Actual and the 2008-09 Target/Estimate is due to a decrease in the number of fuel retailers.
19. The decrease in the 2007-08 Estimated Actual reflects revisions in administrative procedures and templates during 2007-08 which are now well understood and accepted.
20. The decrease in the 2007-08 Estimated Actual is due to additional costs associated with the Revenue Management System (RMS) not reflected in the 2007-08 Adjusted Target/Estimate. The decrease in the 2008-09 Target/Estimate is a result of additional funding provided in relation to RMS Release 3 and increased tax compliance activity.
21. The increase in the 2007-08 Estimated Actual is due to additional funding for pay-roll tax harmonisation implementation and timing changes to funding for RMS amortisation as a result of changes to the capitalisation schedule. The increase in the 2008-09 Target/Estimate is due to additional funding provided for RMS (Release 3) and increased tax compliance.
22. The increases in the 2007-08 Estimated Actual and the 2008-09 Target/Estimate relate to responsible gambling projects approved since the 2007-08 Budget.
23. Total cost is less than total revenue sources due to funding for the development of a new grants management system.
24. The increase in the 2008-09 Target/Estimate is due to additional revenue to cover the repayments of new loans for the purchase of scientific equipment for the Racing Science Centre.
25. Total cost is less than total revenue sources due to revenue to fund principal loan repayments.
26. The increase in the 2007-08 Estimated Actual is due to a significant increase in community development activities in 2007-08 as a result of intensive consultation occurring with communities in relation to the Premier's Indigenous alcohol reforms. Community development activities are expected to return to normal levels in 2008-09.
27. This measure was discontinued during 2007-08 as it does not accurately reflect the number of people receiving the communications.
28. In 2007-08 there was an increase in the number of complaints received that required investigation, resulting in a decrease in the number of compliance checks of licensed premises that could be conducted. The 2008-09 Target/Estimates reflect a return to the usual level of complaints and compliance checks.
29. Feasible 2008-09 Target/Estimates cannot be made until a scoping analysis of the market is undertaken and this will be done when all policy positions have been finalised.
30. The increase in the 2007-08 Estimated Actual and 2008-09 Target/Estimate relates to funding for liquor reform initiatives, including licence fees restructuring and building safer drinking cultures social marketing campaign.

Income Statement

Treasury Department	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
Output revenue	1	124,971	150,970	159,637
User charges	2	41,203	54,893	49,856
Grants and other contributions	3	40	40	662
Other revenue	4	..	674	110
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		166,214	206,577	210,265
Expenses				
Employee expenses	5	100,022	104,237	110,433
Supplies and services	6	45,394	80,504	68,899
Grants and subsidies	7	6,538	6,590	7,656
Depreciation and amortisation	8	9,096	9,593	13,336
Finance/borrowing costs	9	14	74	159
Other expenses	10	5,121	5,550	9,176
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		166,185	206,548	209,659
OPERATING SURPLUS/(DEFICIT)	11	29	29	606

Statement of Changes in Equity

Treasury Department	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		29	29	606
Total recognised income and expense for the period		29	29	606
Equity injection/(withdrawal)	12	(15,853)	(14,687)	14,192
Equity adjustments (MoG transfers)	13	8,098	8,098	..
Total movement in equity for period		(7,726)	(6,560)	14,798

Balance Sheet

Treasury Department	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	14	13,525	19,463	16,754
Receivables		5,420	5,526	5,526
Other financial assets		..	..	..
Inventories		2	..	..
Other		2,032	1,995	2,061
Non-financial assets held for sale		..	..	..
Total current assets		20,979	26,984	24,341
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15	25,348	26,166	29,164
Intangibles	16	36,046	35,228	51,234
Other		..	..	..
Total non-current assets		61,394	61,394	80,398
TOTAL ASSETS		82,373	88,378	104,739
CURRENT LIABILITIES				
Payables		4,538	4,668	4,668
Employee benefit obligations		9,449	9,462	9,839
Interest-bearing liabilities and derivatives		206	207	163
Provisions		..	..	..
Other		481	498	498
Total current liabilities		14,674	14,835	15,168
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		1,091	1,122	1,122
Interest-bearing liabilities and derivatives	17	..	2,250	3,480
Provisions		..	..	..
Other		70	70	70
Total non-current liabilities		1,161	3,442	4,672
TOTAL LIABILITIES		15,835	18,277	19,840
NET ASSETS/(LIABILITIES)		66,538	70,101	84,899
EQUITY				
Capital/contributed equity	18	34,895	36,115	50,307
Retained surplus/(accumulated deficit)	19	31,643	33,986	34,592
Reserves:				
- Asset revaluation reserve		..	..	..
TOTAL EQUITY		66,538	70,101	84,899

Cash Flow Statement

Treasury Department	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	20	124,971	150,124	159,637
User charges	21	45,103	64,307	49,856
Grants and other contributions	22	40	40	662
Other	23	..	355	110
Outflows:				
Employee costs	24	(101,458)	(107,699)	(110,056)
Supplies and services	25	(47,961)	(86,340)	(68,965)
Grants and subsidies	26	(6,538)	(6,587)	(7,656)
Borrowing costs	27	(14)	(74)	(159)
Other	28	(5,120)	(5,786)	(9,176)
Net cash provided by/(used in) operating activities		9,023	8,340	14,253
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	29	7,345	7,483	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	30	(17,912)	(18,954)	(32,340)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(10,567)	(11,471)	(32,340)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	31	..	2,250	1,230
Equity injections	32	7,504	7,504	24,022
Outflows:				
Borrowing redemptions	33	(29)	(29)	(44)
Finance lease payments		..	..	..
Equity withdrawals	34	(23,357)	(22,191)	(9,830)
Net cash provided by/(used in) financing activities		(15,882)	(12,466)	15,378
Net increase/(decrease) in cash held		(17,426)	(15,597)	(2,709)
Cash at the beginning of financial year		29,721	33,830	19,463
Cash transfers from restructure	35	1,230	1,230	..
Cash at the end of financial year		13,525	19,463	16,754

