

PART 2

Deputy Premier and Minister for Infrastructure and Planning

Summary of Portfolio Budgets

Page	Agency	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
1-89	Department of Infrastructure and Planning- controlled	79,623	115,301	127,619
	Department of Infrastructure and Planning - administered	15,619	32,710	32,776
1-109	Property Services Group	44,274	44,548	51,478
1-116	Queensland Water Commission	15,958	27,800	24,076
1-122	Urban Land Development Authority	..	6,300	9,500

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.

Department of Infrastructure and Planning

Departmental Overview

Strategic Issues

At the end of June 2007 the State's resident population was 4.18 million, an increase of 90,500 new Queenslanders for the year. Queensland's consistent population growth corroborates the high priority the Queensland Government is placing on sustainable development and the delivery of the State's infrastructure. The creation and focus of the Department of Infrastructure and Planning is to optimise the benefits for Queenslanders through the delivery, planning, facilitation and coordination of strategic land use and major infrastructure projects and initiatives across Queensland in consultation with the community.

Rising global population and sustained economic development in many countries means an increasing need for natural resources such as coal, bauxite, and base metals. Surging international demand for the State's resources requires greater concentration on export-focused infrastructure such as rail lines and ports. As we continue to build the economy through improved tourism infrastructure and value-adding in the resources industry, sustainable development and the smart use of our natural resources is crucial.

The principles of sustainable development need to be carefully applied to planning the future mix of land use, including planning and preparing for adequate supplies of industrial land.

The Department provides infrastructure planning, coordination and delivery for the sustainable development of Queensland and contributes to the Government outcomes of building Queensland's economy, strengthening real communities and protecting Queensland's environment.

2008-09 Highlights

The key service priorities for 2008-09 and beyond are:

Planning, coordinating and delivering key infrastructure for economic, environmental and social development in Queensland including:

- finalisation of the design, construction and operation of the largest recycled water project in the southern hemisphere, including development of three advanced water treatment plants and laying of approximately 200km of pipeline to bring the total to 450 km
- water grid projects including the Gold Coast Desalination plant, are on track for completion by December 2008
- planning and development of regionally-based water infrastructure projects
- completion of the Coal Infrastructure Strategic Plan, and continuing to assist implementation of *the Coal Infrastructure Program of Actions*
- facilitation of the Surat Basin Railway, and the Northern Economic Triangle
- completion of the Southport Broadwater to Southern Morton Bay Marine Infrastructure Master Plan and Inskip Peninsula Master Plan

- managing significant project declarations and associated Environmental Impact Study (EIS) processes.

Collaboratively planning sustainable and dynamic urban and regional communities through:

- implementation of the *Housing Affordability Strategy*, and the planning reform implementation project
- undertaking a review of the *South East Queensland Regional Plan*
- continuing to deliver a contemporary and consistent framework for regional and rural planning in Queensland, building on the success of the South East Queensland Regional Plan through the delivery of new statutory regional plans
- partnering with councils to address growth management issues
- implementation of the *Planning for a Prosperous Queensland: A reform agenda for planning and development in the Smart State*
- facilitation of State interest in land use and infrastructure planning
- implementation of *Stage 2 Housing Sustainability Policy* and projects identified in the *Climate Smart 2050 Strategy*.

Facilitating significant Government projects including:

- the Aurukun Bauxite and Alumina Refinery project, Whitsunday Airport, Townsville Ocean Terminal, Gold Coast Marine Development Project, Yeerongpilly Landing Development, Northbank, Qld Children's and the Gold Coast University Hospitals.

Planning, securing and managing land supply for urban, industrial and economic development such as:

- industrial land planning and development
- delivering the Industry Location Scheme through industrial property developments
- declaration and management of State Development Areas (SDA).

2007-08 Achievements

Significant achievements and targets met during 2007-08 include:

- released the *Queensland Housing Affordability Strategy* in July 2007, and established the Urban Land Development Authority (ULDA) in November 2007
- prepare the Gold Coast University Hospital Master Plan
- commenced the first EIS under the Integrated Planning Act for the proposed Rocky Springs master planned community
- established Regional Planning Advisory Councils for North West, Central West, South West and Maranoa and District
- engaged the Queensland Competition Authority (QCA) to conduct an independent review of local government infrastructure charging schedules
- reviewed implementation of the \$19.3 billion Coal Infrastructure Program of Actions, the Coal Seam Gas Water Supply and Demand Study, and the Fitzroy Industry and Infrastructure Study

- prepared and now overseeing implementation of the *Northern Economic Triangle Infrastructure Plan 2007-2012*, which is a commitment by the Government to the development of Mount Isa, Townsville and Bowen as a triangle of mining, minerals processing and industrial development over the course of the next half century
- completed the Townsville City Port Strategic Plan
- completed the Bowen Abbot Point Industrial Land and Infrastructure Concept Plan
- declaration of a Program of Works under the *State Development and Public Works Organisation Act 1971* for implementation of the State Wide Water Policy regional projects
- facilitated major Government projects including: Northbank, Townsville Ocean Terminal, Gold Coast Marine Development Project and the Yerrongpilly Landing Development
- continued to facilitate the Surat Basin Railway
- completed four studies to inform Government on issues associated with development of a Liquefied Natural Gas industry
- completed impact assessments and issued Coordinator-General's Reports for Abbot Point Coal Terminal - Stage 3, Central Queensland Gas Pipeline, Jilalan Rail Yard, Northern Pipeline Inter-connector - Stage 1 and Wiggins Island Coal Terminal
- declared 21 significant projects (capital value of \$27 billion), released 21 EISs (capital value of \$11.3 billion) and issued nine Coordinator-General's Reports for energy, tourism and infrastructure projects at a combined value of \$6.1 billion
- completed declaration of the Stanwell-Gladstone Infrastructure Corridor SDA
- declared the Aurukun Bauxite Mine and Port Development, Aurukun East Coast Alumina Refinery and Port Development as significant projects and commenced formal EIS coordination
- undertook public consultation for the proposed Bromelton SDA
- undertook Industrial Land Demand and Supply Studies for Far North Queensland/Cairns Region, Gympie, Sarina, Townsville/Thuringowa and Whitsunday
- coordinated the implementation of the updated *South East Queensland Infrastructure Plan and Program 2008-2026*
- worked with the Department of Education, Training and the Arts (DETA) to develop a value for money business case for the Public Private Partnership delivery of a package of schools in South East Queensland.
- continued the design, construction and operation of largest recycled water project in the southern hemisphere, including development of three advanced water treatment plants and approximately 250km of pipeline.

Departmental Outputs

The Department of Infrastructure and Planning, which provides support to the Coordinator-General, was established on 1 October 2007 as a consequence of machinery-of-Government changes. This resulted in the Sustainable Planning Division of the previous Department of Local Government, Planning, Sport and Recreation being amalgamated with the Department of Infrastructure to form the Department of Infrastructure and Planning

The department has revised its output structure to better reflect the services delivered by the new Department of Infrastructure and Planning.

The new output structure is:

- Planning
- Infrastructure and Economic Development
- Infrastructure Delivery

Output Descriptors

Planning

Provides leadership and works in collaboration with state agencies, local government and other stakeholders to effectively plan for growth and infrastructure provision in Queensland, to maintain a high quality of life and facilitate sustainable development. The Planning output will:

- assist the application of current South East Queensland regional planning principles progressively across the State
- formulate a Statewide model to manage population growth and subsequent infrastructure priorities
- reform planning in Queensland by improving the *Integrated Planning Act 1997* and the Integrated Development Assessment System, through endorsed recommendations of the *Planning for a Prosperous Queensland: A reform agenda for planning and development in the Smart State*, to ensure they meet the needs of the community and stakeholders with enough flexibility to manage future challenges.

Infrastructure and Economic Development

The core business of this output is to attract, facilitate and assist in timely delivery of projects and related infrastructure in Queensland. Services within this output will:

- promote State and regional economic development through planning and coordination of the provision of critical infrastructure
- promote industrial development by facilitating the development of industrial land and multi-user infrastructure corridors
- assess the feasibility of new large industry and major economic development opportunities in Queensland, particularly on designated SDAs
- management of significant Government projects that support industry and urban development.

Proponents investing in major resource, industry and tourism projects benefit from the streamlined approvals and management processes facilitated by this output.

Infrastructure Delivery

The Infrastructure Delivery output provides the central coordination role in the delivery of the South East Queensland Water Grid, the Airport Link, pipe procurement and land acquisition. A number of Corporations Act entities referred to as Special Purpose Vehicles have been established to provide rigorous governance, management and delivery of major infrastructure including:

- Western Corridor Recycled Water Project (Western Corridor Recycled Water Pty Ltd), Southern Regional Water Pipeline, Northern and Eastern Pipeline Interconnectors (LinkWater), South East Queensland Desalination Plant (SureSmart Water) and the Airport Link toll road (City North Infrastructure Pty Ltd).

