PART 8

Department of Employment, Economic Development and Innovation

Summary of departmental portfolio budgets

Page	Agency	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
2-1	Department of Employment, Economic Development and Innovation - controlled	1,056,369	1,147,287	1,251,319
	Department of Employment, Economic Development and Innovation - administered	457,429	497,952	473,774
2-46	Property Services Group	96,157	108,856	99,483
2-55	Australian Agricultural College Corporation	25,229	22,503	22,815
2-63	Energy and Water Ombudsman Queensland	4,943	5,643	6,092
2-70	QRAA	20,774	168,560	172,819
2-78	Tourism Queensland	63,700	81,116	64,103

Note: Explanations of variances are provided in the financial statements.

DEPARTMENTAL OVERVIEW

MINISTERIAL RESPONSIBILITY

The Department of Employment, Economic Development and Innovation (DEEDI) has six responsible Ministers: Treasurer and Minister for State Development and Trade; the Minister for Energy and Water Utilities; the Minister for Main Roads, Fisheries and Marine Infrastructure; the Minister for Agriculture, Food and Regional Economies; the Minister for Employment, Skills and Mining and the Minister for Tourism, Manufacturing and Small Business.

STRATEGIC ISSUES

DEEDI will remain focussed on achieving the *Toward Q2: Tomorrow's Queensland* ambitions and targets through its continued goal of developing a globally competitive, sustainable Queensland economy. To do this, DEEDI has three strategic objectives which form the overarching themes for the department's work:

- creating the conditions for business success
- helping businesses and individuals respond to the economic challenges they face
- integrating our service delivery to customers.

DEEDI is the lead department responsible for delivering:

- the government's plan to create 100,000 new jobs by 2012
- the Council of Australian Governments (COAG) commitment to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade (by 2018)
- *Toward Q2: Tomorrow's Queensland* ambitions and targets:
  - Strong: *Queensland is Australia's strongest economy, with infrastructure that anticipates growth*;
  - Strong: *Increase by fifty percent the proportion of Queensland businesses undertaking research and development or innovation*; and
  - Fair: *Halve the proportion of Queensland children living in households without a working parent.*

DEEDI also contributes to the national energy and resources market development policy agenda through the COAG Standing Council on Energy and Resources.

Queensland has recently faced a number of economic challenges. Just as the economy was recovering from the Global Financial Crisis (GFC) it faced statewide unprecedented natural disasters spanning the 2010-11 summer. DEEDI is leading the Government's efforts in the rapid restoration of a competitive and sustainable Queensland economy.

DEEDI developed the 'Economic Recovery Roadmap' to coordinate the State's economic recovery and support the Queensland Reconstruction Authority (QRA) through the Economic Line of Reconstruction. The QRA reports to the Premier as Minister for Reconstruction while assistance is administered by the QRAA. DEEDI also established the 'Economic Recovery Coordination Group' and four industry subgroups in the areas of tourism, agriculture, resources and energy, and business to engage industry, local governments and other relevant groups in recovery and reconstruction efforts.

A major focus for the coming year will be continuing to support businesses in agriculture, mining, tourism and small business to recover and to build stronger and more resilient regions. This extends beyond the reconstruction task to embrace the wider commitment to regional economies set out in the draft Queensland Regionalisation Strategy. The Strategy describes the economic 'catchments' which are the main features of our regional economy.

In addition to the economic impacts of the disaster events, weak non-mining productivity growth and the high Australian dollar have weighed on Queensland's international competitiveness. However, strong capital investment in recent years, particularly in the resource and government infrastructure areas, may be expected to underpin Queensland's future productivity growth. To keep pace with labour demands and address an ageing workforce, efforts to raise workforce participation and attract people with the right skills remains a key priority.

Risks include an escalation of sovereign debt concerns in Europe; the timing of Japan's recovery from the earthquake and tsunami; a sharper than expected slowdown in China following efforts to contain inflationary pressures; and a worsening of political unrest in the Middle East and North Africa leading to higher oil prices. By fostering economic diversity across supply chains and in multiple regions, DEEDI is helping to increase Queensland's resilience against future global shocks and supporting prosperity during and after the current resources boom. While our regions have various economic strengths, they will benefit from strong public services and a commitment at every level of government for cooperative development.

While the recent natural disasters will impact the Queensland economy in the short term, a recovery in exports following the floods, the rebuilding effort and surging business investment in the resource sector in particular are expected to support strong economic growth in 2011-12

DEEDI's efforts to support a strong and diversified economy aim to position the State economy into the future. Initiatives to support this include supply chain work on opportunities in emerging growth industries such as Liquefied Natural Gas (LNG), clean energy and food. Building on our established competitive strengths in mining, agriculture and tourism, we aim to create new opportunities along the supply chain to help grow the Queensland economy.

The LNG industry will add substantially to the diversity and strength of the Queensland economy. The Queensland Government has three key priorities in guiding the LNG industry forward:

- facilitating the development of a competitive, world class industry that generates jobs for Queensland
- protecting Queensland's natural resources by implementing a strong regulatory system
- ensuring regional communities and local industry are able to maximise the resulting opportunities.

DEEDI will invest $100 million over three years through Smart State – Investment for the Future, to support research talent in Queensland, focus on high-priority projects and infrastructure, and drive the innovation imperative to achieve business and commercial outcomes.

The Government is also encouraging investment in the renewable energy industry and managing growth in electricity demand through the proposed Queensland Renewable Energy Industry Development Plan, the Solar Energy Package and demand management and energy efficiency initiatives.

The emerging Queensland Food Policy is developing a whole of value chain approach to Queensland's food industry. It will address major issues impacting on the food sector and help position Queensland's food industry into the future.

The addition of the Coordinator-General functions to the DEEDI portfolio in February 2011 further strengthens DEEDI's ability to lay the foundations for, and respond to, emerging economic opportunities across the State. The Coordinator-General has a direct role in overseeing decisions related to integrated infrastructure and land planning.

2011-12 HIGHLIGHTS

Creating the conditions for business success

During 2011-12, DEEDI will help foster an environment where Queensland's economy recovers and grows through:

- leading the economic line of reconstruction detailed in Operation Queenslander – the State Plan. This is a statewide Community, Economic and Environmental Recovery and Reconstruction Plan which outlines six lines of reconstruction and nominates implementation subcommittees for each line. The Economic subcommittee aims are to facilitate the rapid restoration of a competitive, sustainable Queensland economy and will:
  - advise the Queensland Reconstruction Authority on measures required to achieve economic growth; and
  - guide the implementation of an economic recovery roadmap that responds to business needs and helps Queensland's economy to recover.
- maximising growth and economic opportunities for Queensland through:
  - implementation of the proposed Queensland Regionalisation Strategy; and
  - strengthening regional planning arrangements through developing and implementing economic strategies that support employment and economic growth in accordance with the intent of regional plans.
- strengthening the Regional Development Australia initiative in Queensland, in partnership with the Australian Government, with a focus on providing strategic advice on regional development priorities, such as progressing the regionalisation agenda and Queensland's economic recovery, developing regional workforces and capitalising on the National Broadband Network
- DEEDI will invest $100 million over three years through Smart State – Investment for the Future, to support research talent in Queensland, focus on high-priority projects and infrastructure, and drive the innovation imperative to achieve business and commercial outcomes
- deliver a new $1 million program designed to enhance the capability of tourism operators in a rapidly changing global market, building on the $12 million Tourism Industry Support Package
- continuing support for infrastructure projects such as:
  - acquiring land and progressing critical infrastructure projects such as the upgrade of the Whitsunday Coast Airport, and the monitoring of industrial land requirements in Townsville, North West and North East Minerals Provinces, Mackay, Rockhampton and Ipswich;

- delivering the Airport Link and Northern Busway Upgrade and the Wyaralong Dam projects that are due for completion in 2012;
- the purchase of land for the Gold Coast Showground;
- redeveloping the Gold Coast Parklands; and
- developing the Heritage Management Plan for the Regent Theatre redevelopment.

- creating opportunities to lift the skills profile in the agricultural sector to help it continue to grow by partnering agri-business extension services with accredited training outcomes
- supporting economic development activities in the Surat and Galilee Basins and the Northern Economic Region through the following initiatives:
  - stimulating exploration investment in Queensland by identifying new mineral and energy provinces and revitalising mature provinces. The $18 million Greenfields 2020 program promotes the use of new ideas and technologies to provide new information; and
  - maximising the growth potential of the Coal Industry over the next two decades to 2030 and beyond by providing a coordinated, sustainable and environmentally responsible approach to infrastructure planning and delivery across government and industry.
- DEEDI will continue to work with Skills Queensland to determine the direction of workforce development, employment programs and skilled migration, and ensure the people it invests in under the Skilling Queenslanders for Work Initiative are considered to be in areas of industry labour shortage.

In 2011-12 DEEDI will continue to facilitate a business climate which promotes Queensland as the place to do business by:

- establishing a Queensland Business Commissioner to identify systemic regulatory issues that impact on business productivity and provide recommendations to the Government
- continuing to work with industry to maintain its commitment to support Queensland’s export education
- supporting industry growth sectors and encouraging new investment in Queensland:
  - investing up to $3 million in the new Plant Centre of Excellence on the Darling Downs to boost the national research, development and extension system which aims to grow Queensland’s $900 million grains industry;
  - supporting Queensland’s $4.5 billion beef industry and improving Queensland’s biosecurity capability by partnering with James Cook University in Townsville to construct a new Biosecurity Laboratory valued at approximately $17 million as part of the 2020 Beef initiative;
  - partnering with industry to reform sugar-related research and development with a focus on increasing the long term productivity growth of Queensland's $940 million cane crop;
  - encouraging and facilitating the safe production of geothermal energy for the benefit of all Queenslanders by the commencement of the *Geothermal Energy Act 2010*;
  - encouraging inward investment by companies into Queensland through the Queensland Investment Incentive Scheme, with an additional focus on incentives for firms to locate in regional Queensland; and
  - supporting new industries of the future like LNG and solar energy.
- enabling industry development in the mining and energy sector including:
  - ensuring adequate supply of gas to service demand from both domestic users and the State's emerging LNG export industry by using the 2011 Gas Market Review to inform prices, investment and public policy; and

- exploring and finding possible carbon dioxide storage reservoirs by conducting a drilling program in collaboration with industry, and other government and research partners.
- supporting regional economic development projects including:
  - facilitating the construction of infrastructure including a $15 million new industrial precinct within the Brisbane Western Corridor; a $5 million road corridor in the northern Aldoga precinct of the Gladstone State Development Area; completing a Materials Transportation and Services Corridor and purchasing $16.3 million of land for the development of an aerospace industry park adjacent to the RAAF base at Amberley; and
  - investing $7.5 million over four years to deliver business growth, investment attraction and employment generation through the Queensland Regional Development Initiative.
- simplifying regulations to make them more consistent, fair and effective including:
  - reducing the regulatory impost on Queensland Industry by streamlining the mining regulatory platform including applications for small scale mining activities;
  - coordinating whole-of-government responses to social impact assessment for mining and petroleum developments; and
  - assessing the potential environmental, economic and social impacts of development and determining ways in which any impacts could be minimised through the Environmental Impact Statements (EIS) process.
- aiming to increase visitor numbers and expenditure by continuing implementation of the Queensland Tourism Action Plan to 2012 through marketing campaigns and development of new infrastructure opportunities.

Throughout 2011-2012, DEEDI will ensure that Queensland's economy is protected now and into the future by:

- continuing to protect the State's industries from invasive pests and diseases by investing:
  - $3.5 million to deliver the Biosecurity Strategy and a single Biosecurity Bill;
  - an additional $6 million above the investment under national cost sharing arrangements, to maintain the National Red Imported Fire Ant Eradication Program. Through wide scale surveillance using the newly developed fire ant remote sensing technology in combination with the large treatment program, the program will improve the likelihood of the eradication of fire ants; and
  - $0.8 million to assist Queenslanders respond to the impacts of myrtle rust through a combined program, including disease management, improving disease knowledge and understanding, education and training, as well as communication and community engagement.
- transition the Asian Honey Bee response in the Cairns region from one of eradication to one of ongoing management following a decision in January 2011, by the National Management Group, that the current eradication program was unlikely to succeed. The new program will feature surveillance, including with the newly validated odour detection dog, community engagement and research into new technologies like remote poisoning. The program will be supported by $2 million from the Australian Government
- facilitating secure, reliable, cost-competitive energy supply which promotes renewable energy sources and minimises carbon emissions and environmental impacts by:

- making solar power more affordable to Queenslanders and stimulating the solar renewable energy industry by investing $32.9 million on a range of solar energy initiatives. This includes the continuation of the Solar Bonus and the Solar Hot Water Rebate schemes and the progression of a number of significant infrastructure projects aimed at lowering Queensland's emissions and helping to achieve the *Toward Q2: Tomorrow's Queensland* Green ambition and target: *Cut by one third Queenslanders carbon footprint with reduced car and energy use;*
- analysing the impacts of a carbon constrained economy on Queensland industry and providing support to small and medium sized enterprises in relation to energy management;
- supporting the Queensland Competition Authority's public consultation and stakeholder engagement process to facilitate the introduction of a new retail electricity pricing methodology and tariff structure;
- strengthening competition in the Queensland retail electricity market by supporting the development of a new retail electricity pricing framework; and
- developing the Queensland Renewable Energy Industry Development Plan to grow the renewable energy industry in Queensland, attract investment in low emissions technology and better prepare Queensland's economy for impacts under carbon constrained conditions.