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	1	8,483,566	8,699,420	8,724,133
Taxes, fees and fines	2	8,512,407	8,653,816	9,155,138
Health Services Levy		33,000	39,000	46,800
Royalties, property income and other territorial revenue	3	83,490	85,548	97,553
Interest		4,112	6,477	5,813
Administered revenue	4	2,504,040	3,285,096	2,848,205
Other		6,618	7,903	5,811
Total revenues		19,627,233	20,777,260	20,883,453
Expenses				
Supplies and services	5	162,446	167,191	132,321
Treasurer's Advance	6	50,000	..	50,000
Depreciation and amortisation		..	..	..
Grants and subsidies	7	946,870	947,028	924,147
Benefit payments		..	..	..
Borrowing costs	8	239,230	205,398	355,714
Other	9	1,155,004	2,019,784	1,460,485
Total expenses		2,553,550	3,339,401	2,922,667
Net surplus or deficit before transfers to Government		17,073,683	17,437,859	17,960,786
Transfers of administered revenue to Government	10	17,054,618	17,464,148	18,000,234
OPERATING SURPLUS/(DEFICIT)	11	19,065	(26,289)	(39,448)

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	12	(16,003)	(102,891)	(144,322)
Receivables	13	93,630	376,140	376,803
Inventories		..	..	..
Other	13	272,248	37,591	38,592
Non-financial assets held for sale		..	..	..
Total current assets		349,875	310,840	271,073
NON-CURRENT ASSETS				
Receivables	14	60,709	156,860	148,288
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		60,709	156,860	148,288
TOTAL ADMINISTERED ASSETS		410,584	467,700	419,361
CURRENT LIABILITIES				
Payables		19,520	36,960	36,960
Transfers to Government payable		32,687	46,508	45,666
Interest-bearing liabilities		3,408	3,143	3,505
Other		51,873	51,820	51,490
Total current liabilities		107,488	138,431	137,621
NON-CURRENT LIABILITIES				
Payables		3	5	5
Interest-bearing liabilities	15	4,307,856	3,399,254	6,196,323
Other		88,698	91,185	86,185
Total non-current liabilities		4,396,557	3,490,444	6,282,513
TOTAL ADMINISTERED LIABILITIES		4,504,045	3,628,875	6,420,134
ADMINISTERED NET ASSETS/(LIABILITIES)		(4,093,461)	(3,161,175)	(6,000,773)
EQUITY				
Capital/Contributed equity	16	(4,219,416)	(3,246,152)	(6,046,302)
Retained surplus/(Accumulated deficit)		125,955	84,977	45,529
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		(4,093,461)	(3,161,175)	(6,000,773)

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	17	2,504,040	3,285,096	2,848,205
Grants and other contributions	18	8,486,867	8,701,971	8,726,633
Taxes, fees and fines	19	8,512,407	8,653,816	9,155,138
Health Services Levy		33,000	39,000	46,800
Royalties, property income and other territorial revenues	20	83,490	85,548	97,553
Other		1,326	3,905	3,009
Outflows:				
Transfers to Government		(17,055,472)	(17,465,002)	(18,001,076)
Grants and subsidies	21	(946,870)	(947,028)	(924,147)
Supplies and services	22	(213,447)	(168,192)	(183,322)
Borrowing costs	23	(239,230)	(205,398)	(355,714)
Other	24	(1,153,377)	(2,016,336)	(1,458,858)
Net cash provided by/(used in) operating activities		12,734	(32,620)	(45,779)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		7,123	7,123	7,123
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		317	317	1,267
Net cash provided by/(used in) investing activities		7,440	7,440	8,390
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	25	3,299,432	3,340,432	2,799,532
Equity injections	26	1,326,301	1,632,994	990,764
Outflows:				
Borrowing redemptions		(3,424)	(3,424)	(3,424)
Finance lease payments		..	..	..
Equity withdrawals	26	(4,625,401)	(4,692,520)	(3,790,914)
Net cash provided by/(used in) financing activities		(3,092)	277,482	(4,042)
Net increase/(decrease) in cash held		17,082	252,302	(41,431)
Administered cash at beginning of financial year		(33,147)	(355,255)	(102,891)
Cash transfers from restructure		62	62	..
Administered cash at end of financial year		(16,003)	(102,891)	(144,322)