Staffing¹

Output	Notes	2007-08 Adjusted Budget	2007-08 Est. Actual	2008-09 Estimate
Outputs				
Planning		286	283	300
Infrastructure and Economic Development		147	151	151
Infrastructure Delivery		52	54	54
Total outputs	2	485	488	505
BUSINESS UNITS				
Property Services Group		21	18	18
Total business units		21	18	18
Total		506	506	523

Notes:

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

2008-09 Output Summary¹

Output	Total cost \$'000	Sources of revenue			
		Appropriation \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Planning	74,361	66,072	1,206	..	7,083
Infrastructure and Economic Development	37,292	31,207	333	..	5,752
Infrastructure Delivery	15,966	12,762	47	..	1,657
Total	127,619	110,041	1,586	..	14,492

Note:

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

Administered Items

Description

Significant administered items are:

Queensland Water Commission

In 2008-09, \$23.2 million is provided to the Queensland Water Commission (QWC). The QWC is an independent statutory authority established by the Queensland Government in June 2006, under the *Water Act 2000*, to provide advice on water planning and related matters. The QWC's primary role is to secure sustainable water supply and demand management measures in South East Queensland.

Urban Land Development Authority

The Government will provide funding of \$9.5 million in 2008-09 for the continuing operation of the Urban Land Development Authority (ULDA). The ULDA was established in late 2007 as part of the Queensland Housing Affordability Strategy.

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

Departmental Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output: Planning				
Number of Local Governments with high population growth (greater than 10,000 total population) with Priority Infrastructure Plans submitted during the year	1	24	22	22
Percentage of:				
• Target audience reached by publications.	2	90%	97%	90%
• Attendance rate for seminars, workshops or forums.	3	80%	81%	80%
Percentage of milestones completed on priority projects being progressed by Regional Planning Projects outside SEQ.	4	80%	79%	80%
Number of local governments and State agencies participating in the new Smart eDA Program.	5	55	95	45
Number of Regional Coordination Committee (RCC) meetings held per year	6	4	3	4
Number of sub-regional planning and infrastructure forums per year	7	10	10	10
Number of Regional Landscape and Open Space Committee meetings held per year	8	6	7	6
Client satisfaction with the quality of seminars, workshops, forums and publications.	9	80%	80%	80%
Key stakeholder satisfaction with the quality of SEQ Regional Plan implementation processes	10	75%	75%	75%
Percentage of statutory responsibilities completed within agreed timeframes	11	100%	100%	100%
Concurrence agency requests processed within agreed timeframes	11	100%	100%	100%
Produce an updated SEQ Infrastructure Plan and Program	12	May 2008	June 2008	June 2009
State contribution (\$000)	29,32,35	31,556	43,331	66,072
Other revenue (\$000)	30,33,36	871	4,266	8,289
Total cost (\$000)	31,34,37	32,427	47,597	74,361
Output: Infrastructure and Economic Development				
Area of land secured for economic development (hectares)	13	4,000	4,115	5,915

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Number of major projects coordinated:				
• Proposed projects	14,15	20	43	33
• Committed projects	14,16	14	15	19
Estimated capital value of major projects coordinated				
• Proposed projects	14,15	\$10.80 billion	\$31.95 billion	\$22.46 billion
• Committed projects	14,16	\$10.23 billion	\$12.22 billion	\$12.93 billion
Number of economic development infrastructure and major land use planning projects being developed	17	50	38	44
Number of major private sector infrastructure project proposals being evaluated or facilitated	14,18	20	21	20
% of satisfaction ratings greater than or equal to 3 (on a 1 to 5 scale) with infrastructure planning services	19	90%	90%	90%
Estimated number of jobs generated:				
• Proposed projects	14,15	9,600	39,537	18,310
• Committed projects	14,16	13,148	16,377	24,006
% of committed major projects on schedule to agreed milestones	14,20	78%	93%	89%
% of area of land secured for economic development located in regional Queensland	21	100%	26%	51%
% of major land use planning projects and studies located in regional Queensland	22	79%	88%	82%
% of estimated number of jobs generated by projects located in regional Queensland	14,23	78%	84%	74%
State contribution (\$000)	38,43	28,730	34,321	31,207
Other revenue (\$000)	39,41,44	4,288	8,609	6,085
Total cost (\$000)	40,42,45	33,018	42,930	37,292
Output: Infrastructure Delivery				
Number of major projects coordinated:				
• Proposed projects	14,24	0	1	1
• Committed projects	14,25	10	11	9
Estimated capital value of major projects coordinated:				
• Proposed projects	14,24	\$0 billion	\$0.02 billion	\$0.17 billion
• Committed projects	14,26	\$7.77 billion	\$7.35 billion	\$9.72 billion
Number of major private sector infrastructure project proposals being evaluated or facilitated	14,18	1	1	1
Estimated number of jobs generated:				
• Proposed projects	14,24	0	24	100
• Committed projects	14,26	5,852	4,029	4,851
% of committed major projects on schedule to agreed milestones	14,27	100%	100%	100%

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
% of estimated number of jobs generated by projects located in regional Queensland	14,28	63%	64%	55%
State contribution (\$000)	46,48,51	10,483	22,283	12,762
Other revenue (\$000)	49,52	965	991	1,704
Total cost (\$000)	47,50,53	14,178	24,774	15,966

Notes:

- The estimated target for 2008-09 reflects the reduced number of councils following recent local government reforms.
 - Estimated actual of 97% reflects efficiencies associated with distributing publications electronically and continued popularity of the Department's internet for accessing information.
 - Estimated actual of 81% reflects a continuing high level of interest in Departmental land supply, demographic projections and planning regulatory reforms and innovations.
 - Satisfactory progress of all regional planning projects outside South East Queensland has contributed to achievement of the estimated target.
 - Early delivery of services facilitated by fast-tracking the rollout of the supporting network application has resulted in more agencies participating in the new Smart eDA Program during 2007-08. The reduced estimated target for 2008-09 reflects the reduced number of councils resulting from the recent local government reforms.
 - Third quarter meeting was cancelled as it clashed with the local government elections.
 - Of the 10 meetings estimated to be held during the year, 5 were specifically for infrastructure planning and 5 were for the review of the current SEQ Regional Plan
 - The estimated target of meetings was achieved resulting in quality advice being provided to the Minister responsible for Regional planning.
 - Feedback from clients at planning and building forums and seminars was sampled during the year and supported the continued high level of satisfaction.
 - Feedback during the year from clients supports the estimated actual satisfaction rating. A formal annual client survey is to be conducted before the end of June.
 - All statutory processing timelines required of the Department under IPA were met.
 - The SEQ Infrastructure Plan and Program is reviewed annually.
 - Estimated target was achieved through securing land in SEQ and in regional Queensland centres including Townsville, Cairns, Mackay and Rockhampton.
 - During 2007-08 the Department commenced operation under three new outputs. During a transition period this will result in the sharing of performance measures between two of these outputs.
 - The increase in the estimated actual over the estimated target for 2007-08 is due to the positive economic climate resulting in a number of infrastructure projects (water, rail, coal) being proposed by public sector agencies. This positive economic climate has resulted in elevated targets for 2008-09.
 - Strong positive economic climate has ensured the estimated target for committed projects was achieved or exceeded in 2007-08. Anticipated positive economic climate is reflected in the elevated targets for 2008-09.
 - The estimated target of 50 for 2007-08 erroneously included nine major projects associated with the SEQ Water Grid. A corrected estimated target of 41 was used for 2007-08. The estimated actual of 38 is slightly below the revised target due to three less industrial land projects coming on line than planned for.
 - Achievement of the estimated target is due to the positive economic climate resulting in a number of private sector infrastructure projects being evaluated or facilitated by the Department.
 - Feedback during the year from clients supports the recorded high satisfaction rating. A formal annual client survey is to be conducted before the end of June.
 - Estimated actual of 93% represents 14 out of 15 committed major projects on schedule.
 - The estimated actual of 26% for 2007-08 represents 1,065 hectares. Whilst it was anticipated major land acquisition would be in regional centres, the opportunity was taken to secure land at Caboolture, Amberley, Bromelton and Ebenezer within SEQ.
 - The estimated actual of 88% for 2007-08 represents 30 out of 34 major land use planning projects located in regional Queensland and reflects strong economic climate across the State.
 - Estimated actual of 84% for 2007-08 represents more than 13,700 jobs generated in regional Queensland by major infrastructure projects. The 2008-09 estimated target represents an estimated 17,700 jobs in regional Queensland.
 - Estimated actual for 2007-08 and estimated targets for 2008-09 represents the proposed Toowoomba Pipeline project.
 - The estimated actual of 11 for 2007-08 consists of nine SEQ Water Grid projects and the Airport Link and Northern Busway Projects. The reduced 2008-09 estimated target results from completion of two SEQ Water Grid projects.
 - The estimated actual for 2007-08 is below the estimated target for 2007-08 due to the rescheduling of the startup for the Airport Link project following the extension of the evaluation stage.
 - All 11 committed major projects are on schedule.
 - The estimated actual for 2007-08 of 64% represents approximately 4,000 jobs located in regional Queensland. The estimated target for 2008-09 of 55% represents 2,700 jobs
- Planning
- Major variations between 2007-08 Adjusted Budget and 2007-08 Estimated Actual include:
- The increase principally relates to the additional funding for the implementation of initiatives within the Government's Queensland Housing Affordability Strategy, additional funding for major water savings and greenhouse gas emission reduction initiatives undertaken by Building Codes Queensland and additional funding to design a Smart City Master Plan for the State's capital.
 - The increase principally relates to funding for developing the Ipswich Regional Centre Strategy in collaboration with Ipswich City Council and funding for the Ipswich Multifunction Development business case.
 - The increase relates to the implementation of the Government's Queensland Housing Affordability Strategy, Building

Codes Queensland initiatives, the Ipswich Multifunction Development and designing a Smart City Master Plan.