- reducing peak electricity demand in Queensland by continuing a range of energy conservation and demand management measures including:
  - the development and promotion of tariffs which incentivise energy efficient behaviour and encourage customers to shift energy consumption to off peak times;
  - energy use management practices in master planned residential, commercial and industrial developments and major refurbishments as part of the Clean Energy Communities Initiative; and
  - new electricity load management technologies for common household appliances such as air conditioners, pool pumps and hot water systems.
- managing risks and impacts to production, the environment and health and safety by:
  - facilitating the Curtis Island Environment Management Precinct to recognise, protect and maintain significant ecological, environmental and heritage areas on the southern part of Curtis Island utilising the $20 million contribution by the liquefied natural gas proponents; and
  - supporting the safe and sustainable growth of the Coal Seam Gas (CSG) industry by ensuring all CSG companies maintain high safety standards in their operations. The Well Head Safety Initiative includes provisions for the development of a Code of Practice for well head detection, remediation and reporting and improving mine safety training.
- increasing the long-term resilience and business capability of the tourism industry in response to the unprecedented natural disasters of December 2010-January 2011 by developing new and extending existing business improvement programs to tourism operators.

Helping businesses and individuals respond to the economic challenges they face

DEEDI will continue to support existing businesses to grow and maintain jobs by:

- focusing on means to support new supply chain and emerging economic development opportunities that build on Queensland's competitive strengths
- assisting a range of businesses, especially manufacturers, to increase sales, investment and exports, and improve productivity by delivering performance programs in partnership with QMI Solutions

- helping Queensland companies to gain work on major projects through implementation of the Local Industry Policy in conjunction with the Industry Capability Network Queensland
- supporting business sustainability and employment across the state through the Jobs Assist program
- assisting businesses in growth mode to address commercial challenges through delivery of Mentoring for Growth programs
- continuing to focus effort on recovery support for businesses and building stronger and more resilient regions by:
  - working with local councils to assist in their recovery and providing a range of assistance in recovery planning;
  - implementing the Back in Business strategy to inform domestic and global markets that Queensland is open and ready to trade;
  - administering grants and concessional loans under the Natural Disaster Relief and Recovery Arrangements (NDRRA);
  - working on Industry Supply Chain Recovery Plans across a range of industries such as dairy, horticulture, beef, grain, cotton and fishing/aquaculture, in conjunction with relevant industry peak bodies;
  - reducing the burden on disaster affected businesses by minimising planning, regulatory or other obstacles that impact unnecessarily on business confidence and recovery;
  - developing plans to assist industries such as commercial fishers and aquaculture industry;
  - providing financial counsellors to assist producers obtain financial assistance through QRAA;
  - extending the Jobs Assist program through the implementation of the Flood and Cyclone Recovery Business Program which provides assistance to eligible businesses to engage a specialist to conduct a business assessment and develop an action plan; and
  - in partnership with QMI Solutions and the Federal Government's Enterprise Connect, delivering regional recovery clinics and one-on-one support projects throughout Queensland to assist manufacturing firms recover as quickly as possible.

DEEDI will continue to build the capacity of people experiencing difficulties entering or staying in employment to participate in learning and work through:

- providing 1,100 job opportunities for residents of communities affected by the recent natural disasters under the 2011 Queensland Natural Disasters Jobs and Skills package, to support the recovery effort, mitigate skills shortages, and ensure local residents have the opportunity to remain in their local communities
- providing more than 24,000 Queenslanders, to those who are jobless or under-employed, with job-related assistance and skills training under the Skilling Queenslanders for Work initiative
- continuing the three-year $57 million Green Army commitment to provide 3,000 jobs in Queensland
- developing appropriate skills in the renewable energy sector through the Renewable Energy Skills strategy as part of the proposed Renewable Energy Industry Development Plan
- developing specific projects with the resources sector to upskill jobseekers tailored to address the requirements of large-scale projects.

In 2011-12 DEEDI will continue to develop a supportive innovation environment by:

- providing $5 million over five years through the Smart Futures Fund to establish the Queensland Centre for Social Science Innovation (QCSSI). This program aims to break the cycle of social disadvantage by investigating how Government policy can be improved to tackle poverty and other forms of social disadvantage
- providing $41.6 million through the Innovation Building Fund and the Smart State Research Facilities Fund for projects such as the Queensland Tropical Health Alliance
- increasing levels of business innovation and international and domestic competitiveness through the coordination of Research and Development Forums, Tech Clinics and other targeted initiatives
- helping Queensland businesses reach a targeted global audience, grow their customer base and access new markets through the provision of an integrated package of business skills and online resources through the Digital Economy Toolkit
- continuing the two year $2.5 million “What's Your Big Idea Queensland” program to assist Queensland’s small to medium sized enterprises to develop their innovative projects.

Integrating our service delivery to customers

DEEDI will continue to develop services that anticipate and meet customer needs by:

- providing services in ways that let our customers do business with us more easily by providing 50% of relevant DEEDI services online by 2012
- joining forces with other State Government agencies, local authorities, peak industry bodies and associations and the community to help businesses, communities and individuals affected by the summer of natural disasters in 2010-11
- integrating planning and delivering of key services and:
  - improving service delivery on the Atherton Tablelands by consolidating resources in a new client training centre in Mareeba in conjunction with the Australian Agriculture Colleges Corporation and $2 million at Walkamin Research facility, while retaining 27 hectares at the Kairi research field site;
  - contributing toward the progress of Queensland Children’s Hospital by managing the planned use and development of infrastructure in the Queensland Children’s Hospital State Development Area;
  - delivering the final stage of the Government’s commitment to ensure that more than 90 % of Queenslanders will have access to fluoridated water by 2012; and
  - implementing the National Energy Customer Framework in Queensland which will
  - improve the level of protection afforded to energy customers.

RECENT ACHIEVEMENTS

Creating the conditions for business success

During 2010-11, DEEDI helped Queensland’s economy recover and grow by:

- providing emergency response and recovery support as a consequence of natural disasters including:
  - establishing the Economic Recovery Coordination Group to provide for the exchange of critical recovery and reconstruction information between industry and all levels of government. Four industry sub groups in the areas of tourism, agriculture, resources and energy, and business have been established to support the work of the Economic Recovery Coordination Group;

- supporting flood and cyclone recovery through the implementation of the $20 million Rural Resilience Package for Cyclone Yasi affected areas for the agriculture and tourism industries. The program includes industry and flood recovery officers, farm financial counsellors, debris and chemical clean-up and specific industry assistance;
- directing 900 Green Army jobs to disaster-affected areas through the Queensland Natural Disasters Jobs and Skills package;
- working closely with the RSPCA, local governments, the Australian Veterinary Association and livestock industries to rescue animals, coordinate the provision of emergency housing and assist in the return of displaced animals. Support was also provided to assist in the management of flood-related issues associated with intensive livestock industries to prevent adverse animal welfare outcomes;
- allocating $1.7 million from the Racing Industry Capital Development Scheme to Racing Queensland, to undertake flood remediation works at race clubs across the State;
- assisting tourism operators to recover and become more resilient by implementing the joint Queensland-Australian Government $12 million Tourism Industry Support package, incorporating $10 million in international and domestic marketing campaigns, and a $2 million package of business support initiatives;
- developing alternative banana certification arrangements to enable interstate trade of salvaged bananas from plantations destroyed by Cyclone Yasi. This allowed certification of the fallen fruit for continued access to restricted markets for two weeks of harvesting to 17 February 2011;
- providing producers with a clear diagnosis of crop pest and disease issues through the post-flood plant diagnostic service offered by DEEDI scientists. The service allowed a quick crop yield saving response to be undertaken by producers to ensure a speedy recovery from the adverse weather conditions during the 2010-11 summer;
- assisting the Queensland Branch of the Australian Information Industry Association to coordinate the supply of computers and associated infrastructure to Business Recovery Centres in Ipswich and Teneriffe;
- partnering with industry to facilitate a swift industry recovery particularly in the agricultural industries; and
- advocating immediate industry priorities to the QRA and local governments such as the reconstruction of transport and infrastructure arterials.

• facilitating exports through improving the competitiveness of supply chains in the avocado and mango industries
• demonstrating Queensland’s readiness to engage in trade, investment and business activities by:
  - engaging with industry and stakeholders to identify the challenges and opportunities for the development of a bio-based industrial products sector in Queensland, through the release of a discussion paper;
  - facilitating over $6 billion in investment and 3,250 new construction jobs and protecting 2,923 existing jobs in the coal, minerals and CSG industries through case management of 15 resource priority projects to tenure approval;
  - stimulating exploration investment through the awarding of grants potentially worth $2.4 million for 21 projects under the Collaborative Drilling Initiative which is being continued under the Greenfields 2020 Program. 45 projects have already been completed leveraging $32.6 million in industry exploration expenditure;
  - providing export assistance which generated over $1.3 billion and attracted $858 million (as at 5 May 2011) worth of investment for Queensland companies;

- establishing an in-market trade representative for the first time in Latin America (Chile); appointing a new Special Trade Representative to Africa as well as a Special Representative to Papua New Guinea, based in Cairns; and targeting Vietnam by establishing in-market representation through Austrade; and
- issuing contracts to various Australian companies under the Australian Government funded Australia-China Coal Mine Safety Demonstration Project, to achieve mine safety outcomes at the Xuandong Mine in China.

- supporting local suppliers and Queensland's significant industry sectors (including mining, tourism, manufacturing, agriculture and livestock) by:
  - developing in conjunction with stakeholders, an industry development framework for Queensland's $18 billion food industries;
  - establishing the first statewide industry association for Queensland life sciences through the Queensland Government's commitment of $1.9 million. Life Science Queensland (LSQ) will promote the growth of firms and organisations in areas such as agribiotech, health and medical, industrial biotech and animal health;
  - supporting Queensland's seafood producers to generate $160 million exports, as Queensland fisheries have been shown to meet the Australian Government's ecological sustainability guidelines;
  - providing just under $33 million over five years to establish the Queensland Alliance for Agriculture and Food Innovation (QAAFI) as a joint initiative with the University of Queensland. QAAFI is a centre of research excellence which is generating outcomes that will assist in growing Queensland's food and agribusiness sector; and
  - appointing the first ever Queensland Gas Commissioner and publishing the inaugural Queensland Annual Gas Market Review, as part of the development of the gas market in Queensland.

DEEDI promoted Queensland as the place to do business by:

- integrating economic policy in planning and infrastructure priorities to strengthen Queensland's productivity, economy and regions including:
  - providing financial support worth $1.9 million to Regional Development Organisations for 24 regional development projects through the Queensland Regional Development Initiative;
  - leading the Regional Development Australia initiative in Queensland, in partnership with the Australian Government. The initiative provides strategic advice on regional development priorities to all levels of government to inform policy and program development;
  - developing the environment in the Surat Basin to drive growth through the 'Surat Basin Future Directions Statement', which established the policy and planning frameworks for this high growth resource region; and
  - continuing to implement the Townsville Futures Plan which identifies priority sectors and action plans that are aimed at turbo charging economic opportunities and improving economic conditions in the region.
- shaping Queensland and national policies relating to the marine aquaculture sector by progressing the development of the draft Great Sandy Regional Marine Aquaculture Plan (GSRMAP) as a conservation agreement
- releasing the Queensland Timber Plantation Strategy 2020 (QTPS) on 20 July 2010. This strategy was the first of its kind for Queensland. Developed in consultation with a broad range of timber plantation sector stakeholders it outlines the Queensland Government's policy objective of providing an investor-ready environment to encourage and support new private investment in the timber plantation sector

- working with industry, community and government to position Queensland for changes in business environments and community expectations including:
  - playing a key role in stakeholder engagement for the emerging LNG industry and introducing new land access laws across all resource sectors;
  - improving regional coverage and focus on required compliance levels for new industry sectors such as CSG/LNG by appointing nine new petroleum and gas inspectors and one investigator resulting in increased inspection programs;
  - assisting two LNG projects reach their final investment decision with a combined investment of over $30 billion; and
  - developing a comprehensive submission to the Queensland Competition Authority (QCA) on the government's position in response to the QCA's draft decision on the electricity Benchmark Retail Cost Index for 2011-12.
- supporting the discovery and spread of knowledge and technologies to improve business outcomes and Queensland lifestyles by:
  - providing $39.7 million through the Smart Sate Research Facilities Fund and Innovation Building Fund for key research infrastructure;
  - supporting world class research by providing $16.5 million through the Smart Futures Fund for university research organisations under the Queensland National and International Research Alliances Program (NIRAP) and Research-Industry Partnership Program;
  - increasing Queensland's research capacity by providing $4.5 million to university research organisations to leverage additional Commonwealth Government funding through the National Collaborative Research Infrastructure Strategy;
  - negotiating and delivering collaborative funding programs worth a total of $5.7 million over three years with the Ministries of Science and Technology of China and India to support joint research projects, early career fellowships and short-term researcher visits on topics of mutual interest;
  - providing $1.5 million to BioPharmaceuticals Australia (Network) Pty Ltd towards the design costs of the BioPharmaceuticals Australia facility, which forms part of the larger Translational Research Institute project at the Princess Alexandra Hospital campus; and
  - raising the national and international profile of Queensland life science research and innovation by finalising an agreement with the national industry association AusBiotech Pty Ltd to host their annual national biotechnology conferences in 2013 (Brisbane) and 2014 (Gold Coast).