Explanation of Variances in the Financial Statements

Income Statement

1. The increase in the 2007-08 Estimated Actual is mainly due to funding for the South East Queensland (SEQ) Water Reform Transaction Implementation Unit, Fuel Subsidy Commission of Inquiry, pay-roll tax harmonisation implementation and liquor reform initiatives. The increase in the 2008-09 Estimate is primarily due to funding for the Enterprise Bargaining Agreement, the Revenue Management System (RMS), increased tax compliance initiatives in the Office of State Revenue (OSR) and liquor reform initiatives and the full year effect of the Machinery of Government transfers which involved the Office of Racing, Liquor Licensing Division and the Queensland Office for Regulatory Efficiency. This is partially offset by the completion of the Fuel Subsidy Commission of Inquiry and the expected completion of the SEQ Water Reform Transaction Implementation Unit in the first half of the year.
2. The increase in the 2007-08 Estimated Actual is mainly due to the reimbursement of costs incurred on the Sale of Wind and Gas Assets project and the Queensland National Freight Strategy project, an increase in the number of responsible gambling projects, additional revenue generated from survey work on behalf of Queensland Health and reimbursement by QUT for costs incurred under the Government Information Licensing Framework. The subsequent decrease in the 2008-09 Estimate is primarily due to the completion of the Sale of Wind and Gas Assets project and the Queensland National Freight Strategy project. This is partially offset by an increase in the number of responsible gambling projects and the full year effect of the Machinery of Government transfers that occurred in 2007-08.
3. The increase in the 2008-09 Estimate is due to funding for the development of a new grants management system in the Queensland Office of Gaming Regulation (QOGR) and the full year effect of Queensland Health's contribution toward the Good Sports program as a result of the Machinery of Government transfer of Liquor Licensing Division.
4. The increase in the 2007-08 Estimated Actual and the subsequent decrease in the 2008-09 Estimate is mainly due to interest revenue earned and the reimbursement of costs incurred on behalf of other entities in 2007-08.
5. The increase in the 2007-08 Estimated Actual is mainly due to costs associated with the SEQ Water Reform Transaction Implementation Unit, the Sale of Wind and Gas Assets project, the pay-roll tax harmonisation team and the RMS. This is partially offset by unfilled vacancies. The increase in the 2008-09 Estimate is primarily due to the Enterprise Bargaining Agreement, filling vacancies, the full year effect of the Machinery of Government transfers that occurred in 2007-08 and the increased tax compliance initiatives in OSR. This is partially offset by the expected completion of the SEQ Water Reform Transaction Implementation Unit in the first half of the year and the completion of the Sale of Wind and Gas Assets project.
6. The increase in the 2007-08 Estimated Actual is mainly due to costs associated with the SEQ Water Reform Transaction Implementation Unit, the Sale of Wind and Gas Assets project, pay-roll tax harmonisation and the Fuel Subsidy Commission of Inquiry. The subsequent decrease in the 2008-09 Estimate is primarily due to the expected completion of the SEQ Water Reform Transaction Implementation Unit in the first half of the year, the completion of the Sale of Wind and Gas Assets project and the completion of the Fuel Subsidy Commission of Inquiry. This is partially offset by additional costs associated with the increased tax compliance initiatives in OSR, the RMS, the liquor reform initiatives and the full year effect of the Machinery of Government transfers that occurred in 2007-08.
7. The increase in the 2008-09 Estimate is due to grants associated with responsible gambling initiatives.
8. The increase in the 2008-09 Estimate is mainly due to capitalisation of the RMS (Release 2) and the full year effect of the Machinery of Government transfers that occurred in 2007-08.
9. The increase in the 2007-08 Estimated Actual and the 2008-09 Estimate is mainly due to interest expenses associated with loans raised to fund the purchase of scientific equipment for the Racing Science Centre.
10. The increase in the 2008-09 Estimate is mainly due to advertising costs associated with the Responsible Gambling Community Awareness Campaign.
11. The operating surpluses represent contributions received from the racing control bodies for the repayment of the principal components of loans and funding for the development of a new grants management system in QOGR in 2008-09.

Statement of Changes in Equity

12. The movements in the equity injection/(withdrawal) in the 2007-08 Adjusted Budget and the 2007-08 Estimated Actual reflect an equity withdrawal of the Government Superannuation Office's (GSO's) net assets as a result of the administration of the superannuation output being undertaken by a wholly-owned subsidiary of the QSuper Board as trustees of the State Public Sector Superannuation Scheme from 1 July 2007, partially offset by equity adjustments relating to the RMS program of work. The movement in the 2008-09 Estimate reflects equity adjustments relating to the RMS program of work.
13. The equity adjustments (MoG transfers) in 2007-08 represent the transfer of Liquor Licensing Division from the former Department of Tourism, Fair Trading and Wine Industry Development on 1 October 2007, the transfer of the Office of Racing from the Department of Local Government, Sport and Recreation on 1 October 2007, and the transfer of the Queensland Office for Regulatory Efficiency from the Department of Tourism, Regional Development and Industry on 1 April 2008.

Balance Sheet

14. Refer to the Cash Flow Statement. The increase in the 2007-08 Estimated Actual is mainly due to the actual 2007-08 opening balance being higher than the budgeted 2007-08 opening balance. The decrease in the 2008-09 Estimate is primarily due to cash reserves being used for capital expenditure.
15. The increase in the 2007-08 Estimated Actual and the 2008-09 Estimate is mainly due to the purchase of computer hardware associated with the RMS.
16. The increase in the 2008-09 Estimate is mainly due to additional expenditure on system development relating to the RMS.
17. The increase in the 2007-08 Estimated Actual and the 2008-09 Estimate represents loans to fund the purchase of scientific equipment for the Racing Science Centre. Funding required for the repayment of interest and principal components of the loans will be sourced from contributions by the racing control bodies.
18. The increase in the 2007-08 Estimated Actual reflects a reduction in the quantity of equity withdrawal of the GSO's net assets as a result of the administration of the superannuation output being undertaken by a wholly-owned subsidiary of the QSuper Board as trustees of the State Public Sector Superannuation Scheme from 1 July 2007. The increase in the 2008-09 Estimate reflects the equity adjustments relating the RMS program of work.