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

32. The increase principally relates to the increased funding for initiatives within the Government's Queensland Housing Affordability Strategy, increased funding for regional recreational trails, additional funding for the advancement of Transit Orientated Development projects, additional funding for the South East Queensland Regional Plan and additional funding for the Planning Reform Implementation project. This increase also relates to the first full year budget of the previous Sustainable Planning Division and associated corporate and executive services of the previous Department of Local Government, Planning, Sport and Recreation, which was amalgamated with the Department of Infrastructure to form the Department of Infrastructure and Planning, as of 1 October 2007.
33. The increase principally relates to funding for the Ipswich Multifunction Development business case.
34. The increase principally relates to the implementation of the Government's Queensland Housing Affordability Strategy, the South East Queensland Regional Plan, the Planning Reform Implementation project, the Ipswich Multifunction Development, the construction of regional recreational trails and the advancement of the Transit Orientated Development projects. This increase also relates to the first full year expenditure budget of the previous Sustainable Planning Division and associated corporate and executive services of the previous Department of Local Government, Planning, Sport and Recreation, which was amalgamated with the Department of Infrastructure to form the Department of Infrastructure and Planning, as of 1 October 2007.

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

35. The increase principally relates to increased funding for initiatives within the Government's Queensland Housing Affordability Strategy, increased funding for regional recreational trails, additional funding for the advancement of Transit Orientated Development projects, additional funding for South East Queensland Regional Plan and additional funding for the Planning Reform Implementation project. This increase also relates to the first full year budget of the previous Sustainable Planning Division and associated corporate and executive services, of the previous Department of Local Government, Planning, Sport and Recreation, which was amalgamated with the Department of Infrastructure to form the Department of Infrastructure and Planning, as of 1 October 2007.
36. The increase principally relates to other revenue for the Ipswich Multifunction Development business case.
37. The increase principally relates to the implementation of the Government's Queensland Housing Affordability Strategy, the South East Queensland Regional Plan, the Planning Reform Implementation project, the Ipswich Multifunction Development, the construction of regional recreational trails and the advancement of the Transit Orientated Development projects. This increase also relates to the first full year expenditure budget of the previous Sustainable Planning Division and associated corporate and executive services, of the previous Department of Local Government, Planning, Sport and Recreation, which was amalgamated with the Department of Infrastructure to form the Department of Infrastructure and Planning, as of 1 October 2007.

Infrastructure and Economic Development

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

38. The increase principally relates to additional funding for the Statewide Water Policy initiatives, additional funding for the implementation of Gateway review trials and additional funding for the Gold Coast Marine development projects.
39. The increase relates to funding for the Special Industries Estates study, funding for the Statewide Water Policy initiatives and contributions from other Queensland Government agencies towards the 'At Work and Play' employment exhibitions.
40. The increase relates to the implementation of Statewide Water Policy initiatives, the implementation of Gateway review trials, the Gold Coast Marine development projects and the 'At Work and Play' employment exhibitions.

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

41. The increase relates to funding for the Coal Infrastructure Taskforce and the Special Industries Estates study.
42. The increase relates to the implementation of Gold Coast Marine development projects, the Coal Infrastructure Taskforce and the Special Industries Estates study.

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

43. The decrease principally relates to the finalisation of a number of feasibility studies of Statewide Water Policy initiatives, including Water for Bowen and Connors River Dam.
44. The decrease relates to the finalisation of the preliminary analysis and investigation of the Nathan Dam plan.
45. The decrease relates to the finalisation of a number of preliminary feasibility studies of Statewide Water Policy initiatives, including Water for Bowen, Connors River Dam and the Nathan Dam.

Infrastructure Delivery

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

46. The increase principally relates to the reclassification of funding for the Airport Link procurement expenditure from capital to operating funds.
47. The increase principally relates to the reclassification of procurement expenditure for the Airport Link project from capital to operating funds.

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

48. The increase principally relates to the reclassification of funding for the Airport Link project from capital to operating funds.
49. The increase principally relates to funding of operating costs for land acquisition and development.
50. The increase principally relates to the reclassification of procurement expenditure for the Airport Link project from capital to operating funds.

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

51. The decrease principally relates to the difference between the respective years of the amount being reclassified from capital to operating funds in respect of the Airport Link, and completion of the water supply measures tender process.
52. The increase principally relates to funding of operating costs for land acquisition and development.
53. The decrease principally relates to the difference between the respective years of the amount being reclassified from capital to operating funds in respect of the Airport Link, and completion of the water supply measures tender process.

Income Statement

Department of Infrastructure and Planning	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
Output revenue	1,8,15	70,769	99,935	110,041
User charges		321	1,392	1,586
Grants and other contributions	2,9,16	4,962	11,919	14,122
Other revenue		841	555	370
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		76,893	113,801	126,119
Expenses				
Employee expenses	3,10,17	36,734	43,398	53,532
Supplies and services	4,11	33,933	63,003	65,680
Grants and subsidies	5,12	5,934	6,989	6,500
Depreciation and amortisation		344	344	357
Finance/borrowing costs		..	..	..
Other expenses		178	297	280
Losses on sale/revaluation of property, plant and equipment and investments	6,13	2,500	1,270	1,270
Total expenses		79,623	115,301	127,619
OPERATING SURPLUS/(DEFICIT)	7,14	(2,730)	(1,500)	(1,500)

Statement of Changes in Equity

Department of Infrastructure and Planning	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		(2,730)	(1,500)	(1,500)
Total recognised income and expense for the period		(2,730)	(1,500)	(1,500)
Equity injection/(withdrawal)		(370,576)	(265,695)	(15,942)
Equity adjustments (MoG transfers)		(540)	(540)	3
Total movement in equity for period		(373,846)	(267,735)	(17,439)

Balance Sheet

Department of Infrastructure and Planning	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	18,25,33	14,584	22,293	4,393
Receivables	19,26,34	15,598	26,341	4,841
Other financial assets		..	..	..
Inventories		..	..	..
Other	20,27	2,442	175	175
Non-financial assets held for sale		..	..	..
Total current assets		32,624	48,809	9,409
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		188,400	187,537	187,537
Property, plant and equipment	28,35	65,110	67,744	92,205
Intangibles		800	..	..
Other		..	..	..
Total non-current assets		254,310	255,281	279,742
TOTAL ASSETS		286,934	304,090	289,151
CURRENT LIABILITIES				
Payables	21,29,36	25,509	2,508	5,008
Employee benefit obligations		2,906	3,517	3,517
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	22,30	8,506	4,030	4,030
Total current liabilities		36,921	10,055	12,555
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		434	716	716
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		434	716	716
TOTAL LIABILITIES		37,355	10,771	13,271
NET ASSETS/(LIABILITIES)		249,579	293,319	275,880
EQUITY				
Capital/contributed equity	23,31,37	256,059	303,060	287,121
Retained surplus/(accumulated deficit)	24,32,38	(6,480)	(9,741)	(11,241)
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		249,579	293,319	275,880

Cash Flow Statement

Department of Infrastructure and Planning	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	39,51	70,631	103,837	110,041
User charges	52,63	63,138	66,457	23,086
Grants and other contributions	40,53,64	4,962	8,723	14,122
Other	41,65	1,272	(13,263)	370
Outflows:				
Employee costs	42,54,66	(36,238)	(42,902)	(53,532)
Supplies and services	43,55,67	(33,980)	(87,046)	(63,180)
Grants and subsidies	44	(5,934)	(6,989)	(6,500)
Borrowing costs		..	..	..
Other	45	(178)	3,952	(280)
Net cash provided by/(used in) operating activities		63,673	32,769	24,127
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		162	162	..
Investments redeemed	56,68	22,000	22,000	..
Loans and advances redeemed	57,69	413,000	413,000	..
Outflows:				
Payments for property, plant and equipment and intangibles	46,58,70	(6,424)	(15,445)	(26,085)
Payments for investments	47,59,71	(46,614)	(88,614)	..
Loans and advances made	48,60,72	(92,800)	(105,000)	..
Net cash provided by/(used in) investing activities		289,324	226,103	(26,085)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	49,61,73	588,203	453,635	251,993
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	50,62,74	(958,779)	(649,801)	(267,935)
Net cash provided by/(used in) financing activities		(370,576)	(196,166)	(15,942)
Net increase/(decrease) in cash held		(17,579)	62,706	(17,900)
Cash at the beginning of financial year		31,930	(40,646)	22,293
Cash transfers from restructure		233	233	..
Cash at the end of financial year		14,584	22,293	4,393

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		44	39	44
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	1, 4	15,619	32,710	32,776
Other	2, 6	..	8,098	..
Total revenues		15,663	40,847	32,820
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation				
Grants and subsidies	3, 5	15,619	32,710	32,776
Benefit payments				
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		15,619	32,710	32,776
Net surplus or deficit before transfers to Government		44	8,137	44
Transfers of administered revenue to Government		44	8,137	44
OPERATING SURPLUS/(DEFICIT)		..	..	..