DEEDI continued to protect Queensland's economy now and for the future by:

- facilitating secure, reliable, cost-competitive energy through:
  - increasing investment in solar technologies and use of clean renewable energy through commissioning of major solar energy infrastructure projects in Kogan Creek, Cloncurry, Wide Bay, Hervey Bay and Brisbane; installing 200 Kilowatts of photovoltaic panels on the Carrara Stadium roof to offset approximately 20% of the stadium's energy consumption; and increasing uptake of small scale solar in Queensland by households and small business by over 160MW as part of the Virtual Solar Power Station;
  - assisting industry to meet growing demand for clean and green technologies, products and services by launching a Queensland Cleantech Industry Development Strategy in 2011; and
  - reducing peak electricity network demand capacity by approximately 45 megawatts through the implementation of innovative demand management and energy efficiency programs in partnership with Ergon Energy and ENERGEX.

- continuing major eradication programs like fire ants, electric ants and Siam weed; and continuing to develop our biosecurity emergency response capability, including running the major national emergency response exercise "Exercise Red Feather"
- influencing the construction, timing and location of infrastructure critical to long-term economic prosperity including:
  - the Northern Pipeline Inter-connector Stage 2 for water security;
  - the Whitsunday Coast Airport to increase passenger service and comfort;
  - the Wyaralong Water Treatment Plant and the associated Cedar Grove Connector for future water supply security;
  - coordinating of Provision of Public Private Partnership for the health system in the Sunshine Coast;
  - undertaking industrial land suitability, audit and supply reports in several regional areas of the State, including in South East Queensland;
  - the acquisition of land for the future planning of the gas, coal and water industries;
  - the proposed Multi Cargo facility, including the development of a draft Indigenous Land Use Agreement in the Abbott Point State Development Area;
  - the draft Environmental Management Plan for the Kaili Valley Wetlands;
  - the Material Change of Use approval for the three major liquid gas plants on Curtis Island;
  - the 'gas superhighway' to facilitate the LNG industry and effectively manage the planned development of the co-located underground pipelines and associated infrastructure between Callide and the Gladstone State Development Area; and
  - coordinating the environmental impact statements for 24 projects with an estimated value of around $60 billion and estimated to support around 60,000 construction and operational jobs.
- protecting the safety and health of workers employed in the mining, quarrying, explosives, petroleum and gas industries by:
  - assisting small mines to improve safety through the development and delivery of safety training materials through workshops with industry; and
  - participating in national harmonisation of safety and health.

Helping businesses and individuals respond to the economic challenges they face

During 2010-11, DEEDI continued to support existing businesses to grow and maintain jobs by:

- helping businesses, communities and workers prepare for and recover from global economic events and natural disasters including:
  - rolling out Back in Business recovery workshops in disaster impacted areas which assisted Queensland Business to regain momentum;
  - stimulating the Cairns economy through the implementation of the Cairns Economic Future Plan 2009-2011, by investing $116 million in the region in new and accelerated spending;
  - providing specialist advice in the form of action plans that prioritise key business recovery tasks for small and medium businesses impacted by the natural disasters, through the Flood and Cyclone Recovery Business Program;
  - supporting rural communities to build their economic, social, cultural and environmental capacity through the Building Rural Communities Fund, which provided $849,817 to 101 community projects; and
  - assisting Marine Safety Queensland through the Queensland Boating and Fisheries Patrol in the removal of debris from the lower Brisbane River and Moreton Bay.

- facilitating the market entry of emerging industries and businesses new to Queensland by promoting the growth of firms and organisations in areas such as agri-biotech, health and medical, industrial biotech and animal health through the establishment of the first state wide industry association for Queensland life sciences
- supporting the creation of around 13,000 jobs, nearly all of which will be located in regional Queensland, by facilitating projects with an estimated capital value of $47 billion
- creating local jobs and stimulating economic growth in Queensland through the three Queensland Government supported business incubators. Since inception the incubators have created 860 jobs, assisted in raising $104.4 million capital and supported 159 businesses
- preparing the Queensland Rural Skills and Training Demand report which identified training needs required to support Queensland's agribusiness sector
- investing $378 million to build the Health and Food Science Precinct as well as the completion of the Ecoscience Precinct to provide Queensland with world-class research facilities to support the application of knowledge and new technologies by business
- enhancing the effectiveness of exploration in North-West Queensland by releasing the North-West Queensland Mineral and Energy Province Report and Data Package, a culmination of a five year field and office based study
- DEEDI facilitated the provision of essential services to vulnerable Queenslanders by:
  - introducing a new rebate to subsidise electricity costs for low income customers with a medical condition that results in their inability to regulate their body temperature at a total cost of approximately $6.7 million over four years;
  - increasing the Electricity Rebate and Reticulated Natural Gas Rebate to provide additional financial assistance for pensioners, seniors and Department of Veterans' Affairs repatriation health card holders for all conditions (Gold Card);
  - increasing the Electricity Life Support Concession Scheme to provide additional financial assistance for users of oxygen and kidney dialysis machines; and
  - assisting Queensland customers experiencing difficulty paying their energy bills as a result of an unforeseen emergency, through the Home Energy Emergency Assistance Scheme.

A key focus for DEEDI during 2010-11 was supporting individuals into the work force by:

- providing funding of $104.5 million to provide more than 24,000 Queenslanders, who were jobless or under-employed, with job-related assistance and skills training under the Skilling Queenslanders for Work initiative. This included 1,050 people employed through the three-year $57 million Green Army commitment, of which 200 Green Army work placements were approved for immediate deployment following the natural disasters. An additional 700 Green Army positions were created as part of the Jobs and Skills package to work on recovery activity, support local communities and assist displaced workers
- assisting 1,400 highly vulnerable Queenslanders access services they may need to overcome personal difficulties, develop life skills and ultimately enter the work force through the Participate in Prosperity (PiP) program. This program is a key action in seeking to halve the proportion of children living in jobless households.

DEEDI helped build business profitability and success through:

- helping Queensland businesses be competitive by:
  - assisting small to medium enterprises gain access to government business through the delivery of 68 Tendering for Government Business Workshops, attended by 1,144 participants (as at 30 April 2011);

- supporting 861 (as at 31 March 2011) Queensland small to medium-sized manufacturing companies through State Government-funded support programs delivered by QMI Solutions;
- encouraging new investment in the tourism industry through grants totalling $1.4 million targeting new product development and minor tourism infrastructure;
- completing construction of the $4.8 million John Campbell Miles Drill Core Storage Facility in Mount Isa to assist explorers and researchers in the minerals industry by providing a reference collection library of mineral cores;
- supporting the HEAT programs for Architecture and Fashion to increase the revenue and economic viability of over 2,000 architecture, fashion and related design businesses throughout Queensland. Achievements to date include a $10 million increase in international revenue and over $12 million in national and international media editorial in over 40 countries;
- facilitating the first export of mangoes to South Korea during the 2010-11 season through the Global Mango Export Development project. Project team members facilitated the market access process and provided expertise to monitor and maintain fruit quality along the supply chain. Exports to NZ were also boosted through facilitating a direct supply chain to Progressive Supermarket;
- encouraging innovation through the launch of the two year $2.5 million program 'What's your big idea Queensland?' to help stimulate industry capability, boost productivity and deliver new jobs. Up to $50,000 was available to each successful small and medium sized Queensland business applicant to develop their innovative projects, with over $1 million shared by 22 first round winners across the state;
- increasing the value of Queensland's sweet potato industry from $7 million to $60 million over a 10-year period as a direct result of key research and development projects undertaken in relation to irrigation, planting techniques, varietal evaluation and management of soil insects;
- negotiating protocols for certification of freedom from plant pests under the Interstate Certification Assurance (ICA) scheme, which will significantly increase business flexibility and reduce costs for Queensland producers; and
- improving the productivity of Queensland's $58 million sheep and $90 million wool industries through the Leading Sheep Initiative by providing innovative information and training sessions using Webinars and e-Books.

• encouraging the commercialisation of new technologies and delivering services to support business innovation including:
  - purchasing and developing a $12 million new Spyglass beef research facility near Charters Towers in the North Queensland dry tropics as part of the 2020 Beef Plan which will increase research capability to assist in growing Queensland's $4.5 billion beef industry; and
  - supporting jobs growth and productivity through the Business and Industry Transformation Incentives scheme which is expected to generate over $53 million in new business domestically and $49 million in export opportunities.

Integrated Service Delivery

DEEDI continued to respond to customer needs and improve customer services by:

• utilising an online social networking tool to share information and build self-help communities, assisting business by engaging business advisors to provide face-to-face advice, and tailoring simple packages of information specific to assist business needs

- assisting industry recovery efforts by diagnosing 240 horticultural crop samples at the post-flood plant diagnostic service. The service provided producers with a clear diagnosis of crop pest and disease issues, which allowed a quick crop yield saving response to adverse weather conditions during the 2010-11 summer
- knowing our customers, understanding their needs and delivering services that they value. Examples include:
  - delivering key technical advice and resources to assist in the New Zealand Pike River Mining disaster. The Queensland Commissioner for Mine Safety and Health has been appointed as a Commissioner on the Pike River Mine Disaster Royal Commission; and
  - developing Fisheries Queensland Facebook and Twitter accounts, and expanding the tools available to both educate and engage with stakeholders via social media.
- providing services in ways that let our customers do business with us more easily including:
  - streamlining mining and petroleum tenure approval processes by enabling the online electronic document lodgement via Mines Online, of entry notices, drilling forms and requests for public enquiry reports. This received over 21,000 transactions during 2010-11;
  - purchasing a number of mobile offices to improve our service deliver offering to rural and remote areas. The vehicles are fully operational and have been used to assist recovery efforts during the recent natural disasters; and
  - launching a single whole-of-government Business and Industry Website with over 90 customer services available now with another 200 to be developed by the end of the financial year, providing information, support and processes for a variety of industry sectors and business community in general.
- working together and with partners to improve services for customers by:
  - establishing the Surat Basin CSG Engagement Group which brings together industry, community and government to progress strategic issues; and
  - informing the CSG Community on the government's current and future CSG related policies, programs and services, by conducting nine community forums through the Surat Basin.

DEPARTMENTAL SERVICES

DEEDI works in partnership with business and others in government to create an environment for a competitive and sustainable economy where businesses in every sector can grow successfully with diversification and expansion, access to export markets, certainty for investors and protection of community interests.

Employment and Economic Development

This service area focuses on employment and workforce participation, strengthening and diversifying Queensland's economy and helping our traditional strengths, such as tourism and manufacturing grow. It also encourages investment attraction, businesses to innovate and become more competitive, and provides assistance to Queensland companies to access overseas markets.

Infrastructure, Land and Project Development

This service area focuses on planning, identification, coordination and delivery of infrastructure projects, and industrial and community infrastructure land development which underpin the economic and social development of the State.

Mines and Energy

This service area facilitates investment and job creation in the mining and energy industries. It facilitates the development of a secure, sustainable and competitive energy market, including the development and growth of the clean energy sector. It also protects the safety and health of workers employed in the mining, quarrying, explosives, petroleum and gas industries.

Science, Agriculture, Food and Regional Services

This service area supports industry development in agriculture and food, and works with businesses, individuals and communities to strengthen regional Queensland economies. It manages our fisheries resources, biosecurity threats and science strategies to enhance Queensland's competitive advantage. It also provides a proactive and supportive regulatory environment for the racing industry.