19. The increase in the 2007-08 Estimated Actual is due primarily to the operating surplus of \$2.12 million in 2006-07.

Cash Flow Statement

- 20. Refer to Note 1 above.
- 21. Refer to Note 2 above.
- 22. Refer to Note 3 above.
- 23. Refer to Note 4 above.
- 24. Refer to Note 5 above.
- 25. Refer to Note 6 above.
- 26. Refer to Note 7 above.
- 27. Refer to Note 9 above.
- 28. Refer to Note 10 above.
- 29. The 2007-08 Adjusted Budget and the 2007-08 Estimated Actual reflect the sale of the GSO's plant and equipment to QSuper Ltd on 1 July 2007.
- 30. The increase in the 2008-09 Estimate is mainly due to development of the RMS (Release 3) and the purchase of scientific equipment for the Racing Science Centre.
- 31. Refer to Note 17 above.
- 32. Equity injections reflect the level of expenditure on the development of the RMS funded by the State.
- 33. Borrowing redemptions reflect contributions received from the racing control bodies for the repayment of the principal components of loans.
- 34. The decrease in the 2008-09 Estimate is mainly due to the one-off withdrawal of the GSO's net assets in 2007-08 as a result of the administration of the output being undertaken by a wholly-owned subsidiary of the QSuper Board as trustees of the State Public Sector Superannuation Scheme from 1 July 2007.
- 35. This item represents the cash transferred from the former Department of Tourism, Fair Trading and Wine Industry Development as a result of the Machinery of Government transfer of Liquor Licensing Division on 1 October 2007, the cash transferred from the Department of Local Government, Sport and Recreation as a result of the Machinery of Government transfer of the Office of Racing on 1 October 2007 and the cash transferred from the Department of Tourism, Regional Development and Industry as a result of the Machinery of Government transfer of the Queensland Office for Regulatory Efficiency on 1 April 2008.

Income Statement

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

1. The increase in the 2007-08 Estimated Actual and subsequent increase in the 2008-09 Estimate primarily relate to an increase in GST payments to the State. This reflects an increase in the total GST pool and Queensland's population growth, partially offset by the cessation of the specific purpose payment for compensation for companies' regulation.
2. The increase in the 2007-08 Estimated Actual is due to growth in the property and employment markets, which has been evidenced through higher collections of transfer duty during the first half of the financial year and stronger mortgage duty and payroll tax revenues throughout the year. It is anticipated that tax revenues will continue to grow in 2008-09, albeit at a slower rate than in previous years mostly due to the impact of higher interest rates on activity in the property market and due to the abolition of mortgage duty from 1 July 2008. Another contributing factor to the increase in the 2008-09 Estimate is the introduction of the liquor licensing renewal fees.
3. The increase in the 2008-09 Estimate is mainly due to increases in competitive neutrality fees.
4. Administered appropriation is received from the Consolidated Fund to fund administered expenses (excluding the Casino Funds which are self funded). Material changes in administered expenses are outlined in Notes 5 to 9.
5. Represents fees payable to Queensland Investment Corporation for administration of the State's long term investments. These fees will be paid through a different mechanism upon transfer of these assets to the Queensland Treasury Corporation from 1 July 2008 explaining the reduction in supplies and services expense in 2008-09.
6. The Treasurer's Advance reflects provision for items which may emerge during the year.
7. Treasury administers major grants and subsidies programs such as the First Home Owner Grant and the Fuel Subsidy Scheme. This makes up the majority of grants expense. From 1 July 2008, CorpTech, the Government's technology centre of skill, will transfer to the Department of Public Works. The 2008-09 Estimate is lower primarily as a result of this Machinery of Government change. This decrease is partly offset by growth in the Fuel Subsidy Scheme and moderate growth in the First Home Owner Grant Scheme.
8. The decrease in the 2007-08 Estimated Actual is due to changes in the timing of borrowings resulting in less borrowing costs being incurred. The increase in the 2008-09 Estimate represents interest on additional funds borrowed to support the expansion of the State's capital program.
9. The increase in the 2007-08 Estimated Actual reflects an increase in the State's share of superannuation beneficiary payments in 2007-08, in line with the funding recommendations outlined in the most recent actuarial investigation. The peak in 2007-08 is due in part to changes in Commonwealth legislation relating to superannuation. Lower beneficiary payments are forecast for 2008-09 given the tailing off of activity following the Commonwealth's changes.
10. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Administered revenues have increased overall from the 2007-08 Budget, with explanations of material revisions outlined in Notes 1 to 3.
11. The utilisation of surplus Community Investment Fund cash balances in 2007-08 and 2008-09 as a source of funds for grant payments and the operations of the Office of Gaming Regulation has resulted in an operating deficit in 2007-08 and 2008-09.

Balance Sheet

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

12. Treasury, in its capacity as the manager of the State's finances, operates a bank overdraft facility offset by departmental cash holdings.
13. Changes in the 2007-08 Estimated Actual and the 2008-09 Estimate over the 2007-08 Adjusted Budget primarily relates to a reclassification of taxes receivable from "other" to "receivables".
14. The increase in the 2007-08 Estimated Actual and 2008-09 Estimate primarily represent payments to the Queensland Rural Adjustment Authority for Natural Disaster Relief Assistance and for the Special Disaster Flood Assistance Scheme.
15. In its capacity as manager of the State's finances, Treasury is expected to borrow \$2.8 billion in 2008-09 in support of the Government's capital works program. Changes in the timing of borrowings for the Government's capital works program in 2007-08 has resulted in lower interest bearing liabilities.
16. Changes in contributed equity for the 2007-08 Estimated Actual represents the flow through of audited closing balances from 2006-07. The increase in the 2008-09 Estimate reflects the equity withdrawal to the Consolidated Fund for the State's capital works program.