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	7	1,001	..	..
Receivables		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		1,001	..	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	8	8,795	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		8,795	..	..
TOTAL ADMINISTERED ASSETS		9,796	..	..
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		..	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities	9	1,000	..	..
Other		..	..	..
Total non-current liabilities		1,000	..	..
TOTAL ADMINISTERED LIABILITIES		1,000	..	..
ADMINISTERED NET ASSETS/(LIABILITIES)		8,796	..	..
EQUITY				
Capital/Contributed equity	10, 12	..	(64,056)	(64,056)
Retained surplus/(Accumulated deficit)		8,796	(2,086)	(2,086)
Reserves:		..	..	..
- Asset revaluation reserve	11, 13	..	66,142	66,142
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		8,796	..	..

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	14, 20	15,619	32,710	32,776
Grants and other contributions		..	..	..
Taxes, fees and fines		44	39	44
Royalties, property income and other territorial revenues		..	..	..
Other	15	..	3,729	..
Outflows:				
Transfers to Government	16, 22	(44)	(20,002)	(44)
Grants and subsidies	17, 21	(15,619)	(32,710)	(32,776)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	(16,234)	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	18	..	13,164	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	13,164	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	19	1,000	1,000	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments				
Equity withdrawals	23	(1,000)	(9,797)	..
Net cash provided by/(used in) financing activities		..	(8,797)	..
Net increase/(decrease) in cash held		..	(11,867)	..
Administered cash at beginning of financial year		1,001	11,867	..
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		1,001	..	..

Explanation of Variances in the Financial Statements

Income Statement

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

1. The increase principally relates to the provision of additional funding for the implementation of the Queensland Housing Affordability Strategy, Smart City Master Planning, and water contingency supply measures. This increase also relates to the reclassification of funding for the Airport Link Project's procurement expenditure from capital to operating funding.
2. The increase principally relates to funding for land and precinct planning and development, contributions from other Queensland Government agencies towards the At Work and Play employment exhibitions, and a contribution from Ipswich City Council for master planning activities.
3. The increase principally relates to the implementation of the Queensland Housing Affordability Strategy, Smart City Master Planning and increased support for building codes initiatives.
4. Refer to note 1.
5. The increase principally relates to payments to the Queensland Competition Authority to conduct an independent and technical review of infrastructure charging to ensure fair pricing.
6. The decrease relates mainly to a reduction in the recognition of impairment losses on properties in the Targinie Precinct.
7. The decrease reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct.

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

8. The increase principally relates to the increased funding for initiatives within the Queensland Housing Affordability Strategy, additional funding for the advancement of Transit Orientated Development projects, and additional funding for the Planning Reform Implementation project. This increase also relates to the first full year budget of the previous Sustainable Planning Division and associated corporate and executive services of the previous Department of Local Government, Planning, Sport and Recreation, which was amalgamated with the Department of Infrastructure to form the Department of Infrastructure and Planning, as of 1 October 2007 and to the reclassification of funding for the Airport Link Project's procurement expenditure from capital to operating funding.
9. The increase principally relates to funding for land and precinct planning and development projects.
10. The increase principally relates to the implementation of the Queensland Housing Affordability Strategy, the Planning Reform Implementation project, and the advancement of the Transit Orientated Development projects. This increase also relates to the first full year expenditure budget for the Department of Infrastructure and Planning (Refer to note 8).
11. The increase principally relates to the implementation of the Queensland Housing Affordability Strategy and Transit Oriented Development Program and to the reclassification of funding for the Airport Link Project's procurement expenditure from capital to operating funding. This increase also relates to the first full year expenditure budget for the Department of Infrastructure and Planning (Refer to note 8).
12. The increase principally relates to payments to the Queensland Competition Authority to conduct an independent and technical review of infrastructure charging to ensure fair pricing.
13. The decrease relates mainly to a reduction in the recognition of impairment losses on properties in the Targinie Precinct.
14. The decrease reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct.

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

15. The increase principally relates to additional funding for the Planning Reform Implementation project, and increased funding for the Transit Oriented Development Program. This increase also relates to the first full year expenditure budget for the Department of Infrastructure and Planning (Refer to note 8 above).
16. The increase principally relates to funding for projects including the Ipswich Multifunction Development business case.
17. Refer to note 10 above.

Balance Sheet

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

18. The increase is primarily due to funding recouped from Special Purpose Vehicles for the provision of water pipes.
19. The increase is due to receivables raised with Special Purpose Vehicles for provision of water pipes.
20. The decrease principally relates to the reversal of funding owed by the Department of Natural Resources and Water for properties acquired by the Department in the Targinie Precinct.
21. The decrease principally relates to the finalisation of payables previously raised for the acquisition of water pipes.
22. The decrease principally relates to the reversal of unearned revenue from the Estates Construction Fund and recognised as operating revenue during 2007-08.
23. The increase principally relates to increased funding provided from the Estates Construction Fund for the acquisition of properties in the Targinie Precinct and for hard rock haulage roads.
24. The increase in the accumulated deficit principally relates to 2006-07 financial statement carry-forward balances relating to a payment to City North Infrastructure (CNI) Pty Ltd for procurement services of the Airport Link Project.

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

25. The decrease is primarily due to the finalisation of funding arrangements with Special Purpose Vehicles.
26. The decrease is primarily due to the finalisation of funding arrangements with Special Purpose Vehicles.
27. The decrease principally relates to the finalisation of funding owed by the Department of Natural Resources and Water for properties acquired by the Department in the Targinie Precinct.
28. The increase principally relates to the acquisition of properties in the Stanwell to Gladstone Infrastructure Corridor, the Townsville State Development Area and the Targinie Precinct. The increase also reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct.
29. The decrease principally relates to the finalisation of payables previously raised for the acquisition of water pipes.
30. The decrease principally relates to the reversal of unearned revenue from the Estates Construction Fund and recognised as operating revenue during 2007-08.

31. The increase principally relates to the completion of funding arrangements associated with the Southern Regional Water Pipeline, increased funding provided from the Estates Construction Fund for the acquisition of properties in the Stanwell to Gladstone Infrastructure Corridor, Targinie Precinct and hard rock haulage roads. These increases are partially offset by the finalisation of the water pipe procurement process for the SEQ water grid in which outstanding recoupments will be returned to the Consolidated Fund.
32. The increase in the accumulated deficit mainly relates to 2006-07 carry-forward balances for a payment to CNI for procurement services of the Airport Link Project and impairment losses on properties in the Targinie Precinct.

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

33. The decrease is primarily due to the finalisation of funding arrangements with Special Purpose Vehicles.
34. The decrease is primarily due to the finalisation of funding arrangements with Special Purpose Vehicles.
35. The increase mainly relates to the acquisition of properties in the Townsville State Development Area and the Targinie Precinct and also reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct.
36. The increase relates to the balance of payables relating to the acquisition of water pipes.
37. The decrease principally relates to the finalisation of the water pipe procurement process for the SEQ water grid in which outstanding recoupments will be returned to the Consolidated Fund.
38. Refer to note 32 above.

Cash Flow Statement

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

39. The increase principally relates to the provision of additional funding for the implementation of the Queensland Housing Affordability Strategy, Smart City Master Planning and water contingency supply measures. This increase also relates to the reclassification of funding for the Airport Link Project's procurement expenditure from capital to operating funding and the reversal of output revenue receivable from the previous financial year.
40. The increase principally relates to funding for land and precinct planning and development, contributions from other Queensland Government agencies towards the At Work and Play employment exhibitions and a contribution from Ipswich City Council for Master Planning activities. These increases are partially offset by the finalisation of a receivable raised in the preceding financial year from the Estates Construction Fund.
41. The decrease principally relates to GST input Tax credits carried-forward from balances recognised in the 2006-07 financial statements and revised estimates of Plumbers and Drainers licence fee revenue.
42. The increase principally relates to additional funding for the implementation of the Queensland Housing Affordability Strategy, Smart City Master Planning and increased support for building codes initiatives.
43. The increase principally relates to the implementation of the Queensland Housing Affordability Strategy, Smart City Master Planning, water supply contingency measures and support of the At Work and Play employment exhibitions. This increase also relates to the reclassification of funding for the Airport Link Project's procurement expenditure from capital to operating funding and funding deferred to meet commitments from the previous financial year.
44. The increase principally relates to payments to the Queensland Competition Authority to conduct an independent and technical review of infrastructure charging to ensure fair pricing.
45. The increase relates to GST payables carried-forward from balances recognised in the 2006-07 financial statements.
46. The increase principally relates to the acquisition of properties in the Targinie Precinct and land acquisitions relating to hardrock haulage roads.
47. The increase reflects the Department's investment in the SEQ (Gold Coast) Desalinisation Company Pty Ltd.
48. The increase reflects the financing transactions between the Department and the Southern Regional Water Pipeline (SRWP) Pty Ltd.
49. The decrease reflects the transfer of Airport Link project funding to the Department of Main Roads for land acquisitions and funding deferred to 2008-09 for the finalisation of water pipe procurement activities and the Airport Link project.
50. The decrease principally reflects funding deferred to 2008-09 for the finalisation of water pipe procurement activities.