STAFFING[1]

Service areas	Notes	2010-11 Adjusted Budget	2010-11 Est. actual	2011-12 Estimate
Services	2,3,4			
Employment and Economic Development	7	683	687	660
Mines and Energy	5	789	868	867
Science, Agriculture, Food and Regional Services	6,7	3,052	3,028	2,977
Infrastructure, Land and Project Development	7	251	283	307
Total	8	**4,775**	**4,866**	**4,811**

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the services areas.
3. The 2010-11 Adjusted Budget FTEs have been recast to reflect resource movements between services.
4. The 2010-11 Adjusted Budget FTEs have been recast to reflect the following recent Machine of Government (MoG) changes:
   - MoG changes with an effective date of 21 February 2011 resulted in the transfer of the Office of Liquor and Gaming Regulation, Office of Fair Trading and the Office of Regulatory Policy (OLG&FT) from DEEDI to the Department of Justice and Attorney General (JAG);
   - MoG changes with an effective date of 21 February 2011 resulted in the transfer of the Coordinator General (CG) functions from the Department of Local Government and Planning (DLGP) to DEEDI;
   - MoG changes with an effective date of 1 April 2011resulted in the transfer of the Wal Meta Unit from DEEDI to the Public Services Commission (PSC);
   - MoG changes with an effective date of 1 July 2011 resulted in the transfer of the Royalties Unit from DEEDI to Queensland Treasury; and
   - MoG changes with an effective date of 1 January 2010 resulted in the transfer of Native Title's function for mining activities from the Department of Environment and Resource Management (DERM) to DEEDI. This was not able to be included EEDI's 2010-11 budget papers.
5. The increase in the Mines and Energy 2010-11 Estimated actual FTEs over the 2010-11 Adjusted Budget is due to resource increases in tenure administration, additional Mines and Petroleum and Gas Inspectorate staff, and increased support capacity in new industries, including CSG/LNG and renewable energy development.
6. Approximately 122 staff employed to undertake the National Red Imported Fire Ant Eradication Program were not included in the 2010-11 adjusted budget as funding for this program had not been confirmed at the time of the 2010-11 budget preparation.
7. DEEDI currently has recruitment and selection controls in place and actively manages staff where activities are no longer required. This will continue.
8. The figures shown are higher than those currently on active duty because they include staff on long term leave and / or secondments who might return to active duty in the reporting period.

2011-12 SERVICE SUMMARY[1]

Service areas	Total cost $'000	Sources of revenue			
		State Contribution $'000	User charges $'000	C'wealth revenue $'000	Other revenue $'000
Employment and Economic Development	289,636	240,834	3,704	243	47,298
Infrastructure, Land and Project Development	123,944	76,498	11,159	..	55,537
Mines and Energy	250,918	203,855	16,784	..	30,280
Science, Agriculture, Food and Regional Service Delivery	586,821	440,870	37,991	11,512	97,173
Total	**1,251,319**	**962,056**	**69,638**	**11,755**	**230,288**

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

ADMINISTERED ITEMS

Community Service Obligation Transactions

Under the *Electricity Act 1994*, electricity retailers must charge customers who have not entered into market contracts for their electricity supply at Notified Prices determined in accordance with the Act. The Notified Prices for customers of a particular customer class are uniform across the State.

The supply of electricity to customers in regional and remote parts of Queensland generally involves costs which are significantly higher than what the retailer can cover under the Notified Prices due mainly to the vast electricity grid required to serve these customers. Through an appropriation administered by the department, the Government provides Community Service Obligation payments to Ergon Energy Queensland Pty Ltd, the electricity retailer responsible for supplying the non-market customers in regional Queensland.

Mineral and Petroleum Rentals

Annual rent is collected on various permits, authorities, licences and leases issued under the *Mineral Resources Act 1989*, the *Petroleum Act 1923* and the *Petroleum and Gas (Production and Safety) Act 2004.*

Mineral and Petroleum Royalties

From 1 July, 2011 collection of mineral and petroleum royalties will be the responsibility of Queensland Treasury.

QRAA

The department provides funding to QRAA (Queensland Rural Adjustment Authority) for the administration of Exceptional Circumstances and various other assistance schemes to foster the development of a more productive and sustainable rural and regional sector in Queensland. The department also provides funding to QRAA for the administration of applications and payment of rebates under the Queensland Government Solar Hot Water Rebate scheme.

Resource Tenure Application Processing Fees

Revenue is collected for resource tenure applications and associated dealings under the *Mineral Resources Act 1989*, the *Petroleum and Gas (Production and Safety) Act 2004*, the *Petroleum Act 1923*, the *Geothermal Exploration Act 2004*, and the *Greenhouse Gas Storage Act 2009.* A Review of these dealing fees has been undertaken to better reflect the costs associated with providing these services to the resources industry.

Safety and Health Services

Safety and health services are provided to the mining and quarrying industries as well as to the petroleum and gas industries in Queensland through the:

- *Coal Mining Safety and Health Act 1999* and the *Mining and Quarrying Safety and Health Act 1999*; and
- *Petroleum and Gas (Production and safety) Act 2004.*

The department collects a levy and fee (respectively) from the relevant industries to cover the cost of these services. These safety and health regulatory compliance services are undertaken to assist industry to achieve its target of ‘zero harm’.

Smart State Research Facilities Fund

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

Tourism Queensland

The department provides a grant to Tourism Queensland to ensure the ongoing development of a strong and sustainable tourism industry in Queensland. For information on this administered item, please refer to the separate section for Tourism Queensland.

DEPARTMENTAL STATEMENTS

PERFORMANCE STATEMENT

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Area: Employment and Economic Development				
Service Standards				
Queensland economy recovers and grows				
Estimated value of additional capital attracted to Queensland as a result of DEEDI investment and business development assistance	1	$740 million	$943 million	$740 million
Queensland is seen as the place to do business				
Proportion of stakeholders who have a high level of satisfaction with DEEDI consultative and engagement processes		65%-80%	87%	80%
More businesses are profitable and successful				
Value of new exports generated by businesses assisted by DEEDI	2,3	$490 million	$1,339 million	$600 million
Estimated value of efficiency savings or new business generated by businesses assisted by DEEDI	4,5	$56 million	$99 million	$96 million
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of DEEDI funded innovation and capacity development activities	5	45-60%	80%	80%
Proportion of assisted firms reporting improved performance following DEEDI funded innovation and capacity development activities		45-60%	60%	55%
Number of targeted and qualified leads for Queensland businesses generated through DEEDI overseas trade missions and other trade and export development activities	6	470	480	420
Queensland has an available, skilled and sustainable workforce				
People who are in employment or training 12 months after receiving assistance		60-65%	67%	65%
Indigenous people who are in employment or training 12 months after receiving culturally appropriate mentoring and support	7,8	50-55%	79%	70%
Subsidised apprentices and trainees who are in employment or training 12 months after receiving assistance		80%	88%	80%

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Average cost per funded participant of the employment assistance package required to make participants job ready	9	$4,400	$5,000	$4,600
Position of Queensland's economic growth in comparison to other Australian states and territories (1 – 8)	10,11	New measure	7	1
Percentage of Queensland businesses innovating	10,12	New measure	..	39%-41%
Percentage of Queensland children aged under 15 years living in a household without a working parent	10,13	New measure	..	12.75%
Other measures				
Queensland economy recovers and grows				
Achievement of major project milestones on strategic projects	14	25	23	10
Value of private and public sector investment in 'soft' R&D infrastructure derived from DEEDI activities (Human capital, skills, software etc)	15	$100 million	$91 million	$21 million
Funding leveraged from other sources supporting Queensland Government funding of 'soft' R&D infrastructure	15	$70 million	$74 million	$16 million
Queensland is seen as the place to do business				
Pieces of legislation and regulatory frameworks reviewed and reformed	16	26	34	27
Consultative and engagement forums held with industry and community stakeholders	17	160	167	30
More businesses are profitable and successful				
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	18,19	1,400	2,250	1,470
The number of business participants in structured development activities	20,21	12,000	16,200	15,300
Significant one-on-one business consultations undertaken	21,22	2,800	3,735	6,360
Information transactions and packages provided	23	9,800	10,700	39,000
Number of businesses involved in DEEDI facilitated alliances, partnerships, industry networks, supply chains, clusters etc	24,25	1,400	2,060	785

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Number of businesses assisted to export or expand market share	26	3,300	3,400	3,800
Linking individuals to increase workforce participation and improve labour supply				
People assisted		19,000	20,900	19,000
Apprentices and trainees supported		5,000	4,550	5,000
State contribution ($000)	27,28,29	**246,886**	**221,989**	**240,834**
Other revenue ($000)	30,31	**33,230**	**70,530**	**51,245**
Total cost ($000)	32	**277,844**	**290,247**	**289,636**

Service Area: Infrastructure, Land and Project Development

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Standards				
Queensland economy recovers and grows				
Client and stakeholder level of satisfaction with the timeliness and quality of outcomes from the economic projects and programs delivered during the year:				
• satisfaction with outcomes	33	75%	..	75%
• satisfaction with timeliness	33	65%	..	65%
Queensland is seen as the place to do business				
Percentage of regulated drinking supplies delivering fluoridated drinking water:				
• outside SEQ (excluding Indigenous local authorities)	34,35	66%	55%	85%
• within Indigenous local authorities	36	100%	0%	100%
Other measures				
Queensland economy recovers and grows				
Percentage of total number of private sector and Government projects being coordinated or implemented, which met committed timeframes and milestones	37	80%	94%	80%
Queensland is seen as the place to do business				
Number of industrial land solutions implemented during the year across the State for proposed major project developments	38,39	1,100	1,691	350
State contribution ($000)	40,41,42	**62,827**	**46,065**	**76,498**
Other revenue ($000)	43,44,45	**46,487**	**54,802**	**66,696**
Total cost ($000)	46,47,48	**97,449**	**85,270**	**123,944**

Service Area: Mines and Energy

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Standards				
Queensland economy recovers and grows				
Value of investment in exploration by the mineral and energy sectors	49,50	$750 million	$950 million	$800 million
Estimated amount of new energy generated from renewable energy initiatives and projects facilitated	10	New measure	New measure	120MW

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Queensland's economy is protected now and into the future				
Relative reduction in peak electricity network demand capacity from demand management/energy efficiency initiatives and projects facilitated	51,52	35 MW	46.76MW	55 MW
Estimated greenhouse gas emissions saved (tonnes Co2 equivalent) from clean energy initiatives and projects facilitated	10	New measure	New measure	200,000
Lost time injury frequency rate (injuries per millions hours) in the mining and quarrying industries	53	Amended measure	3%	<3.3
More businesses are profitable and successful				
Value of new exports generated by businesses assisted by DEEDI	54,55	$770 million	$522 million	$950 million
Other measures				
Queensland economy recovers and grows				
Achievement of major project milestones on strategic projects	56	3	3	2
Number of initiatives and projects facilitated that drive clean energy and energy efficiency solutions for Queensland	10	New measure	New measure	35
Queensland's economy is protected now and into the future				
Percent of abandoned mines land program priority projects completed within scheduled timeframes		90%	90%	90%
Level of compliance with energy regulatory and shareholder service requirements by energy retailers, distributors and generators		100%	100%	>95%
Percent of corrective/compliance requests identified through inspection and auditing programs closed out within target timeframe		90%	90%	90%
Simtars revenue target for commercial activities	57	$7 million	$7.1 million	$7.1 million
Percent of scheduled and legislative audits, inspections and investigations completed within prescribed times		90%	90%	90%
Queensland is seen as the place to do business				
Pieces of legislation and regulatory frameworks reviewed and reformed		30	29	30
Consultative and engagement forums with industry and community stakeholders	58,59	150	159	209

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Percent of 'intention to grant' of new exploration permits issued within 180 business days of the date of lodgement		90%	88%	90%
Percent of new production tenure applications granted within timelines agreed between DEEDI and industry proponents		90%	90%	90%
More businesses are profitable and successful				
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	60,61	500	960	250
The number of business participants in structured development activities	60,61	5,000	6,800	1,250
Significant one-on-one business consultations undertaken	62,63	8,400	11,786	6,000
Information transactions and packages	23	119,000	194,488	273,900
State contribution ($000)	64,65,66	**188,203**	**209,749**	**203,855**
Other revenue ($000)	67,68,69	**15,026**	**20,421**	**47,064**
Total cost ($000)		**203,229**	**230,170**	**250,918**

Service Area: Science, Agriculture, Food and Regional Services

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Standards				
Queensland economy recovers and grows				
Estimated value of additional capital attracted to Queensland as a result of DEEDI investment and business development assistance	10	New measure	New measure	$4 million
Queensland is seen as the place to do business				
Proportion of stakeholders who have a high level of satisfaction with DEEDI consultative and engagement processes		70-80%	70%-80%	70-80%
Queensland's economy is protect now and for the future				
Queensland fish species assessed as being sustainably fished		21	21	21
More businesses are profitable and successful				
Estimated value of efficiency savings or new business generated by businesses assisted by DEEDI	70	$26 million	$20.31 million	$27 million
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of DEEDI funded innovation and capacity development activities		60-70%	60%	60-70%