Cash Flow Statement

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

17. Refer to Note 4.
18. Refer to Note 1.
19. Refer to Note 2.
20. Refer to Note 3.
21. Refer to Note 7.
22. Refer to Notes 5 and 6.
23. Refer to Note 8.
24. Refer to Note 9.
25. Refer to Note 15.
26. The 2007-08 equity injections represent receipts of the sale of ENERGEX's electricity and gas retail businesses, the Allgas distribution network and the competitive parts of Ergon Energy's electricity retail business including Ergon's subsidiary, Powerdirect. Payments to the Queensland Future Growth Corporation are made as equity withdrawals. Also included are equity withdrawals pertaining to borrowings for the Government's capital works program.

Motor Accident Insurance Commission / Nominal Defendant

Overview

The Motor Accident Insurance Commission (MAIC) and the Nominal Defendant statutory bodies contribute to the motor accident insurance administration output.

In helping to deliver accountable government, this output provides a financially viable and equitable personal injury compensation system through regulating the Queensland Compulsory Third Party (CTP) insurance scheme and managing the Nominal Defendant Fund.

MAIC's main activities include:

- licensing, supervising and monitoring the financial strength of insurers' CTP operations
- reviewing the statutory scheme, making recommendations for amendments and working in partnership with stakeholders to improve claim processes
- setting premium bands and recommending scheme levies based on research and independent actuarial analyses
- strategically analysing scheme data and trends and the performance of CTP insurers
- promoting, assessing and, where appropriate, funding education and research activities to minimise injuries, mitigate the effects of motor vehicle accidents and monitor the provision of rehabilitation services
- acting as a CTP insurer where damages are claimed for personal injury arising from the liability of unidentified and/or uninsured motor vehicles
- meeting the cost of claims of an insolvent CTP insurer.

Staffing

It is anticipated that full-time equivalent staffing numbers for 2008-09 will be 40.

Review of Performance

Recent achievements

Significant recent achievements include:

- implementing an arrangement to review insurer documentation in conjunction with the State Actuary and Australian Prudential Regulation Authority to ensure licensed CTP insurers are adequately supervised
- completing an operational review of the Nominal Defendant resulting in reduced human resource expenditure.

Future developments

During 2008-09, this output will focus on the following key priorities:

- continuing to monitor scheme developments in relation to claims costs and affordability for motorists, but also in other jurisdictions
- drawing on the operational claim synergies in the Queensland Government Insurance Fund and the Nominal Defendant Fund, and exploring the feasibility of a combined operation to achieve cost efficiencies.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Number of Nominal Defendant claims finalised as a percent of total outstanding claims		50%	50%	50%
Percentage of premium going to injured persons		65%	65%	65%
Annual certification percentage of Nominal Defendant full funding as at 30 June of the previous year		100%	100%	100%
Recommendation to the Treasurer of annual CTP levies by the agreed timeframe		100%	100%	100%
Setting of premium bands within legislative timeframes, including independent quarterly actuarial review of scheme		100%	100%	100%
Average operating cost per Nominal Defendant claim	1	\$1,311	\$1,367	\$1,484
Available funds per CTP policy for grant funding	2	\$0.22	\$0.30	\$0.34
Highest filed CTP premium for Class 1 vehicles does not exceed the Affordability Index as prescribed under the <i>Motor Accident Insurance Act 1994</i>		100%	100%	100%
State contribution (\$000)		..	..	..
Other revenue (\$000)	3	100,627	76,087	94,637
Total cost (\$000)	4	66,349	8,396	65,271

Notes:

1. The increase in the 2007-08 Estimated Actual and 2008-09 Target/Estimate is the result of higher than anticipated operating expenses for the Nominal Defendant and a reduced amount of open claims.
2. The increase in the 2007-08 Estimated Actual and 2008-09 Target/Estimate is the result of a lower than anticipated cost for CTP and increases in the Statutory Insurance Levy from the projected fleet vehicle volume growth.
3. The decrease in the 2007-08 Estimated Actual is due to a lower than expected rate of return on Queensland Investment Corporation (QIC) investments. The subsequent increase in the 2008-09 Target/Estimate is due to an increased rate of return estimated by QIC.
4. The decrease in the 2007-08 Estimated Actual and the subsequent increase in the 2008-09 Target/Estimate is due to dividends received for the FAI-Tail and a reimbursement to Government for the FAI-Tail Claims.

Income Statement

Motor Accident Insurance Commission	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1	12,048	10,165	12,220
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		12,048	10,165	12,220
Expenses				
Employee expenses	2	2,580	2,526	2,691
Supplies and services		1,405	1,413	1,359
Grants and subsidies		5,375	5,375	5,375
Depreciation and amortisation		81	81	67
Finance/borrowing costs		..	..	..
Other expenses		306	192	176
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		9,747	9,587	9,668
OPERATING SURPLUS/(DEFICIT)		2,301	578	2,552

Statement of Changes in Equity

Motor Accident Insurance Commission	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above		32	..	..
Net income recognised directly in equity		32	..	..
Surplus/(deficit) for the period		2,301	578	2,552
Total recognised income and expense for the period		2,301	578	2,552
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		2,333	578	2,552