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

51. The increase principally relates to the provision of additional funding for the implementation of the Queensland Housing Affordability Strategy, and Planning Reform Implementation project, increased funding for the Transit Oriented Development Program. This increase also relates to the first full year budget of the previous Sustainable Planning Division and associated corporate and executive services of the previous Department of Local Government, Planning, Sport and Recreation, which was amalgamated with the Department of Infrastructure to form the Department of Infrastructure and Planning, as of 1 October 2007 and to the reclassification of funding for the Airport Link Project's procurement expenditure from capital to operating funding.
52. The decrease principally relates to the finalisation of receivables previously raised for the provision of water pipes.
53. The increase principally relates to funding for land and precinct planning and development projects.
54. The increase principally relates to additional funding for the implementation of the Queensland Housing Affordability Strategy and Planning Reform Implementation project. This increase also relates to the first full year expenditure budget for the Department of Infrastructure and Planning (Refer to note 51).
55. The increase principally relates to the implementation of the Queensland Housing Affordability Strategy, and Transit Oriented Development Program. This increase also relates to the first full year expenditure budget for the Department of Infrastructure and Planning (Refer to note 51).
56. The decrease reflects the completion of financing transactions between the Department and SRWP.
57. Refer to note 56.
58. The increase principally relates to the acquisition of properties in the Stanwell to Gladstone Infrastructure Corridor, the Townsville State Development Area and the Targinie Precinct. The increase also reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct.
59. The decrease reflects the purchase of the Department's shareholding in SEQ (Gold Coast) Desalinisation Company Pty Ltd.
60. The decrease reflects the completion of financing transactions between the Department and SRWP.
61. The decrease principally reflects the purchase of the Department's shareholding in SEQ (Gold Coast) Desalinisation Company Pty Ltd and financing transactions between the Department and SRWP. The decrease also reflects a reduced level of capital funding for the Airport Link project in 2008-09.
62. The decrease principally reflects the completion of the financing transactions between the Department and SRWP and receivables relating to the provision of water pipes.

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

63. The decrease mainly relates to the finalisation of receivables previously raised in 2007-08 for the provision of water pipes.
64. The increase relates to funding for projects, land planning and precinct planning.
65. The increase relates to the reversal of GST input tax credits carried-forward from previous financial year.
66. The increase principally relates to additional funding for the implementation of the Planning Reform Implementation project, and Transit Oriented Development Program. This increase also relates to the first full year expenditure budget for the Department of Infrastructure and Planning (Refer to note 51).
67. The decrease principally relates to the finalisation of the purchase of water pipes.
68. The decrease reflects the completion of financing transactions between the Department and SRWP.
69. Refer to note 68.
70. The increase mainly relates to the acquisition of properties in the Townsville State Development Area and the Targinie Precinct and also reflects a reduction in the recognition of impairment losses on properties in the Targinie Precinct.
71. The decrease reflects the purchase of the Department's shareholding in SEQ (Gold Coast) Desalination Company Pty Ltd.
72. The decrease reflects the completion of financial transactions between the Department and SRWP.
73. The decrease reflects the purchase of the Department's shareholding in SEQ (Gold Coast) Desalination Company Pty Ltd and financing transactions between the Department and SRWP.
74. The decrease principally reflects the completion of financing transactions between the Department and SRWP and receivables relating to the provision of water pipes.

Income Statement

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

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

1. The increase principally relates to additional funding for the Queensland Water Commission (QWC) for the development of a Communications Campaign and additional funding for the newly established Urban Land Development Authority (ULDA).
2. The increase principally relates to the proceeds from the disposal of land relating to the Brisbane Cruise Ship Terminal and revenue reimbursed by QWC for funding advanced to QWC for the SEQ Water Grid Manager.
3. The increase principally relates to the additional operating funding provided to the QWC and ULDA.

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

4. The increase mainly relates to QWC additional operating funding for Institutional reform of the SEQ Water Industry and ULDA.
5. The increase principally relates to the additional funding provided to the QWC and ULDA.

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

6. Relates to once-off revenue received in 2007-08 not continuing in 2008-09 as stated in Note 2 above.

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:

7. The reduction in the cash balance reflects the payment back to government of funds held by the department as a deposit on land relating to the Brisbane Cruise Ship Terminal.
8. The reduction relates to the sale of land relating to the Brisbane Cruise Ship Terminal.
9. The decrease principally relates to the sale of land relating to Brisbane Cruise Ship Terminal.
10. The reduction reflects the transfer of the Gold Coast Convention Centre assets to the Department of Public Works.
11. Reflects the value of asset revaluation reserve relating to the Gold Coast Convention Centre assets.

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

12. The reduction reflects the transfer of the Gold Coast Convention Centre assets to the Department of Public Works.
13. Reflects the value of asset revaluation reserve relating to the Gold Coast Convention Centre assets.

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:

14. The increase principally relates to additional operating funding for the QWC for the development of a Communications Campaign and additional funding for the newly established ULDA.
15. The increase relates to revenue reimbursed from QWC for funds advanced to QWC for the SEQ Water Grid Manager.
16. The increase relates to the payment to government from the disposal of land for the Brisbane Cruise Ship Terminal and revenue reimbursed by QWC for funds advanced to QWC for the SEQ Water Grid Manager.
17. The increase relates to the additional operating funding provided to the QWC and ULDA.
18. The increase relates to the final proceeds from the sale of land relating to the Brisbane Cruise Ship Terminal.
19. Relates to the cessation of QWC equity funding for the development of the SEQ Water Accounting Framework.

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

20. The increase mainly relates to QWC additional funding for Institutional reform of the SEQ Water Industry and ULDA.
21. The increase relates to additional operating funding provided to QWC and ULDA.

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

22. The decrease relates to the once-off payment to government in 2007-08 associated with the sale of land.
23. The decrease relates to the once-off cessation of equity funding provided to QWC in 2007-08.

Commercialised Business Units

Property Services Group

Overview

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

The value of sales for 2007-08 was a record \$84.1 million. The high value of sales is forecast to continue into 2008-09, despite expected volatility in the market as it adjusts to the tightening credit environment and the substantial rises in land values over the past few years.

Review of Performance

Recent achievements

- Sold 52 industrial sites, valued at \$84.1 million in industrial land, throughout Queensland. The industries located on these sites generated an estimated 600 jobs and created an estimated \$210 million in capital investment through improvements on the sites
- Completed construction of the 73 lot first stage of the Sunshine Coast Industrial Park. The Park is a major development designed to meet the demand for high-quality industrial land in the Sunshine Coast Region
- Completed construction of road works and service reticulation for the 37 lot Woree Business and Industry Park in Cairns and 5 lot Nandroya Industrial Estate in Cooroy.

Future developments

- Thirty industrial sites, valued at \$76.9 million, are to be sold throughout Queensland generating an estimated 550 jobs and creating an estimated \$170 million in capital investment through improvements on the sites
- Complete construction of road works and service reticulation for the 12 lot Yandina Industrial Park
- Complete the design and construct the 35 lot first stage of the Coolum Industrial Estate, the 19 lot stage 6 of the Crestmead Industrial Estate and the 11 lot final stage of the South Mackay Industrial Estate.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial Performance Measures				
Value of land sale settlements	1	\$71.1 million	\$84.1 million	\$76.9 million
Non-Financial Performance Measures				
Number of new land lots developed and buildings constructed	2	89	115	99
Number of land leases administered	3	155	155	140
Number of properties acquired	4	4	2	4
Estimated number of jobs generated through successful land sale applications	5	400	600	550
Estimated value of capital investment of site improvements through successful land sales applications	6	\$100 million	\$210 million	\$170 million
% of total number of land sales in Regional Queensland	7	70%	58%	70%

Notes:

1. The increase between the 2007-08 estimated actual and the 2007-08 target reflects increased demand for new land lots particularly in the developments within Lytton and Clinton Industrial Estates and Synergy Park at Carole Park.
2. The higher than expected development of new land lots and buildings constructed resulted from early completion of Stages 2 and 3 of the Woree Business and Industry Park.
3. The reduced target for 2008-09 reflects the continuing trend by lessees to convert leases to freehold/freeholding tenure.
4. The status of the two properties which were not acquired as expected during 2007-08 is that one is under negotiation and one is awaiting completion of a land study to determine its suitability for industrial development.
5. During 2007-08 the higher than expected number of successful land sale applications resulted in more than anticipated jobs generated through the activities of successful applicants.
6. The variance between 2007-08 target and the 2007-08 estimated actual was due to the higher than expected number of successful land sale applications together with the capital intensive nature of several of the developments proposed by successful applicants, for example, the creation of an anticipated \$50 million capital investment by an applicant locating within Carole Park Industrial Estate.
7. The decrease in the 2007-08 estimated actual is a result of an increased number of land sales settlements occurring in the Brisbane region.