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Proportion of assisted firms reporting improved performance following DEEDI funded innovation and capacity development activities		60%	60%	60%
Number of targeted and qualified leads for Queensland businesses generated through DEEDI overseas trade missions and other trade and export development activities	10	New measure	New measure	50
Other measures				
Queensland economy recovers and grows				
Achievement of major project milestones on strategic projects	71,72	25	30	35
Value of private and public sector investment in 'Soft' R&D infrastructure derived from DEEDI activities (Human capital, skills, software etc)	10,73	New measure	..	$180 million
Funding leveraged from other sources supporting Queensland Government funding of 'soft' R&D infrastructure	10,73	New measure	..	$100 million
Queensland is seen as the place to do business				
Pieces of legislation and regulatory frameworks reviewed and reformed	74,75	68	78	59
Consultative and engagement forums held with industry and community stakeholders	76	150	192	155
Integrated Development Assessment System responses completed within statutory timeframes:				
• local government planning schemes	77,78	100	57	100
• development assessment applications		700	625	400
Proportion of racing audit, probity and inspection activities completed in accordance with annual program targets		90%	95%	90%
Proportion of racing investigations completed within timeframes established in service delivery standards	79	75%	95%	95%
Queensland's economy is protected now and into the future				
Risk management and surveillance strategies implemented under national biosecurity obligations:				
• risk management strategies		9	9	9
• surveillance strategies		100%	100%	100%
Significant new biosecurity incidents responded to in accordance with national standards		100%	100%	100%

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Business accreditations and registrations maintained to facilitate market access	80,81	94,000	70,000	95,000
Proposed Queensland fisheries accredited for export accreditation		21	21	21
Percentage of overall compliance with fisheries laws		93%	93%	93%
Beaches covered by the Shark Control Program		85	85	85
More businesses and jobs are sustained and created				
Businesses impacted by natural disasters and other emergencies assisted and supported	82,83	6,800	2,537	2,500
More businesses are profitable and successful				
Innovative technologies developed through revolutionary R&D		8	8	8
Improved production efficiency systems, standards and tools delivered	84	55	78	55
Improved varieties, cultivars and commercial parent lines developed		20	20	20
Collaborative research and development partnerships established	84	200	222	200
The number of structured programs/activities helping businesses build their capacity, improve their performance and /or access opportunities.	85,86	700	1,133	848
The number of business participants in structured development activities	86,88	6,700	15,392	10,371
Number of promotion activities profiling Queensland agriculture, food and tourism businesses	89	26	29	26
Significant one-on-one business consultations undertaken	90,86	9,000	12,776	9,200
Information transactions and packages provided	23	274,000	226,836	296,000
Number of businesses involved in DEEDI facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	87,91	1,200	1,336	1,135
State contribution ($000)	92,93,94	**362,830**	**394,075**	**440870**
Other revenue ($000)	95,96,97	**116,884**	**141,018**	**146,677**
Total cost ($000)	98	**479,118**	**535,728**	**586,821**

Notes:

1. The increase in the 2010-11 Estimated actual reflects increased economic activity in Queensland and large deals in the construction and energy industries.
2. The increase in the 2010-11 Estimated actual is due to several large export deals in clean energy, construction and food.
3. The 2011-12 Target/estimate has increased for the Employment and Economic Development service area due to the transfer of manufacturing activities from the Mines and Energy service area to the Employment and Economic Development service area, and increased targets for exports in the creative industries sector and firms assisted through financial incentives.
4. The increase in the 2010-2011 Estimated actual is a result of the promotion of the Business and Industry Transformation Incentives program through a targeted round which has resulted in a record number of approved applications.
5. The 2011-12 Target/estimate has increased due to the transfer of manufacturing activities from the Mines and Energy service area to Employment and Economic Development service area.
6. The decrease in the 2011-12 Target/est for the Employment and Economic Development Service Area is due to the transfer of the Science business group activities from Employment and Economic Development service area to the Science, Agriculture, Food and Regional Services service area.
7. The increased Estimated actual is due to improved outcomes that reflect the growing success of individual mentoring and support provided by the departmental Indigenous Employment and Training Support Officers.
8. The increased 2011-12 Target/estimate is a reflection of the growing success of individual mentoring and support provided by the departmental Indigenous Employment and Training Support Officers.
9. The increased 2010-11 Estimated actual is a result of the redirection of funds to higher cost intensive programs required under the Jobs and Skills Package.
10. A service standard is considered a 'New measure' where the service standard is:
    - completely new (has no correlation to any of the 2010-11 measures); or
    - may be similar in wording to a 2010-11 measure but a 'material' change has occurred. Changes are considered to be 'material' where 2010-11 data will no longer be directly comparable to 2011-12 data. 'Material' changes may be the result of changes to reporting methodology or where the scope of the service standard has been expanded to cover additional business areas not previously contributing to the measure.
11. DEEDI is the lead department for the *Toward Q2: Tomorrow's Queensland* Strong: Economy target. For further information on this *Toward Q2: Tomorrow's Queensland* target measure and its contributing departments, please refer to the Target Delivery Plan found on the www.TowardQ2.qld.gov.au website. Due to data publication dates, the 2010-11 Estimated actual is the performance for the 2009-10 financial year. The 2011-12 Target/estimate is based on the published predicted growth rates for other jurisdictions as well as Queensland.
12. DEEDI is the lead department for the *Toward Q2: Tomorrow's Queensland* Strong: Business innovation target. For further information on this *Toward Q2: Tomorrow's Queensland* target measure and its contributing departments, please refer to the Target Delivery Plan found on the www.TowardQ2.qld.gov.au website. The Australian Bureau of Statistics data previously used for the *Toward Q2* innovation target is no longer available. Action is underway to establish an alternative dataset to measure performance against this target. Based on other available complementary indicators, Queensland businesses are expected to have experienced improvement in their innovation performance in 2010-11.
13. DEEDI is the lead department for the *Toward Q2: Tomorrow's Queensland* Fair: Jobless households' target. For further information on this *Toward Q2: Tomorrow's Queensland* target measure and its contributing departments, please refer to the Target Delivery Plan found on the www.TowardQ2.qld.gov.au website. Progress against this target is being achieved through a multi-faceted approach targeting the unique circumstances of this cohort, which warrants a flexible approach to key performance indicators. Data on the 2011-12 financial year will not be available until September 2013. There is expected to be some variation between annual targets and achieved actuals, due to both the complexity of this long term target and the range of external influencing factors including economic conditions.
14. The decrease in the 2011-12 Target/estimate is due to the transfer of the Science business group activities from the Employment and Economic Development service areas to the Agriculture, Food and Regional Services service area, the transfer of science precinct projects to the former Department of Infrastructure and Planning, and completion of the World Expo Project in Shanghai.
15. The 2011-12 Target/estimate for the Employment and Economic Development Service are has decreased due to the transfer of science activities from Employment and Economic Development to Science, Agriculture, Food and Regional Services - see note 53. The 2011-12 Target/estimate for DEEDI has increased due to Smart State – Investment for the Future Program.
16. The 2010-11 Estimated actual is due to Government land use planning and environmental policy initiatives exceeding predicted activity – for example, North Stradbroke Island Visions and Strategic Cropping Land
17. The decrease in the 2011-12 Target/estimate is due to (i) the transfer of the Science business group activities from Employment and Economic Development to Science, Agriculture, Food and Regional Services; and (ii) the completion of many consultation activities under the Surat Basin Future Direction Statement and Sustainable Resource Communities policies.
18. The increased 2010-11 Estimated actual is due to the demand of small businesses applying for the Jobs Assist Business Support Program.
19. The wording of this service standard has been amended to ensure consistency with other DEEDI services. The 2011-12 Target/estimate has increased due to the transfer of manufacturing activities from Mines and Energy to Employment and Economic Development.
20. The increase in the 2010-11 Estimated actual is the result of structured development activities such as trade missions, workshops, exhibitions and seminars attracting significant interest from the public regarding exporting opportunities due to increased economic activity in Queensland and increased activity of the national rollout of the In-to-Business Workshops.
21. The 2011-12 Target/estimate has increased due to the transfer of manufacturing activities from Mines and Energy service area to Employment and Economic Development service area. This service standard applies to three service areas; Employment and Economic Development; Mines and Energy and Science, Agriculture, Food and Regional Services. The overall 2011-12 Estimated target for DEEDI has increased from 2010-11.
22. The increase in the 2010-11 Estimated actual is a result of using opportunities to further develop client relationships through assistance with exporting and investment requirements and increases in the Indigenous Entrepreneurs client base.
23. This Service Standard applies to three Service Areas: Employment and Economic Development, Mines and Energy and Science, Agriculture, Food and Regional Services. The 2011-12 Target/estimate has increased in all three service areas

due to (i) an overall increase in service delivery for DEEDI; and (ii) apportioning this increase in service delivery across all DEEDI services areas.

24. The increase in the 2010-11 Estimated actual is due to increased contact with clients from regional industry networks and alliances.
25. The decrease in the 2011-12 Target/estimate is due to (i) the Science business group activities transferred from Employment and Economic Development to Science, Agriculture, Food and Regional Services; (ii) the cessation of the Biotech Pipeline Program; and (iii) the completion of phase 1 of the Climate Smart Business Service Program in 2010-11. The Service Delivery in 2011-12 for this program will be reported against other measures within the Mines and Energy Service area.
26. The increase in the 2011-12 Target/estimate is due to an increasing focus on programs to support exports in the creative industries sector and an increase in the number of export assistance programs and activities.
27. The decrease in the 2010-11 Estimated actual compared to the 2010-11 Target/estimate is primarily due to the transfer of funding for floods and cyclone recovery to the Queensland Reconstruction Authority, which will be reinstated to DEEDI as Other revenue.
28. The decrease in the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is primarily due to additional funding in 2010-11 for the Jobs Assist Program. Also contributing to the movement is the realignment of funding for the design and upgrade of Mareeba Airport to match anticipated cash flows and additional funding for the Queensland Climate Change Fund (QCCF).
29. The increase in the 2011-12 Target/estimate compared to the 2010-11 Estimated actual is primarily due to additional funding for the QCCF and the realignment of funding for the design and upgrade of Mareeba Airport to match anticipated cash flows.
30. The increase in the 2010-11 Estimated actual and the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is primarily due to funding received from QRA for flood and cyclone recovery activities including the Rural Resilience Package (RRP) and the Queensland Natural Disaster Jobs and Skills Package (QNDJSP) and an increase in funding from DET for the delivery of employment programs.
31. The decrease in the 2011-12 Target/estimate compared to the 2010-11 Estimated actual is primarily due to the completion of funding provided under the QNDJSP.
32. The variance between revenues and total costs relates to loan repayments.
33. Survey results for 2010-11 were unavailable at the time of publishing the budget papers.
34. The reduction in the 2010-11 Estimated actual of 11% is due to both (i) equipment commissioning delays resulting from recent rain / flood events affecting the fluoridation projects for five water treatment plants; and (ii) an amendment to the regulated due date for one of Cairns Regional Council's water treatment plants (from December 2011 to December 2012).
35. The increase in the 2011-12 Target/estimate is due to an acceleration of the program that is currently underway.
36. The decline in the 2010-11 Estimated actual is due to the following: In December last year, the due date for five of the State's six Indigenous fluoridation projects (in Cherbourg, Doomadgee, Palm Island, Torres, Yarrabah) was moved from 31 December 2009 to 31 December 2011 in the Queensland Water Fluoridation Regulation 2008. All 5 of these projects are currently progressing to schedule with completion expected by 31 December 2011. Also in December 2010, the due date for Aurukun's fluoridation project was moved from 31 December 2009 to 31 December 2012 in Water Fluoridation Regulation. This project is currently progressing ahead of schedule with completion expected by 31 December 2011. The primary reason for the Regulation being amended last December is technical issues with existing water treatment infrastructure as well as wet weather and skills capacity issues in these remote locations.
37. The increased 2010-11 Estimated actual is due to the 126 projects that have been progressed and implemented, 118 are estimated to be on track/target as at 30 June 2011.
38. The decrease in 2011-12 Target/estimate is due to a decision to narrow the interpretation of the service standard to the total number of industrial land solutions that fit one of the following criteria: (i) Land parcels acquired, granted or purchased (ii) Material Changes of Use approvals or State Development Areas declared, or (iii) Industrial land planning reports completed.
39. The increase in the 2010-11 Estimated actual is due to the number of land solutions for the former Traveston Dam being transferred to Coordinator-General. The Coordinator-General has taken over the leases and tenancies for these properties and continues to manage and maintain the property portfolio on a day to day basis in accordance with lease and tenancy agreements.
40. The decrease in the 2010-11 Estimated actual compared to the 2010-11 Target/estimate is mainly due to the realignment of funding for the Qld Fluoride Assistance Program and the Stage 2 Agreement for the Yarwun Alumina Refinery.
41. The increase in the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is primarily due to the realignment of funding for the Qld Fluoride Assistance Program and the Stage 2 Agreement for the Yarwun Alumina Refinery and Mary Valley Land Management, offset by a reduction in funding for the Airport Link Project.
42. The increase in the 2011-12 Target/estimate compared to the 2010-11 Estimated actual is primarily due to the realignment of funding for the Qld Fluoride Assistance Program and the Stage 2 Agreement for the Yarwun Alumina Refinery, offset by a reduction in funding for the Airport Link Project.
43. The increase in the 2010-11 Estimated actual compared to the 2010-11 Target/estimate is primarily due to project work undertaken on behalf of Special Purpose Vehicle (SPV) companies and the realignment of funding for the Gold Coast Parkland Redevelopment, the Surat Basin Railway project and the State Development Area Stanwell to Gladstone Infrastructure Corridor.
44. The increase in the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is primarily due to an increase in funding approved by the Minister for Industrial Development of Queensland (MIDQ) from the ECF for a range of projects including the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point State Development Area. This is offset by a reduction in funding due to the finalisation of the Whitsunday Airport Terminal upgrade.
45. The increase in the 2011-12 Target/estimate compared to the 2010-11 Estimated actual is primarily due to an increase in funding approved by the MIDQ from the ECF for a range of projects including the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point State Development Area offset by the reduction in funding due to the finalisation of the Whitsunday Airport Terminal upgrade. Also, contributing to the movement is the realignment of funding for the Gold Coast Parkland Redevelopment and the Surat Basin Railway project.
46. The variance between revenue and total costs between 2010-11 Target/estimate to 2010-11 Estimated actual is due to funding received for capital expenditure for the Gold Coast Parkland Redevelopment in 2010-11 and the realignment of Surat Basin Railway capital expenditure to match expected cashflows.