Balance Sheet

Motor Accident Insurance Commission	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	3	1,122	1,142	1,001
Receivables		836	350	354
Other financial assets	4	31,638	33,611	36,381
Inventories		..	..	..
Other		31	34	31
Non-financial assets held for sale		..	..	..
Total current assets		33,627	35,137	37,767
NON-CURRENT ASSETS				
Receivables		500	500	500
Other financial assets		10,500	10,500	10,500
Property, plant and equipment		31	15	2
Intangibles		140	140	86
Other		..	..	..
Total non-current assets		11,171	11,155	11,088
TOTAL ASSETS		44,798	46,292	48,855
CURRENT LIABILITIES				
Payables		418	575	586
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		418	575	586
NON-CURRENT LIABILITIES				
Payables		34	45	45
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		34	45	45
TOTAL LIABILITIES		452	620	631
NET ASSETS (LIABILITIES)		44,346	45,672	48,224
EQUITY				
Capital/contributed equity		160	164	164
Retained surplus/(Accumulated deficit)	5	28,854	30,201	32,753
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (Income maintenance & grants reserve)		15,332	15,307	15,307
TOTAL EQUITY		44,346	45,672	48,224

Cash Flow Statement

Motor Accident Insurance Commission	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	(32)	(4)
Grants and other contributions		..	..	..
Other	6	11,151	10,166	12,220
Outflows:				
Employee costs	7	(2,583)	(2,519)	(2,681)
Supplies and services		(1,473)	(1,402)	(1,355)
Grants and subsidies		(5,376)	(5,375)	(5,375)
Borrowing costs		..	..	..
Other		(306)	(192)	(176)
Net cash provided by/(used in) operating activities		1,413	646	2,629
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		5,375	5,375	5,375
Loans and advances redeemed	8	550	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	(11)	..
Payments for investments	9	(7,338)	(7,621)	(8,145)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,413)	(2,257)	(2,770)
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		..	(1,611)	(141)
Cash at the beginning of financial year		1,122	2,753	1,142
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,122	1,142	1,001

Explanation of Variances in the Financial Statements

Income Statement

1. The decrease in the 2007-08 Estimated Actual is a result of lower than expected rates of return on Queensland Investment Corporation (QIC) investments. The increased 2008-09 Estimate is a result of an increase in the forecast rate of return from QIC.
2. The increase in the 2008-09 Estimate is due to the Enterprise Bargaining Agreement.

Balance Sheet

3. The increase in the 2007-08 Estimated Actual and the decrease in the 2008-09 Estimate is due to inflows and outflows of cash for operating, investing and financing activities in the course of the commission's business operations.
4. The increase in the 2007-08 Estimated Actual and the 2008-09 Estimate is due to an expected increase in the Statutory Insurance Levy from the projected fleet vehicle volume growth.
5. The increase in the 2007-08 Estimated Actual is a result of a higher than expected opening balance of retained surplus due to previous years' higher than anticipated investment returns from QIC. The increase in the 2008-09 Estimate is due to the anticipated net surplus in that year.

Cash Flow Statement

6. The decrease in the 2007-08 Estimated Actual is a result of lower than expected rates of return on QIC investments. The increase in the 2008-09 Estimate is due to an expected increase in the Statutory Insurance Levy from the projected fleet vehicle volume growth.
7. The increase in the 2008-09 Estimate is due to the Enterprise Bargaining Agreement.
8. The decrease in the 2007-08 Estimated Actual is due to an adjustment to the 2007-08 Budget.
9. The increase in the 2008-09 Estimate is due to the reinvestment of higher investment earnings expected in 2008-09 compared to 2007-08.

Income Statement

Nominal Defendant	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1	88,579	65,922	82,417
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		88,579	65,922	82,417
Expenses				
Employee expenses		788	679	845
Supplies and services	2	56,357	57,617	51,963
Grants and subsidies		..	..	..
Depreciation and amortisation		48	48	45
Finance/borrowing costs		..	..	..
Other expenses	3	(591)	(59,535)	2,750
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		56,602	(1,191)	55,603
OPERATING SURPLUS/(DEFICIT)		31,977	67,113	26,814

Statement of Changes in Equity

Nominal Defendant	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		31,977	67,113	26,814
Total recognised income and expense for the period		31,977	67,113	26,814
Equity injection/(withdrawal)	4	(170)	(59,228)	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		31,807	7,885	26,814

Balance Sheet

Nominal Defendant	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		999	958	999
Receivables	5	588	1,900	1,693
Other financial assets	6	72,409	72,832	75,525
Inventories		..	..	..
Other		3	1	3
Non-financial assets held for sale		..	..	..
Total current assets		73,999	75,691	78,220
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	7	322,734	310,964	349,287
Property, plant and equipment		14	(1)	(2)
Intangibles		83	83	39
Other		..	..	..
Total non-current assets		322,831	311,046	349,324
TOTAL ASSETS		396,830	386,737	427,544
CURRENT LIABILITIES				
Payables		549	430	445
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		45,495	48,289	49,820
Other		27,955	26,972	27,955
Total current liabilities		73,999	75,691	78,220
NON-CURRENT LIABILITIES				
Payables		15	14	15
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions	8	200,828	179,345	190,808
Other		..	..	..
Total non-current liabilities		200,843	179,359	190,823
TOTAL LIABILITIES		274,842	255,050	269,043
NET ASSETS/(LIABILITIES)		121,988	131,687	158,501
EQUITY				
Capital/contributed equity	9	152,715	89,616	89,616
Retained surplus/(Accumulated deficit)	10	(30,727)	42,071	68,885
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (Income maintenance & grants reserve)		..	..	..
TOTAL EQUITY		121,988	131,687	158,501