Income Statement

Property Services Group	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	1, 4, 9	77,907	95,071	87,843
Other revenue	2, 5, 10	6,229	10,717	8,038
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		84,136	105,788	95,881
Expenses				
Employee expenses		1,704	1,677	1,684
Supplies and services	6, 11	19,510	18,639	21,385
Grants and subsidies	7, 12	15,332	16,099	20,241
Depreciation and amortisation		328	372	402
Finance/borrowing costs		..	..	..
Other expenses		6,285	7,158	7,163
Losses on sale/revaluation of property, plant and equipment and investments		1,115	603	603
Total expenses		44,274	44,548	51,478
Surplus or deficit before related income tax		39,862	61,240	44,403
Income tax expense/revenue	3, 8, 13	11,959	18,372	13,322
OPERATING SURPLUS/(DEFICIT) after related income tax		27,903	42,868	31,081

Statement of Changes in Equity

Property Services Group	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	14	..	(84,114)	..
Increase/(decrease) in asset revaluation reserve		7,100	825	667
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	9,683	9,683
Net income recognised directly in equity		7,100	(73,606)	10,350
Surplus/(deficit) for the period		27,903	42,868	31,081
Total recognised income and expense for the period		35,003	(30,738)	41,431
Equity injection/(withdrawal)		(3,000)	(6,800)	(27,058)
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
Total movement in equity for period		32,003	(37,538)	14,373

Balance Sheet

Property Services Group	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	15, 24, 34	91,197	147,074	69,150
Receivables	16, 25	6,327	10,679	10,679
Other financial assets		..	..	..
Inventories	17, 26, 35	263,081	239,237	329,361
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		360,605	396,990	409,190
NON-CURRENT ASSETS				
Receivables	18, 27, 36	54,714	42,937	47,782
Other financial assets		..	..	..
Property, plant and equipment		301,483	304,471	299,469
Deferred tax assets		3,388	1,835	1,835
Intangibles		..	150	120
Other		2	..	..
Total non-current assets		359,587	349,393	349,206
TOTAL ASSETS		720,192	746,383	758,396
CURRENT LIABILITIES				
Payables	28, 37	2,877	4,093	10,947
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities	19, 29, 38	11,959	22,542	17,492
Accrued employee benefits		109	144	148
Provisions		..	..	..
Other		5,097	5,764	5,764
Total current liabilities		20,042	32,543	34,351
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities	20, 30, 39	..	79,277	75,107
Accrued employee benefits		51	53	55
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		51	79,330	75,162
TOTAL LIABILITIES		20,093	111,873	109,513
NET ASSETS/(LIABILITIES)		700,099	634,510	648,883
EQUITY				
Capital/contributed equity	21, 31, 40	352,266	349,966	322,908
Retained surplus/(Accumulated deficit)	22, 32, 41	66,026	89,010	129,774
Reserves:				
- Asset revaluation reserve	23, 33	281,807	195,534	196,201
- Other (specify)		..	..	..
TOTAL EQUITY		700,099	634,510	648,883

Cash Flow Statement

Property Services Group	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	42, 49, 57	77,907	95,070	87,837
Grants and other contributions		..	..	..
Other	43, 50, 58	6,229	11,240	8,038
Outflows:				
Employee costs		(1,704)	(1,671)	(1,678)
Supplies and services	44, 51, 59	(88,985)	(66,794)	(111,509)
Grants and subsidies	52, 60	(15,332)	(16,290)	(20,241)
Borrowing costs		..	..	..
Taxation equivalents paid	45, 53, 61	(13,454)	(11,763)	(22,788)
Other		(42)	(57)	(57)
Net cash provided by/(used in) operating activities		(35,381)	9,735	(60,398)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		14,485	14,397	14,397
Investments redeemed		..	..	..
Loans and advances redeemed	46, 54, 62	14,271	18,070	4,914
Outflows:				
Payments for property, plant and equipment and intangibles		(156)	(152)	(20)
Payments for investments		..	..	..
Loans and advances made	47, 55	(16,000)	(10,120)	(9,759)
Net cash provided by/(used in) investing activities		12,600	22,195	9,532
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	48, 56, 63	(3,000)	(6,800)	(27,058)
Net cash provided by/(used in) financing activities		(3,000)	(6,800)	(27,058)
Net increase/(decrease) in cash held		(25,781)	25,130	(77,924)
Cash at the beginning of financial year		116,978	121,944	147,074
Cash transfers from restructure		..	..	..
Cash at the end of financial year		91,197	147,074	69,150

Explanation of Variances in the Financial Statements

Income Statement

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

1. An increase in user charges due to higher land sales, caused by increased demand for new land lots, particularly in the developments within Lytton and Clinton Industrial Estates and Synergy Park at Carole Park.
2. An increase in other revenue caused by interest receipts on the higher than expected cash balance.
3. An increase in income tax expense due to the higher operating surplus on the business unit's operations.

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

4. An increase in user charges due to a higher proportion of high value sales expected in 2008-09.
5. An increase in other revenue due to interest receipts on the higher than expected cash balance, together with an increase in interest receivable on finance leases.
6. An increase in supplies and services caused by higher cost of land sold, as the land to be sold in 2008-09 has been subject to significant increases in development costs.
7. An increase in grants and subsidies due to new funding for existing projects, and funding for preparation of a business case for the Ipswich Multifunction development.
8. An increase in income tax expense due to a higher operating surplus on the business unit's operations.

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

9. A decrease in user charges due to reduced land sales, with sales reducing from the record levels of 2007-08 to a more normal level of activity.
10. A reduction in other revenue from interest receipts due to the business unit's lower cash balance.
11. An increase in supplies and services caused by the higher cost of land sold, as the land to be sold in 2008-09 has been subject to significant increases in development costs.
12. An increase in grants and subsidies due to funding for preparation of a business case for the Ipswich Multifunction development.
13. A reduction in income tax expense due to a lower operating surplus on the business unit's operations.

Statement of Changes in Equity

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

14. A reduction in the opening balance of the asset revaluation reserve due to the correction of the business unit's tax effect accounting from 30 June 2007, and a minor reduction in the opening balance of the retained surplus at 30 June 2007.

Balance Sheet

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

15. An increase in cash assets due to lower than expected capital works, caused mainly by delays in gaining development approvals.
16. An increase in current receivables, due to an adjustment of input tax credits to a more normal level.
17. A reduction in inventories, due to lower than expected capital works.
18. A reduction in non-current receivables, due to a loan for an industry support project no longer being required.
19. An increase in current tax liabilities, due to an increase in income tax expense, and capital gains tax payable on the sale of non-inventory land.
20. An increase in deferred tax liabilities, due the correction of the business unit's tax effect accounting from 30 June 2007.
21. A reduction in contributed equity, due to an equity withdrawal to fund further land acquisitions for the Gladstone State Development Area.
22. An increase in the retained surplus due to a higher after-tax surplus in 2007-08.
23. A reduction in the asset revaluation reserve, due to the transfer of part of this reserve to deferred tax liabilities.

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

24. A reduction in cash assets due to an increase in capital works and equity withdrawals to fund asset acquisitions by the Department of Infrastructure and Planning.
25. An increase in current receivables, due to an adjustment of input tax credits to a more normal level.
26. An increase in inventories, due to a higher level of capital works.
27. A reduction in non-current receivables, due to a loan for an industry support project no longer being required.
28. An increase in current payables, due to a higher level of tax equivalents payable to the Crown.
29. An increase in current tax liabilities, due to an increase in income tax expense, and capital gains tax payable on the sale of non-inventory land.
30. An increase in deferred tax liabilities, due to the correction of the business unit's tax effect accounting from 30 June 2007.
31. A reduction in contributed equity, due to equity withdrawals to fund further land acquisitions for the Gladstone State Development Area, and other asset acquisitions by the Department of Infrastructure and Planning.
32. An increase in the retained surplus due to a higher after-tax surplus in 2007-08, and the after-tax surplus earned during 2008-09.
33. A reduction in the asset revaluation reserve, due to the transfer of part of this reserve to deferred tax liabilities.

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

34. A reduction in cash assets due to an increase in capital works and equity withdrawals to fund asset acquisitions by the Department of Infrastructure and Planning.
35. An increase in inventories, due to a higher level of capital works.
36. An increase in non-current receivables, due to the provision of new finance leases to facilitate the purchase by lessees of non-inventory land.
37. An increase in current payables, due to a higher level of tax equivalents payable to the Crown.
38. A decrease in current tax liabilities, due to reduced income tax expense during 2008-09.