47. The variance between revenue and total costs between 2010-11 Target/estimate to 2011-12 Target/estimate is largely due to an increase in funding received for capital expenditure for the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point SDA Corridor offset by the asset transfer of the Whitsunday Airport Upgrade.
48. The variance between revenue and total costs between 2010-11 Estimated actual to 2011-12 Target/estimate is largely due an increase in funding for capital expenditure for the Surat Basin Railway acquisition, Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point SDA Corridor offset by the asset transfer in 2011-12 of the Whitsunday Airport Upgrade and funding for the Gold Coast Parkland Redevelopment in 2010-11.
49. The increase in 2010-11 Estimated actual is due to continued growth in coal and coal seam gas exploration which exceeded original expectations.
50. The 2011-12 Target/estimate has been increased to reflect continuing growth in coal and coal seam gas exploration investment.
51. The increased 2010-11 Estimated actual is due to better than expected customer participation in and expansion of the Energy Conservative Communities program.
52. The 2011-12 Target/estimate has increased to reflect the continued implementation and on-going maintenance of demand management initiatives.
53. This service standard is considered to be an ‘Amended’ measures based on the following:
    - a service standard is considered to be an ‘Amended measure’ where ‘non-material’ changes have occurred. Changes are considered ‘non-material’ where the wording of a measure has changed but the reporting methodology/scope of the measure remains consistent with 2010-11 measure; and
    - the amendment to this measure (from a percentage to a rate) aligns the reporting of this standard with industry reporting conventions.
54. The reduction in the 2010-11 Estimated actual is primarily due to reduced production levels caused by flooding at a number of mines in Central Queensland; and delays in signing contracts for some rail projects.
55. The 2011-12 Target/estimate has been increased to reflect annual estimates provided by resource companies noting significant increases in export coal volumes during this period.
56. The decrease in the 2011-12 Target/est is due to the realignment of Office of Advanced Manufacturing activities to the Employment and Economic Development service area and the realignment of strategic economic projects to the Mines and Energy service area.
57. The increase in 2011-12 Target/est is due to projected additional revenue received from commercial activities.
58. The increase in the 2010-11 Estimated actual due to an increased demand for land access community and industry forums in the Surat Basin area.
59. The 2011-12 Target/estimate has been increased to reflect the number of consultation forums to be conducted under the National Energy Reform agenda.
60. The increase in the 2010-11 Estimated actual is largely due to increased demand for generic induction training by the mining industry and a high demand for Local Industry Policy (LIP) workshops across Queensland.
61. The 2011-12 Target/estimate has been decreased as a result of the Office of Advanced Manufacturing realignment to Employment and Economic Development service area.
62. The increased 2010-11 Estimated actual is primarily due to increased compliance inspections to ensure the safe operations of the petroleum and gas industry, and a high demand for information regarding the local Industry Policy Advisory Service.
63. The decrease in the 2011-12 Target/estimate is due to the realignment of Office of Advanced Manufacturing activities to the Employment and Economic Development service area. This service standard applies to three service areas; Employment and Economic Development; Mines and Energy and Science, Agriculture, Food and Regional Services. The overall 2011-12 Estimated target for DEEDI has increased from 2010-11.
64. The increase in the 2010-11 Estimated actual compared to the 2010-11 Target/estimate is mainly due to an increase in funding for the winding down of ZeroGen Pty Ltd, Collingwood Park remediation and Qld Future Growth Funding (QFGF), offset by the transfer of funding to Department of Education & Training (DET) for Solar Kindergartens as part of the Solar Initiatives Package. Also, contributing to the movement is the realignment of funding for the Carbon Geostorage and the Queensland Renewable Energy Fund (QREF) including the Coastal Geothermal Energy Initiative to match anticipated cash flows.
65. The increase in the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is mainly due to increased funding for Abandoned Mines rehabilitation and funding for the winding down of ZeroGen Pty Ltd. This is partially offset by a decrease in funding for Climate Smart Homes and the Qld Smart Energy Saving Fund Programs (QSESF).
66. The decrease in the 2011-12 Target/estimate compared to the 2010-11 Estimated actual is mainly due to a decrease in funding for the Wandoan Power project under QFGF, the winding down of ZeroGen Pty Ltd, Climate Smart Homes, Smart Mining and the Qld Smart Energy Saving Fund Programs (QSESF). The realignment of funding for programs including the Solar Initiatives Package, the Abandoned Mines rehabilitation and the Coastal Geothermal Energy Initiative to match anticipated cash flows also contribute to the movement.
67. The increase in the 2010-11 Estimated actual compared to the 2010-11 Target/estimate is mainly due to additional revenue from Safety and Health explosives reserves, and the Australia/China Coal Mine Safety demonstration project.
68. The increase in the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is mainly due to additional funding from ACA Low Emissions Technologies Ltd (ACALET) for the Carbon Geostorage initiative, Safety and Health explosives reserves and the Australia/China Coal Mine Safety demonstration project.
69. The increase in the 2011-12 Target/estimate compared to the 2010-11 Estimated actual is mainly due to additional funding from the ACALET Carbon Geostorage initiative.
70. The natural disasters in the earlier months of 2011 have reduced demand for DEEDI services.
71. The increased 2010-11 Estimated actual is due to the commencement of new projects and the targets being met.
72. The increased 2011-12 Target/estimate is due to the internal transfer of the Science Business Unit to Science, Agriculture, Food and Regional Services.
73. This measure is new to Science, Agriculture and Regional Services service area and no target was estimated during the 2010-11 budget process. This measure was previously reported through the Employment and Economic Development service area – see note 15. The 2011-12 Target/estimate for DEEDI has increased due to Smart State – Investment for the Future Program.
74. The increased 2010-11 Estimated actual is due to an increased number of Regulatory Impact Statements submitted for review and comment.
75. The decrease in the 2011-12 Target/estimate reflects the internal transfer of the Tourism business unit to the Employment and Economic Development service area. The Tourism business unit contribution to this measure will now

be reported through the Employment and Economic Development service area. The overall Science, Agriculture and Regional Services target is based on the expected program of regulatory work for 2011-12.

76. The increase in the 2011-12 Target/estimate is due to (i) the transfer of functions from Employment and Economic Development to Science, Agriculture, Food and Regional Services; (ii) the cessation of the “talking Scientists“ and “Science on Saturday” workshop; and (iii) a higher than anticipated requirement for forums.
77. The decrease in the 2010-11 Estimated actual is due to (i) the delay in preparing planning schemes due to natural disasters; and (ii) the reduction in the level of demand for this service.
78. The reduction in the 2011-12 Target/estimate for Integrated Development Assessment Systems directly reflects changes to legislation which allows for self-assessment. The introduction of the self-assessment process in mid-2010 has reduced the level of demand from DEEDI for this service.
79. This target was originally part of Liquor, Gaming, Racing and Fair Trading. As such the target is reflective of this former service area as a whole and not indicative of the expected performance of the Racing component.
80. The decreased 2010-11 Estimated actual is due to the reduced number of businesses seeking accreditation that were affected by a range of factors including seasonal conditions, market conditions, changes to pest status and interstate requirements.
81. The increase in the 2011-12 Target/estimated reflects an anticipated increase in forecast demand against 2010-11 target.
82. The reason for the significant variance is that there is currently no state drought declared areas in Queensland (first time since June 1999) and the claims through Drought and Recovery Assistance Scheme (DRAS) will be for recovery - for example, returning from agistment and restocking. Although the programs for natural disaster assistance are established through the Science, Agriculture, Food and Regional Services area, they are generally delivered through QRAA and therefore businesses assisted are counted through QRAA.
83. The decreased in the 2011-12 Target/estimate is due to improved seasonal conditions which reduce the need for this service as there is currently no state drought declared areas in Queensland (first time since June 1999). Although the programs for natural disaster assistance are established through the Science, Agriculture, Food and Regional Services area, they are generally delivered through QRAA and therefore businesses assisted are counted through QRAA.
84. The increased 2010-11 Estimated actual is due to the high number of projects implemented in the horticulture and forestry industries that have resulted in the outputs being greater than originally estimated.
85. The increased 2010-11 Estimated actual is due to additional flood recovery workshops being held.
86. The overall increase in the 2011-12 Target/estimate reflects an increase in demand for this service. This service standard applies to three service areas: Employment and Economic Development; Mines and Energy and Science, Agriculture, Food and Regional Services. The overall 2011-12 Estimated target for DEEDI has increased from 2010-11.
87. The overall decrease in the 2011-12 Target/estimate reflects an decrease in demand for this service
88. The increased 2010-11 Estimated actual is the result of increased participation at additional workshops held relating to Cyclone Yasi in 2011 and 2010 DERM Reef Protection activity.
89. The increased 2010-11 Estimated actual is due to increased efforts to raise the profiles of food and wine businesses.
90. The increased 2010-11 Estimated actual is due to increased number of consultations as a result of the 2011 January floods and Cyclone Yasi.
91. The increase in the 2010-11 Estimated actual is due to (i) Science business group activities transferred from Employment and Economic Development to Science, Agriculture, Food and Regional Services: and (ii) the high level of activities collaborating with supply chains.
92. The increase in the 2010-11 Estimated actual compared to the 2010-11 Target/estimate is largely due to additional funding received for the operating costs of the Ecosciences and Health & Food Sciences Precincts (H&FS) and pest and disease incursions including the National Red Imported Fire Ant Eradication Program (NRIFAEP). This is partially offset by the transfer of funding for Flood and Cyclone Recovery to the Queensland Reconstruction Authority (QRA), which will be reinstated to DEEDI as other revenue and a realignment of funding for the Western Hardwoods Plan, Smart Futures Funding (SFF), iLab, Innovation Building Fund (IBF), the Brain Institute, Biotechnology Strategy to match anticipated cash flows.
93. The increase in the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is predominantly due to additional funding for the Smart State - Investment for the Future Program, continuation of the existing for the Smart State Fund (SSF) including the National Collaborative Research Infrastructure Strategy (NCRIS); and the Ecosciences and Health & Food Sciences Precincts. In addition, funding has been realigned for the SFF and the Biotechnology Strategy to match anticipated cash flows.
94. The increase in the 2011-12 Target estimate compared to the 2010-11 Estimated actual is predominantly due to additional funding for the Smart State - Investment for the Future Program, continuation of the existing Smart State Fund (SSF) including the NCRIS and the Ecosciences and Health & Food Sciences Precincts.
95. The increase in the 2010-11 Estimated actual compared to the 2010-11 Target/estimate is largely due to additional funding for pest and disease incursions including the NRIFAEP, an increase in external funding approvals for research and development (R&D) projects and a gain from the sale of the Oonoonba Research Station to the Urban Land Development Authority (ULDA). This is partially offset by a decrease due to the realignment of funding for grants for the Racing Industry Capital Development Scheme (RICDS) to match anticipated cash flows.
96. The increase in the 2011-12 Target/estimate compared to the 2010-11 Target/estimate is largely due to additional funding for pest and disease incursions across the State including the NRIFAEP, an increase in external funding approvals for R&D projects, revenue received from the QRA for flood and cyclone recovery activities (including RRP) and an increase related to the realignment of funding for the RICDS and the Tropical Rock Lobster (TRL) Trawl Fishing Licenses buy-back program to match anticipated cash flows. This is partially offset by a decrease in funding provided by the Estates Construction Fund (ECF) for the construction of the Smart State Medical Research Centre (SSMRC).
97. The increase in the 2011-12 Target/estimate compared to the 2010-11 Estimated actual is largely due to additional revenue received from the QRA for flood and cyclone recovery activities (including RRP) and an increase related to the realignment of funding for the RICDS and the TRL Trawl Fishing Licenses buy-back program to match anticipated cash flows. This is partially offset by a decrease in funding provided by the ECF for the construction of the SSMRC and a decrease related to the sale of Oonoonba Research Station during 2010-11.
98. The variance between revenues and total costs mainly relates to Notional Interest on Innovation Building Fund loans. In addition, the 2010-11 Estimated actual includes the impairment on the Animal Research Institute prior to transfer to the Department of Local Government and Planning partly offset by the gain on sale of Oonoonba Research Station to ULDA.