Cash Flow Statement

Nominal Defendant	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	721	1,190
Grants and other contributions		..	..	..
Other	11	90,704	65,922	82,417
Outflows:				
Employee costs		(783)	(676)	(840)
Supplies and services	12	(56,345)	(61,697)	(51,954)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	13	14,072	71,320	10,244
Net cash provided by/(used in) operating activities		47,648	75,590	41,057
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		(15)	..	..
Payments for investments	14	(47,585)	(16,362)	(41,016)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(47,600)	(16,362)	(41,016)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	15	(170)	(59,228)	..
Net cash provided by/(used in) financing activities		(170)	(59,228)	..
Net increase/(decrease) in cash held		(122)	..	41
Cash at the beginning of financial year		1,121	958	958
Cash transfers from restructure		..	..	..
Cash at the end of financial year		999	958	999

Explanation of Variances in the Financial Statements

Income Statement

1. The decrease in the 2007-08 Estimated Actual is a result of lower than expected rate of return on Queensland Investment Corporation (QIC) investments. The subsequent increase in the 2008-09 Estimate is due to a higher forecasted rate of return from QIC.
2. The increase in the 2007-08 Estimated Actual is a result of a forecasted increase in Nominal Defendant claims costs and movement in outstanding claims provision as compared to 2007-08 Budget. The decrease in the 2008-09 Estimate is due to a forecast decrease in the FAI-Tail claims.
3. The decrease in the 2007-08 Estimated Actual is a result FAI-Tail dividends received and reimbursed to Treasury. The increase in the 2008-09 Estimate is due to no dividends forecasted to be received for the FAI-Tail.

Statement of Changes in Equity

4. The decrease in the 2007-08 Estimated Actual is a result of reimbursement to Treasury for the FAI-Tail claims. The increase in the 2008-09 Estimate is a result of a nil projected reimbursement to Treasury from FAI-Tail operating surplus.

Balance Sheet

5. The increase in the 2007-08 Estimated Actual is a result of increased FAI-Tail Sharing receivables.
6. The increase in the 2008-09 Estimate is due to an increased forecast rate of return from QIC.
7. The decrease in the 2007-08 Estimated Actual is a result of lower than expected investment earnings and reclassification of the current /non-current investments to align with the apportionment of the Nominal Defendant outstanding claims provision. The increase in the 2008-09 Estimate is due to higher than expected current/non-current outstanding claims provision.
8. The decrease in the 2007-08 Estimated Actual is a result of a lower than anticipated audited non-current outstanding claims provision opening balance. The subsequent increase in the 2008-09 Estimate is due to a higher forecast of the outstanding claims provision.
9. The decrease in the 2007-08 Estimated Actual is a result of a nil reimbursement from Treasury for FAI-Tail claims liabilities as a result of a decision to utilise surplus Nominal Defendant funds to meet FAI-Tail claims during 2007-08.
10. The decrease in the 2007-08 Estimated Actual deficit is a result of higher than anticipated audit opening balance.

Cash Flow Statement

11. The decrease in the 2007-08 Estimated Actual is a result of a lower than expected rate of return on QIC investments. The subsequent increase in the 2008-09 Estimate is due a greater forecast rate of return from QIC.
12. The increase in the 2007-08 Estimated Actual is due to an expected higher outlays in Nominal Defendant claim payments. The decrease in the 2008-09 Estimate is a result of a forecast decrease in Nominal Defendant claim payments.
13. The decrease in the 2007-08 Estimated Actual is a result of FAI-Tail dividends received and reimbursed to Treasury. The subsequent increase in the 2008-09 Estimate is due to a forecasted decrease in the FAI-Tail claims.
14. The decrease in the 2007-08 Estimated Actual is a result of the reinvestment of lower earnings. The subsequent increase in the 2008-09 Estimate is due to the forecast reinvestment of higher earnings.
15. The increase in the 2007-08 Estimated Actual is a result of a reimbursement to Treasury for FAI-Tail claims. The subsequent decrease in the 2008-09 Estimate is a result of a nil projected reimbursement to Treasury from FAI-Tail operating surplus.

Queensland Future Growth Corporation

Overview

The Queensland Future Growth Corporation was created as a corporation sole under the *Future Growth Fund Act 2006* to administer the Queensland Future Growth Fund. The Fund finances initiatives that will benefit the future economy of Queensland, specifically:

- implementing strategies to secure water supply and provide finance for critical water infrastructure
- supplying funds to research and develop innovative technologies that will mitigate the effects of climate change. By doing this, the Fund proactively advances the State's environmental sustainability, supports Queensland's industries and enhances economic wellbeing
- providing funding for future infrastructure related projects to support the State's growth.

Staffing

No staff are employed by the Corporation.

Review of Performance

Recent achievements

Significant recent achievements include:

- collected and invested the remaining proceeds from the sale of ENERGEX's electricity and gas retail businesses, the Allgas distribution network and the competitive parts of Ergon Energy's electricity retail business including Ergon Energy's subsidiary, Powerdirect for the Queensland Future Growth Fund
- an estimated allocation of \$315.2 million towards transport infrastructure, social housing stock, clean coal technology and the Innovation Building Fund.

Future developments

Over the coming years, the Fund will continue to deliver the following key priorities:

- constructing and accelerating vital infrastructure projects in the areas of water, transport and roads, with \$177 million forecast to be allocated from the Fund in 2008-09
- water projects are forecast to receive \$567.4 million from the Fund during 2008-09
- funding for clean coal technology that will make a proactive and positive contribution to the science and technology of reducing greenhouse gas emissions
- funding for the Renewable Energy Fund and the Queensland Smart Energy Savings Fund to combat the effects of climate change
- contributing further towards the Innovation Building Fund to capitalise on previous investment in research and development infrastructure and to further develop in areas of comparative advantage
- furthering commercial infrastructure with details on projects to be determined by future priorities and commercial negotiations
- continuing to provide funding to the Department of Housing for a major expansion of the State's social housing stock.