39. A reduction in deferred tax liabilities, due to the transfer of part of this liability to current tax liabilities, recognising capital gains tax on the sale of non-inventory land.
40. A reduction in contributed equity, due to equity withdrawals to fund asset acquisitions by the Department of Infrastructure and Planning.
41. An increase in the retained surplus, reflecting the after-tax surplus earned during 2008-09.

Cash Flow Statement

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

42. An increase in user charges due to higher land sales, caused by increased demand for new land lots, particularly in the developments within Lytton and Clinton Industrial Estates and Synergy Park at Carole Park.
43. An increase in other operating inflows due to interest receipts on the higher than expected cash balance.
44. A reduction in outflows for supplies and services due to lower than expected capital works, which resulted primarily from delays in receiving development approvals, and from lack of success in negotiations to purchase land.
45. A reduction in outflows for tax equivalents, due to lower than expected income tax expense for the financial year ended 30 June 2007.
46. An increase in inflows from redemption of loans and advances due to repayments on finance leases.
47. A reduction in outflows for loans and advances due to a loan for an industry support project no longer being required.
48. An increase in outflows for equity withdrawals due to an equity withdrawal to fund further land acquisitions for the Gladstone State Development Area.

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

49. An increase in user charges due to a higher proportion of high value sales expected in 2008-09.
50. An increase in other operating Inflows from Interest, including interest on new finance leases.
51. An increase in outflows for supplies and services due to higher capital works.
52. An increase in outflows for grants and subsidies due to funding for preparation of a business case for the Ipswich Multifunction development.
53. An increase in outflows for tax equivalents paid, as the business unit's tax equivalents are no longer retained to fund projects, but are remitted to the Crown.
54. A reduction in loans and advances redeemed, as tax equivalents paid in advance will have been completely recovered by 30 June 2008.
55. A reduction in outflows for loans and advances made to a loan for an industry support project, budgeted for 2007-08, no longer being required.
56. An increase in outflows for equity withdrawals due to transfers to fund asset acquisitions by the Department of Infrastructure and Planning.

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

57. A reduction in inflows from user charges due to reduced land sales, with sales reducing from the record levels of 2007-08 to a more normal level of activity.
58. A reduction in other operating Inflows due to lower receipts of interest as the business unit's cash balance reduces.
59. An increase in outflows for supplies and services due to a higher level of capital works.
60. An increase in outflows for grants and subsidies due to funding for preparation of a business case for the Ipswich Multifunction development.
61. An increase in outflows for tax equivalents paid, as the business unit's tax equivalents are no longer retained to fund projects, but are remitted to the Crown.
62. A reduction in loans and advances redeemed, as tax equivalents paid in advance will have been completely recovered by 30 June 2008.
63. An increase in outflows for equity withdrawals, due to transfers to fund asset acquisitions by the Department of Infrastructure and Planning.

Statutory Bodies

Queensland Water Commission

Overview

The Queensland Water Commission (the Commission) is an independent statutory body responsible for achieving safe, secure and sustainable water supplies in South East Queensland (SEQ). The Commission achieves these outcomes by developing long-term water supply strategies, implementing water restrictions, managing water demand, providing advice to government and reforming the institutional arrangements for water supply/management. The Commission operates under a legislative framework defined in the *Water Act 2000*.

The Commission's staff establishment for 2008-09 will be 85 full time equivalents. In 2008-09, the Commission's budget will be approximately \$23 million.

Review of Performance

Recent achievements

- Released the draft SEQ Water Strategy for public consultation. The strategy sets out a new approach to regional water planning to meet the region's water supply needs for the next 50 years and deliver a new standard of water security.
- Assisted Queensland Government's decision to proceed with the restructure of the SEQ water industry based on the Commission's recommended design and passage of associated legislation.
- Implemented arrangements for the new SEQ Water Market, including the:
 - establishment of the Water Grid Manager as a separate legal entity by 30 June 2008
 - establishment of Market Rules and transitional contracts between participants
 - release of the System Operating Plan with effect from 1 August 2007.
- Developed and implemented a schedule of water restrictions in response to the continuing drought in SEQ, including consistent compliance practices and reporting.
- Released the Drought Exit Strategy, the blueprint for the step back from water restrictions, including dam level triggers and the residential use targets at each step.
- Provided advice to the Queensland Government regarding purified recycled water for SEQ and support for the Expert Advisory Panel.

Future developments

- Advise on the delivery of ongoing institutional reform in the SEQ urban water sector, including: establishment of retailers and a single distribution entity; economic and asset regulatory frameworks; third party access regimes; enhancement of market rules and contractual relationships between SEQ Water grid participants; the potential for introduction of competition into the Grid, at both the retail and grid bypass level; and appropriate pricing structures at the wholesale and retail level.
- Undertake four months' community consultation in relation to the draft SEQ Water Strategy with a view to finalising the strategy by December 2008. This includes the second phase of assessments on the potential desalination site options identified in the strategy.
- Update the SEQ Water Grid System Operating Plan by 1 July and 1 December 2008.
- Develop long term water efficiency strategies and regulatory solutions to establish the framework for permanent water conservation measures.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Non-financial performance measures				
Reports delivered in accordance with Ministerial Directions	1	As required	2	100% reports delivered on time and accepted by Minister
Number of Monthly Progress Reports on Water Supply Emergency Projects delivered to the Queensland Government		12	12	12
Errors in public communications and advertising on regional water security position		0	0	0
Effective communication of the detail of mandatory water restrictions		As required	2 new levels introduced and communicated	75% public recall of current target and restriction levels
Release a System Operating Plan for the South East Queensland Water Grid	2	July 07	Aug 07	Dec 08
Release of <u>draft</u> South East Queensland Regional Water Supply Strategy		Aug/Sep 07 (draft)	Mar 07 (draft)	Dec 08 (final)
Making water restrictions where required by the supply/demand balance		As required	2 new levels introduced	New restrictions implemented on time and in accordance with announced restrictions strategy

Notes:

1. Dependent on water policy direction and level of activity in South East Queensland
2. Released for an initial period of consultation during which time it will serve as a working document, but subject to regular review.

Income Statement

Queensland Water Commission	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions	1,5,7	15,958	26,410	23,276
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		15,958	26,410	23,276
Expenses				
Employee expenses	2,6	6,784	9,261	9,799
Supplies and services	2,6,8	9,154	14,795	14,262
Grants and subsidies	3	..	3,729	..
Depreciation and amortisation		20	15	15
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		15,958	27,800	24,076
Surplus or deficit before related income tax	4,9	..	(1,390)	(800)
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT) after related income tax		..	(1,390)	(800)

Statement of Changes in Equity

Queensland Water 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	
Net income recognised directly in equity	
Surplus/(deficit) for the period		..	(1,390)	(800)
Total recognised income and expense for the period		..	(1,390)	(800)
Equity injection/(withdrawal)		1,000	1,000	..
Equity adjustments (MoG transfers)	
Dividends paid or provided	
Total movement in equity for period		1,000	(390)	(800)

Balance Sheet

Queensland Water Commission	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	12,13	2,495	2,988	852
Receivables	10	..	3,729	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		2,495	6,717	852
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		35	100	136
Deferred tax assets		..	..	..
Intangibles		1,750	1,750	1,750
Other		..	..	..
Total non-current assets		1,785	1,850	1,886
TOTAL ASSETS		4,280	8,567	2,738
CURRENT LIABILITIES				
Payables	10	1,500	5,830	634
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities		..	..	..
Accrued employee benefits	11	1,030	555	706
Provisions		..	..	..
Other		..	31	31
Total current liabilities		2,530	6,416	1,371
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	119	135
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	119	135
TOTAL LIABILITIES		2,530	6,535	1,506
NET ASSETS/(LIABILITIES)		1,750	2,032	1,232
EQUITY				
Capital/contributed equity		1,750	1,750	1,750
Equity Adjust MOG Exc Employ Tfrs		..	(94)	(94)
Retained surplus/(Accumulated deficit)		..	376	(424)
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		1,750	2,032	1,232

Cash Flow Statement

Queensland Water Commission	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	..	..
Grants and other contributions	14,15,16	16,060	23,614	27,005
Other		..	..	..
Outflows:				
Employee costs	14,15,16	(6,406)	(9,137)	(9,632)
Supplies and services	14,15,16	(9,154)	(18,017)	(19,457)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Taxation equivalents paid		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		500	(3,540)	(2,084)
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	17	(1,750)	(1,583)	(52)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,750)	(1,583)	(52)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	17	1,000	1,000	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		1,000	1,000	..
Net increase/(decrease) in cash held		(250)	(4,123)	(2,136)
Cash at the beginning of financial year		2,745	7,111	2,988
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,495	2,988	852

Explanation of Variances in the Financial Statements

Income Statement

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

1. Additional supplementary funding was made available to establish and meet identified needs in urban and regional water planning and policy.