INCOME STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2010-11 Adjusted Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Income				
Service revenue	1,10,18	848,757	871,219	962,056
User charges	2,11,19	50,813	88,400	69,638
Grants and other contributions	3,12,20	154,950	180,216	229,990
Other revenue		10,085	11,282	11,402
Gains on sale/revaluation of property, plant and equipment and investments	4,21	503	12,746	651
Total income		**1,065,108**	**1,163,863**	**1,273,737**
Expenses				
Employee expenses	5,13,22	456,042	466,348	455,035
Supplies and services	6,14,23	225,970	295,820	319,361
Grants and subsidies	7,15,24	317,102	308,266	401,491
Depreciation and amortisation		29,719	35,594	33,286
Finance/borrowing costs		22,567	24,099	25,122
Other expenses	16,25	4,946	4,288	17,021
Losses on sale/revaluation of property, plant and equipment and investments	8,26	23	12,872	3
Total expenses		**1,056,369**	**1,147,287**	**1,251,319**
OPERATING SURPLUS/(DEFICIT)	9,17,27	**8,739**	**16,576**	**22,418**

STATEMENT OF CHANGES IN EQUITY

Department of Employment, Economic Development and Innovation	Notes	2010-11 Adjusted Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Net effect of the changes in accounting policies and prior year adjustments		..	(292)	..
Increase/(decrease) in asset revaluation reserve		21,685	16,685	16,685
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		**21,685**	**16,393**	**16,685**
Surplus/(deficit) for the period	9,17,27	8,739	16,576	22,418
Total recognised income and expense for the period		**30,424**	**32,969**	**39,103**
Equity injection/(withdrawal)	28,30	42,042	30,049	25,826
Equity adjustments (MoG transfers)	29,31,32	110,293	319,246	..
Total movement in equity for period		**182,759**	**382,264**	**64,929**

BALANCE SHEET

Department of Employment, Economic Development and Innovation	Notes	2010-11 Adjusted Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CURRENT ASSETS				
Cash assets		40,182	32,099	33,911
Receivables		50,790	51,082	51,400
Other financial assets		..	..	..
Inventories		2,064	2,092	2,120
Other		7,573	8,656	8,806
Non-financial assets held for sale		6,170	11,879	11,879
Total current assets		**106,779**	**105,808**	**108,116**
NON-CURRENT ASSETS				
Receivables	33,43	17,807	33,280	38,804
Other financial assets	34,44	123,662	21,158	21,158
Property, plant and equipment	35,45,51	1,215,276	1,383,795	1,409,481
Intangibles	36,52	19,431	10,875	28,760
Other		25,859	28,275	30,759
Total non-current assets		**1,402,035**	**1,477,383**	**1,528,962**
TOTAL ASSETS		**1,508,814**	**1,583,191**	**1,637,078**
CURRENT LIABILITIES				
Payables		53,169	43,110	48,730
Accrued employee benefits		14,428	18,470	18,470
Interest-bearing liabilities and derivatives		10,710	11,895	10,739
Provisions	37	11,238	22,007	16,604
Other	38,46	58,491	29,207	30,743
Total current liabilities		**148,036**	**124,689**	**125,286**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		107,186	107,327	97,413
Provisions	39,47	..	12,121	10,686
Other		5,340	5,481	5,191
Total non-current liabilities		**112,526**	**124,929**	**113,290**
TOTAL LIABILITIES		**260,562**	**249,618**	**238,576**
NET ASSETS/(LIABILITIES)		**1,248,252**	**1,333,573**	**1,398,502**
EQUITY				
Capital/contributed equity	40,48,53	1,195,712	1,423,394	1,449,220
Accumulated surplus/(accumulated deficit)	41,49,54	9,522	(123,353)	(100,935)
Reserves:				
- Asset revaluation surplus	42,50,55	43,018	33,532	50,217
- Other (specify)		..	..	..
TOTAL EQUITY		**1,248,252**	**1,333,573**	**1,398,502**

CASH FLOW STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2010-11 Adjusted Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	56,68,78	848,757	877,105	962,056
User charges	57,69,79	56,862	91,728	70,924
Grants and other contributions	58,70,80	154,950	180,216	229,990
Other		47,304	51,749	48,444
Outflows:				
Employee costs	59,71,81	(455,306)	(465,612)	(455,035)
Supplies and services	60,72,	(263,984)	(360,455)	(354,361)
Grants and subsidies	61,73,82	(317,102)	(310,590)	(399,997)
Borrowing costs		(7,273)	(7,274)	(7,064)
Other	62,74,83	(8,492)	64,474	(22,020)
Net cash provided by/(used in) operating activities		**55,716**	**121,341**	**72,937**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	63,84	25,891	10,748	21,183
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	64,75	(102,336)	(77,816)	(84,192)
Payments for investments		..	..	..
Loans and advances made		(22,105)	(24,088)	(22,872)
Net cash provided by/(used in) investing activities		**(98,550)**	**(91,156)**	**(85,881)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	65,85	..	(72,302)	..
Equity injections	66,76,86	216,910	107,498	188,950
Outflows:				
Borrowing redemptions		(10,453)	(10,453)	(11,070)
Finance lease payments		..	..	..
Equity withdrawals	67,77,87	(174,868)	(80,676)	(163,124)
Net cash provided by/(used in) financing activities		**31,589**	**(55,933)**	**14,756**
Net increase/(decrease) in cash held		**(11,245)**	**(25,748)**	**1,812**
Cash at the beginning of financial year		**58,371**	**57,034**	**32,099**
Cash transfers from restructure		(6,944)	813	..
Cash at the end of financial year		**40,182**	**32,099**	**33,911**

ADMINISTERED INCOME STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2010-11 Adjusted Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	92,98	102,786	101,663	44,159
Royalties, property income and other territorial Revenue	88,93,99	3,155,738	2,688,550	55,704
Interest		74	74	2
Administered revenue	89,94,100	417,940	458,028	473,566
Other	95,101	47,650	46,880	3,422
Total revenues		**3,724,188**	**3,295,195**	**576,853**
Expenses				
Supplies and services		65	85	171
Depreciation and amortisation		120	120	120
Grants and subsidies	90,96,102	453,376	492,331	473,362
Benefit payments		..	..	..
Borrowing costs		1,258	2,806	121
Other		2,610	2,610	..
Total expenses		**457,429**	**497,952**	**473,774**
Net surplus or deficit before transfers to Government		**3,266,759**	**2,797,243**	**103,079**
Transfers of administered revenue to Government	91,97,103	**3,266,448**	**2,798,480**	**100,254**
OPERATING SURPLUS/(DEFICIT)		**311**	**(1,237)**	**2,825**

ADMINISTERED BALANCE SHEET

Department of Employment, Economic Development and Innovation	Notes	2010-11 Adjusted Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CURRENT ASSETS				
Cash assets		72,607	58,577	67,014
Receivables	104,109,114	516,280	681,426	17,566
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		**588,887**	**740,003**	**84,580**
NON-CURRENT ASSETS				
Receivables	105,110	150,785	52,838	55,063
Other financial assets		..	..	..
Property, plant and equipment		79,005	80,651	80,697
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**229,790**	**133,489**	**135,760**
TOTAL ADMINISTERED ASSETS		**818,677**	**873,492**	**220,340**
CURRENT LIABILITIES				
Payables		55,597	70,226	64,859
Transfers to Government payable	106,111,115	520,858	652,854	2,517
Interest-bearing liabilities		..	..	..
Other		12,172	13,190	13,579
Total current liabilities		**588,627**	**736,270**	**80,955**
NON-CURRENT LIABILITIES				
Payables		275	280	292
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		**275**	**280**	**292**
TOTAL ADMINISTERED LIABILITIES		**588,902**	**736,550**	**81,247**
ADMINISTERED NET ASSETS/(LIABILITIES)		**229,775**	**136,942**	**139,093**
EQUITY				
Capital/Contributed equity	107,112	269,919	135,456	134,782
Accumulated surplus/(Accumulated deficit)	108,113	(40,144)	1,486	4,311
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		**229,775**	**136,942**	**139,093**

ADMINISTERED CASH FLOW STATEMENT

Department of Employment, Economic Development and Innovation	Notes	2010-11 Adjusted Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	116,123	417,940	476,684	473,566
Grants and other contributions	124,129	36,670	35,557	..
Taxes, fees and fines	125,130	102,790	101,667	44,159
Royalties, property income and other territorial revenues	117,126,131	3,152,980	2,661,532	55,704
Other		9,588	931	780
Outflows:				
Transfers to Government	118,127,132	(3,267,840)	(2,704,989)	(100,254)
Grants and subsidies	119,128,133	(453,376)	(563,842)	(473,362)
Supplies and services		2,193	4,673	(171)
Borrowing costs		..	5	12
Other		(2,606)	(2,607)	..
Net cash provided by/(used in) operating activities		**(1,661)**	**9,611**	**434**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	120,134	1,100	89,320	1,100
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	(166)
Payments for investments		..	..	..
Loans and advances made		(10,844)	(2,844)	(413)
Net cash provided by/(used in) investing activities		**(9,744)**	**86,476**	**521**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	121,134	11,439	141,211	546
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	122,134	(1,220)	(227,092)	(1,220)
Net cash provided by/(used in) financing activities		**10,219**	**(85,881)**	**(674)**
Net increase/(decrease) in cash held		**(1,186)**	**10,206**	**281**
Administered cash at beginning of financial year		**91,431**	**72,263**	**58,577**
Cash transfers from restructure		(17,638)	(23,892)	8,156
Administered cash at end of financial year		**72,607**	**58,577**	**67,014**

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Machinery of Government (MoG) changes:

- MoG changes with an effective date of 21 February 2011 resulted in the transfer of the Office of Liquor and Gaming Regulation, Office of Fair Trading and the Office of Regulatory Policy (OLG&FT) from DEEDI to the Department of Justice and Attorney General (JAG). Consequently, the 2010-11Adjusted Budget and the 2010-11 Estimated actual in the Financial Statements reflect the eight months of activity relating to the transferred functions.
- MoG changes with an effective date of 21 February 2011 resulted in the transfer of the Coordinator-General (CG) functions from the former Department of Infrastructure and Planning (DIP) to DEEDI. Consequently, the 2010-11 Adjusted Budget and the 2010-11 Estimated actual in the Financial Statements reflect the four months of activity relating to the transferred functions.
- MoG changes with an effective date of 1 April 2011resulted in the transfer of the Wal Meta Unit from DEEDI to the Public Services Commission (PSC). Consequently, the 2010-11Adjusted Budget and the 2010-11 Estimated actual in the Financial Statements reflect the nine months of activity relating to the transferred functions.
- MoG changes with an effective date of 1 July 2011 will result in the transfer of the Mining Royalties Unit (MRU) and Royalty revenue payable under the *Mineral Resources Act 1989* and the *Petroleum and Gas (Production and Safety) Act 2004* from DEEDI to Queensland Treasury. Consequently, the 2011-12 Estimate does not reflect the activity relating to the transferred functions.
- MoG changes with an effective date of 1 January 2010 resulted in the transfer of Native Titles function for mining activities from the Department of Environment and Resource Management (DERM) to DEEDI. This was not able to be included in DEEDI's 2010-11 Budget Papers.
- Administrative changes with an effective date of 1 July 2010 resulted in the transfer of the *Property Agents and Motor Dealers Act 2000* (PAMDA) Claim Fund from DEEDI to Queensland Treasury (QT). Consequently, the 2010-11 Adjusted Budget, the 2010-11 Estimated actual and the 2011-12 Estimate exclude the interest revenue applicable to the fund.