Net proceeds from airport sales in Mackay, Cairns and the Government's stake in the Brisbane Airport will be transferred into the Queensland Future Growth Fund for allocation to the redevelopment of the Mackay, Cairns and Mt Isa Base Hospitals following the finalisation of the sales.

The Fund will also benefit from the reinjection of interest earnings on the Fund balance.

Queensland Future Growth Fund projects	Notes	Total allocation \$ million	2006-07 Actual \$ million	2007-08 Budget \$ million	2007-08 Est. Act. \$ million	2008-09 Estimate \$ million
Transport infrastructure		500	..	156	151.2	177
Water infrastructure	1	1,000	..	..	..	567.4
Clean coal technology		300	29.6	56.8	66.8	19.4
Climate change projects	2	100	..	20	..	32
Smart State projects		100	..	15	12.2	20
Commercial infrastructure including Government-owned corporations	3	600	400	..	..	50
Social housing stock		500	..	85	85	125
Total		3,100	429.6	332.8	315.2	990.8

Notes:

1. The 2008-09 Estimate reflects the provision of funding to the South East Queensland bulk water entities.
2. The Renewable Energy Fund and the Queensland Smart Energy Savings Fund were established during 2007-08 however, funding will not be required from the Fund until 2008-09.
3. This funding represents the 2008-09 component of a \$100 million funding package to be provided to the Abbott Point Coal Terminal Expansion.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Fund administered in accordance with government guidelines		100%	100%	100%
Allocation of funds to projects within the intended scope of the Fund		100%	100%	100%
Provision of funding in accordance with project cash flows		100%	100%	100%
State contribution (\$'000)		..	..	..
Other revenue (\$'000)	1	132,888	167,055	158,775
Total cost (\$'000)	2	2,350	2,167	2,135

Notes:

1. This reflects forecast interest earnings on the Fund balance.
2. This reflects forecast administration charges payable to the Queensland Treasury Corporation to manage the Fund's investments, as well as other charges encountered in the administration of the Fund such as audit fees.

Income Statement

Queensland Future Growth Corporation	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1	132,888	167,055	158,775
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		132,888	167,055	158,775
Expenses				
Employee expenses		..	..	..
Supplies and services	2	2,350	2,167	2,135
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		2,350	2,167	2,135
OPERATING SURPLUS/(DEFICIT)		130,538	164,888	156,640

Statement of Changes in Equity

Queensland Future Growth Corporation	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		130,538	164,888	156,640
Total recognised income and expense for the period		130,538	164,888	156,640
Equity injection/(withdrawal)		624,541	658,991	(990,764)
Equity adjustments (MoG transfers)	
Total movement in equity for period		755,079	823,879	(834,124)

Balance Sheet

Queensland Future Growth Corporation	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	3	2,275,477	2,200,267	1,641,143
Receivables		..	..	..
Other financial assets	4	150,000	275,000	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		2,425,477	2,475,267	1,641,143
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ASSETS		2,425,477	2,475,267	1,641,143
CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		..	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		..	..	..
NET ASSETS/(LIABILITIES)		2,425,477	2,475,267	1,641,143
EQUITY				
Capital/contributed equity		2,294,939	2,329,383	1,338,619
Retained surplus/(Accumulated deficit)		130,538	145,884	302,524
Reserves:				
- Asset revaluation reserve		..	..	..
TOTAL EQUITY		2,425,477	2,475,267	1,641,143

Cash Flow Statement

Queensland Future Growth Corporation	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	5	..	2,204	..
Grants and other contributions		..	..	..
Other	6	132,888	167,055	158,775
Outflows:				
Employee costs		..	..	..
Supplies and services	7	(2,350)	(2,167)	(2,135)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		130,538	167,092	156,640
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed	8	150,000	150,000	275,000
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments	8	..	(125,000)	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		150,000	25,000	275,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	9	957,300	974,188	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	10	(332,759)	(315,197)	(990,764)
Net cash provided by/(used in) financing activities		624,541	658,991	(990,764)
Net increase/(decrease) in cash held		905,079	851,083	(559,124)
Cash at the beginning of financial year		1,370,398	1,349,184	2,200,267
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,275,477	2,200,267	1,641,143

Explanation of Variances in the Financial Statements

Income Statement

1. This reflects forecast interest earnings on the Fund balance.
2. This reflects forecast administration charges payable to the Queensland Treasury Corporation to manage the Fund's investments, as well as other charges in the administration of the Fund such as audit fees.

Balance Sheet

3. The decrease between the 2007-08 Estimated Actual and the 2008-09 Estimate reflects the provision of funding to approved Queensland Future Growth Fund projects.
4. This represents investments in Fixed Rate Deposits with the Queensland Treasury Corporation.

Cash Flow Statement

5. The user charges reflect input tax credits on the energy retail asset sale project expenses incurred during 2006-07.
6. This reflects forecast interest earnings on the Fund balance.
7. This reflects forecast administration charges payable to the Queensland Treasury Corporation to manage the Fund's investments, as well as other charges in the administration of the Fund such as audit fees.
8. This reflects the changing Fixed Rate Deposits profile which the Fund has invested with the Queensland Treasury Corporation.
9. The 2007-08 Budget and 2007-08 Estimated Actual reflects the receipt of the remainder of the sale proceeds for ENERGEX's electricity and gas retail businesses, the Allgas distribution network and the competitive parts of Ergon Energy's subsidiary, Powerdirect, less stamp duty and the associated sales costs.
10. This reflects withdrawals to agencies for expenditure on Queensland Future Growth Fund projects.