Summary of major funding movements:	\$'000
Corporate Governance	1,514
Water Reform	3,812
Communications program	3,810
Water Grid Manager	3,729
Project deferrals carry-over – 2007-08 to 2008-09	(2,074)

2. The additional expenditure aligns with the additional funding to undertake further work programs and policy development. The major areas of increased expenditure are a result of increased employee numbers (and therefore increased employee costs) and additional consultant and contractor expenditure.
3. Return of funding to Department of Infrastructure and Planning that was previously advanced as grant funding to the Water Grid Manager.
4. The 2007-08 estimated operating deficit of \$1.39 million is a result of timing differences. The actual operating result for the 2006-07 financial year was a surplus of \$1.766 million. Funding was received in the 2006-07 financial year and was expensed in the 2007-08 financial year.

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

5. Additional supplementary funding that extended into the 2008-09 financial year.

Summary of major funding movements:	\$'000
Water Reform and Corporate Governance	5,086
Project deferrals and carryover from 2007/08	2,074

6. The additional expenditure aligns with the additional funding to undertake further work programs and policy development. The main areas of increased forecast expenditure are a result of increased employee numbers (and therefore increased employee costs) and additional consultant and contractor expenditure.

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

7. The decrease in funding is a result of the expected reduced activity and completion of projects and policy development work during this period including the establishment of the Water Grid Manager prior to 1 July 2008, commencement of the water grid from 1 July 2008 and completion of corporate governance projects.
8. The decrease in expenditure aligns with the expected decrease in project and policy development activity. The expected decrease in expenditure is a result of reduction in consultant and contractor expenditure.
9. The estimated 2008-09 operating deficit is a result of year end accruals that will be paid in the following financial year.

Balance Sheet

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

10. Increase in receivables and payables is a result of an advance provided to the Water Grid Manager by the Commission.

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

11. Decrease reflects adjustment from previous year's estimate to actual provision
12. Decrease in cash at bank is a timing difference.

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

13. Decrease in cash at bank is a timing difference.

Cash Flow Statement

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

14. Increase in grants which has resulted in an increase in employee, contractor and consultant expenditure (Refer to Income Statement notes above).

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

15. Increase in grants which has resulted in an increase in employee, contractor and consultant expenditure (Refer to Income Statement notes above).

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

16. Increase in cash flows, both revenue and expenditure, are the result of settling Water Grid Manager receivables and payables from the previous year.
17. Decrease in cash flows, is the result of the ending of the funding for the Water Accounting Framework Project.

Urban Land Development Authority

Overview

Queensland, like much of Australia, is currently experiencing significant housing affordability pressures and many people are struggling to buy their own home.

In July 2007 the State Government released the Queensland Housing Affordability Strategy, the key part of which was the establishment of the Urban Land Development Authority (ULDA).

The ULDA was established under the *Urban Land Development Authority Act 2007* to facilitate the availability of land and a greater range of housing options, including affordable housing, as well as plan for and facilitate the provision of infrastructure.

The work of the ULDA also involves:

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

The ULDA has responsibility for any area declared an Urban Development Area (UDA) by the Deputy Premier and Minister for Infrastructure and Planning.

The ULDA is contributing to the Government's priority of embracing growth in cities and regions by improving Queenslanders' access to affordable housing.

The ULDA's staffing numbers for 2008-09 will be 30 full time equivalents.

Review of Performance

Recent achievements

- ULDA became operational on 26 November 2007
- Interim Land Use Plans devised for the Bowen Hills, Northshore Hamilton and Fitzgibbon Urban Development Areas
- Preparation commenced on Development Schemes for Bowen Hills and Northshore Hamilton
- Community engagement strategy implemented for the Bowen Hills and Northshore Hamilton UDAs.

Future developments

- Development Schemes for Bowen Hills and Northshore Hamilton adopted
- Interim Land Use Plan for Mackay and Woolloongabba
- Development of a diversity of homes will commence at Fitzgibbon
- Preparation will commence on Development Schemes for Fitzgibbon, Mackay and Woolloongabba
- Implementation of ULDA staffing structure
- Implementation of community engagement strategy for the Fitzgibbon, Mackay and Woolloongabba UDAs.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Non-financial performance measures				
Interim Land Use Plans Approved				3
Development Schemes Approved				2
Community Engagement forums held in declared UDAs	1			10
Development applications approved that meet standards	1			90%
Inquiries responded to in a timely manner				90%
Development Schemes approved within the legislated timeframes	1			2
Development applications processed within approved timeframes				90%
Interim Land Use Plans for a UDA outside SEQ	1			1
Development schemes for UDAs outside SEQ				0

Note:

1. As the ULDA was established in November 2007, all output measures are new and there are no figures for the 2007-08 financial year.

Income Statement

Urban Land Development Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions	1,3,5	..	6,300	9,500
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments				
Total income		..	6,300	9,500
Expenses				
Employee expenses	2,4,6	..	1,621	2,727
Supplies and services	2,4,7	..	4,678	6,771
Grants and subsidies		..	..	..
Depreciation and amortisation		..	1	2
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		..	6,300	9,500
OPERATING SURPLUS/(DEFICIT)		..	..	..

Statement of Changes in Equity

Urban Land Development Authority	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	
Total recognised income and expense for the period	
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period	

Balance Sheet

Urban Land Development Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	8,9	..	1,316	1,316
Receivables		..	..	3
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		..	1,316	1,319
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	8,9	..	11	9
Intangibles		..	..	..
Other		..	..	..
Total non-current assets			11	9
TOTAL ASSETS		..	1,327	1,328
CURRENT LIABILITIES				
Payables	8,9	..	1,199	1,200
Employee benefits obligations	8,9	..	128	128
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		..	1,327	1,328
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		..	1,327	1,328
NET ASSETS (LIABILITIES)		..	..	..
EQUITY				
Capital/contributed equity		..	..	..
Retained surplus/(Accumulated deficit)		..	..	..
Reserves:			..	..
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		..	..	..

Cash Flow Statement

Urban Land Development Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges				
Grants and other contributions	10,12,14	..	6,300	9,500
Other		..	..	..
Outflows:				
Employee costs	11,13,15	..	(1,493)	(2,727)
Supplies and services	11,13,16	..	(3,479)	(6773)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	1,328	..
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		..	(12)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	(12)	..
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		..	1,316	..
Cash at the beginning of financial year		..	..	1,316
Cash transfers from restructure		..	..	..
Cash at the end of financial year		..	1,316	1,316

Explanation of Variances in Financial Statements

Income Statement

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

1. The ULDA was established as a Statutory Authority during 2007-08 with operations commencing on 26 November 2007. As a result, there is no budget for 2007-08 as operational funding for the ULDA was approved during the year for 2007-08 and 2008-09.
2. Reflects the allocation of how the operational funding approved in 2007-08 will be spent in 2007-08 and 2008-09.

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

3. The ULDA was established as a Statutory Authority during 2007-08 with operations commencing on 26 November 2007. As a result, there is no budget for 2007-08 as operational funding for the ULDA was approved during the year for 2007-08 and 2008-09.
4. Reflects the allocation of how the operational funding approved in 2007-08 will be spent in 2007-08 and 2008-09.

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

5. Increase in grants and other contributions is due largely to an increase in operational funding as a result of the planned increase in the work program of the ULDA when compared to 2007-08.
6. Employee expenses increases reflect additional activity in the planned work program for 2008-09.
7. Increase in supplies and services expenses reflects additional expenses from the increased work program.

Balance Sheet

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

8. The ULDA was established as a Statutory Authority during 2007-08 with operations commencing on 26 November 2007. As a result, there is no budget for 2007-08 with the 2007-08 Estimated Actual representing an estimate of Asset and Liability balances arising from operational activities.

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

9. The ULDA was established as a Statutory Authority during 2007-08 with operations commencing on 26 November 2007. As a result, there is no budget for 2007-08 with the 2007-08 Estimated Actual representing an estimate of Asset and Liability balances arising from operational activities.

Cash Flow Statement

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

10. The ULDA was established as a Statutory Authority during 2007-08 with operations commencing on 26 November 2007. As a result, there is no budget for 2007-08 as operational funding for the ULDA was approved during the year for 2007-08 and 2008-09.
11. Reflects the allocation of how the operational funding approved in 2007-08 will be spent in 2007-08 and 2008-09.

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

12. The ULDA was established as a Statutory Authority during 2007-08 with operations commencing on 26 November 2007. As a result, there is no budget for 2007-08 as operational funding for the ULDA was approved during the year for 2007-08 and 2008-09.
13. Reflects the allocation of how the operational funding approved in 2007-08 will be spent in 2007-08 and 2008-09.

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

14. Increase in grants and other contributions is due largely to an increase in operational funding as a result of the planned increase in the work program of the ULDA when compared to 2007-08.
15. Employee expenses increases reflect additional activity in the planned work program for 2008-09.
16. Increase in supplies and services expenses reflects additional expenses from the increased work program.