Income statement

Major variations between 2010-11 Adjusted Budget and 2010-11 Estimated actual include:

1. The increase is largely due to funding provided to facilitate the winding down of ZeroGen Pty Ltd, operating costs of the Ecosciences and Health and Food Sciences (H&FS) Precincts, Mary Valley Land Management, Qld Future Growth Funding (QFGF) for Wandoan Power project, Collingwood Park remediation, and pest and disease incursions across the State including the National Red Imported Fire Ant Eradication Program (NRIFAEP). An extension of the NRIFAEP to 30 June 2012 was formally approved under National Cost Sharing (NCS) Arrangements subsequent to the 2010-11 Budget being published. This is partly offset by a reduction in funding for the MoG transfer of the OLG&FT functions, transfer of funding to Department of Education & Training (DET) for Solar Kindergartens as part of the Solar Initiatives Package and the transfer of funding for Flood and Cyclone Recovery to the Queensland Reconstruction Authority (QRA) which will be reinstated to DEEDI as grants. Also, contributing to the movement is the realignment of funding for numerous programs including Yarwun Alumina Refinery, Smart Futures Funding (SFF), Carbon Geostorage, Queensland Renewable Energy Fund (QREF) including the Coastal Geothermal Energy Initiative, iLab, Innovation Building Fund (IBF), the Brain Institute, Biotechnology Strategy, the Western Hardwoods plan and Indigenous Business Grants to match anticipated cash flows.
2. The increase is largely due to additional funding for pest and disease incursions including the NRIFAEP, the Queensland Natural Disaster Jobs and Skills Package (QNDJSP), Safety and Health fee for service revenue, revenues for the Australia/China Coal Mine Safety demonstration project, increased revenues from CSIRO for the H&FS precinct fit outs and recovery of project costs incurred on behalf of Special Purpose Vehicle (SPV) companies.
3. The increase is largely due to revenue received from QRA for flood and cyclone recovery activities including the Rural Resilience Package (RRP) and the QNDJSP, additional revenue from DET for the delivery of particular employment programs and an increase in external funding approvals for research and development (R&D) projects. This is partially offset by MoG transfer of the OLG&FT functions. Also contributing to the movement is the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor, the Gold Coast Parkland Redevelopment, the Surat Basin Railway project and grants provided for the Racing Industry Capital Development Scheme (RICDS) to match anticipated cash flows.
4. The increase is largely due to gain on sale of Oonoonba Research Station to Urban Land Development Authority (ULDA).
5. The increase is largely due to increased expenses for pest and disease incursions including NRIFAEP, the MoG transfer of CG functions to DEEDI, and MoG transfer of the OLG&FT functions from DEEDI.
6. The increase is primarily due to increased expenses for pest and disease incursions including NRIFAEP, additional expenses due to Collingwood Park remediation activities, MoG transfer of the CG functions, including Mary Valley Land Management, operating costs of H&FS and Ecosciences precincts, expenditure on flood and cyclone recovery activities including the RRP and the QNDJSP and increased R&D project costs. This is partially offset by a decrease due to the transfer of funding to DET for Solar Kindergartens as part of the Solar Initiatives Package. The movement also includes the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor, Carbon Geostorage, and QREF including the Coastal Geothermal Energy Initiative to match anticipated cash flows.
7. The decrease is largely due to the transfer of grant funding to DET for Solar Kindergartens as part of Solar Initiative Package. This is partially offset by additional expenses to facilitate the winding down of ZeroGen Pty Ltd, Wandoan Power project under the QFGF, expenses for flood and cyclone recovery activities (including the RRP and the QNDJSP) and expenses for delivery of employment programs The movement also includes the realignment of funding for the Yarwun Alumina Refinery, RICDS, SFF, IBF, iLab, Brain Institute, Biotechnology Strategy and the Western Hardwoods plan to match anticipated cash flows.
8. The increase is largely due to the transfer of the Animal Research Institute (ARI) to the Department of Local Government and Planning (DLGP).
9. The increase in the surplus is mainly due to the MoG transfer of the CG functions, which includes capital expenditure funding for land purchases for the Gold Coast Parkland Redevelopment.

Major variations between 2010-11 Adjusted Budget and 2011-12 Estimate include:

10. The increase is largely due to full year effect of the MoG transfer of CG functions, additional funding for the Smart State – Investment for the Future Program, continuation of the existing Smart State Fund (SSF) programs including the National Collaborative Research Infrastructure Strategy (NCRIS) and Research and Innovation Programs, the Ecosciences and H&FS Precincts, the Qld Climate Change Fund (QCCF) and the payment of an Enterprise Bargaining (EB) increment for 2011-12. This is partially offset by full year effect of the OLG&FT MoG to JAG, a decrease in funding for Climate Smart Homes and the Qld Smart Energy Saving Fund Programs (QSESF). Also, contributing to the movement is the realignment of funding for numerous programs including design and upgrade of Mareeba Airport, SFF, Yarwun Alumina Refinery, Solar Initiatives Package, funding to facilitate the winding down of ZeroGen Pty Ltd, and the Biotechnology Strategy to match anticipated cash flows.
11. The increase is largely due to increased funding for pest and disease incursions across the State (including NRIFAEP), full year effect of the MoG transfer of CG functions and increased fee for service revenues including additional revenue anticipated for project work on behalf of SPV's. This is partially offset by full year effect of the OLG&FT MoG to JAG.
12. The increase is largely due to additional Estates Construction Fund (ECF) funding approved by the Minister for Industrial Development of Queensland (MIDQ) including funding for the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and Abbot Point State Development Area, additional revenue from the Department of Resources, Energy and Tourism (DRET) and ACA Low Emissions Technologies Ltd (ACALET) for the Carbon Geostorage initiative, revenue received from the QRA for flood and cyclone recovery activities (including the RRP and QNDJSP), additional revenue from DET for the delivery of particular employment programs, full year effect of the MoG transfer of the CG functions and an expected increase in external funding approvals for R&D projects. This is partially offset by the decrease in funding provided by the ECF for the construction of the Smart State Medical Research Centre (SSMRC), and full year effect of the OLG&FT MoG to JAG. Also, contributing to the movement is the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor, the RICDS and the Tropical Rock Lobster (TRL) Trawl Fishing Licenses buy-back program to match anticipated cash flows.
13. The decrease is largely due to full year effect of the OLG&FT MoG to JAG, partially offset by increased expenses for pest and disease incursions including the NRIFAEP, full year effect of the MoG transfer of CG functions, expenditure related to additional MIDQ funding and EB increments in 2011-12.
14. The increase is largely due to increased expenses associated with full year effect of the MoG transfer of CG functions, anticipated expenditure for the DRET and ACALET funded Carbon Geostorage initiative, pest and disease incursions (including the NRIFAEP), Abandon Mines rehabilitation, project work undertaken on behalf of SPV's, operating costs of the H&FS and Ecosciences precincts, expenditure on flood and cyclone recovery activities including the RRP and the QNDJSP, expenditure related to the QCCF, MIDQ funding, State Development Area Stanwell to Gladstone Infrastructure Corridor and increased R&D project costs. This is partially offset by a decrease associated with full year effect of OLG&FT MoG to JAG.
15. The increase is largely due to the increased expenses associated with the full year effect of the MoG transfer of CG functions, additional expenses for the Smart State – Investment for the Future Program, increased expenses for the existing SSF including Research and Innovation Programs, delivery of DET employment programs and expenses for flood and cyclone recovery activities (including the RRP and the QNDJSP). This is partially offset by a decrease due to full year effect of OLG&FT MoG to JAG, a decrease for the construction of the SSMRC and for Climate Smart Homes. Also, contributing to the movement is the realignment of funding for the QSESF, ZeroGen Pty Ltd, RICDS, Mareeba Airport upgrade, Yarwun Alumina Refinery, Solar Initiatives Package, SFF (including NCRIS and Innovation fund), Biotechnology Strategy and the TRL Trawl Fishing licenses buy-back program to match anticipated cash flows.
16. The increase is mainly due to full year effect of the MoG transfer of the CG functions, offset by the full year effect of OLG&FT MoG to JAG.
17. The increase is predominantly due to 2011-12 MIDQ Corporation Funding Approvals for capital expenditure projects which includes funding for the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point State Development Area.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

18. The increase is largely due to additional funding for the Smart State – Investment for the Future Program, the existing SSF including the NCRIS and Research and Innovation Programs and Abandon Mines rehabilitation, additional revenue from full year effect of the MoG transfer of the CG functions, the QCCF and supplementation for the EB increment in 2011-12. This is partially offset by decreased revenue as a result of full year effect of the OLG&FT MoG to JAG, decreased funding for Wandoan Power project under QFGF, the winding down of ZeroGen Pty Ltd, Climate Smart State Homes, Smart Mining and reduced funding for Ecosciences precinct due to the transfer of building and depreciation costs to DPW and DERM. The realignment of funding for numerous programs including the design and upgrade of Mareeba Airport, Yarwun Alumina Refinery, Solar Initiatives Package, QSESF, the QREF including the Coastal Geothermal Energy Initiative and Biotechnology Strategy to match anticipated cash flows also contribute to the movement.
19. The decrease is largely due to the completion of funding provided under the QNDJSP, full year effect of OLG&FT MoG to JAG and anticipated reductions in fee for service projects. This is partially offset by increased revenue from project work undertaken on behalf of SPV's.
20. The increase is largely due to additional ECF funding including funding for the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point State Development Area, DRET and ACALET Carbon Geostorage initiative, revenue from the QRA for flood and cyclone recovery activities (including the RRP and the QNDJSP), and revenue realigned for the TRL Trawl Fishing Licenses buy-back program. This increase is partially offset by the decrease in funding for the construction of the SSMRC, full year effect of the OLG&FT MoG to JAG. Also contributing to the movement is the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor and the RICDS to match anticipated cash flows.
21. The decrease is largely due to the sale of Oonoonba Research Station to the ULDA during 2010-11.
22. The decrease is predominantly due to the full year effect of the OLG&FT MoG to JAG. This is partially offset by an increase as a result of the full year effect of the MoG transfer of the CG functions, additional expenditure related to MIDQ funding and EB increments in 2011-12.

23. The increase is mainly due to full year effect of the MoG transfer of the CG functions, expenditure on flood and cyclone recovery activities (including the RRP and the QNDJSP), expenses related to the QCCF and Abandon Mines rehabilitation, anticipated expenditure for the DRET and ACALET funded Carbon Geostorage initiative, project work undertaken on behalf of SPV's and additional expenditure related to MIDQ funding. This is partially offset by a decrease mainly due to the full year effect of the OLG&FT MoG to JAG (including CIF), a decrease in expenditure for Smart Mining and an anticipated decrease in fee for service projects. Also contributing to the movements is the realignment of funding for State Development Area Stanwell to Gladstone Infrastructure Corridor and QREF including the Coastal Geothermal Energy Initiative.
24. The increase is largely due to the full year effect of the MoG transfer of the CG functions, additional expenses for the Smart State – Investment for the Future Program, increased expenses for the existing SSF (including NCRIS and Research and Innovation Programs) and the QNDJSP. This is partially offset by a decrease in funding for the Wandoan Power project under the QFGF, expenses the construction of the SSMRC, the full year effect of OLG&FT MoG to JAG and a decrease in expenses for Climate Smart Homes. Additionally, the realignment of funding for the QSESF, ZeroGen Pty Ltd, RICDS, Mareeba Airport upgrade, Yarwun Alumina Refinery, Solar Initiatives Package, the Biotechnology Strategy and TRL Trawl Fishing licenses buy-back to match anticipated cash flow requirements contributes to the movement.
25. The increase reflects the full year effect of the MoG transfer of the CG functions, which includes asset transfers.
26. The decrease is largely due to the transfer of the ARI to DLGP during 2010-11.
27. The increase is predominantly due to 2011-12 MIDQ Funding Approvals for capital expenditure projects, which includes the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point State Development Area. This is offset partly by funding received for land purchases for the Gold Coast Parkland Redevelopment in 2010-11.

Statement of changes in equity

Major variations between 2010-11Adjusted Budget and 2010-11 Estimated actual include:

28. The decrease mainly relates to the 2020 Beef property purchase during 2010-11, which was completed at a value lower than expected. In addition, funding adjustments for Ecosciences and H&FS precincts were finalised in 2010-11.
29. The increase reflects the effect of the MoG transfer of CG functions to DEEDI offset by the effect of OLG&FT MoG to JAG and the transfers of Ecosciences Precinct to DPW and DERM, H&FS Precinct to QH and ARI to DLGP, which occurred during 2010-11.

Major variations between 2010-11 Adjusted Budget and 2011-12 Estimate include:

30. The decrease is largely due to funding adjustments included for the 2020 Beef property purchase and the Ecosciences Precinct, both of which were completed during 2010-11. This is partly offset by additional funding in 2011-12 for the Innovation Building Fund.
31. The decrease reflects the effect of the MoG transfer of CG functions to DEEDI offset by the effect of OLG&FT MoG to JAG in 2010-11.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

32. The decrease reflects the effect of the MoG transfer of the CG functions to DEEDI, offset by the effect of OLG&FT MoG to JAG and the transfers of Ecosciences Precinct to DPW and DERM, H&FS Precinct to QH and ARI to DLGP, which occurred during 2010-11.

Balance sheet

Major variations between 2010-11 Adjusted Budget and 2010-11 Estimated actual include:

33. The increase mainly represents recording the instalments receivable for the sale of the Oonoonba Research Station to the ULDA, which occurred during 2010-11.
34. The decrease relates to the impairment of the ZeroGen Pty Ltd investment during 2009-10 after the publication of the 2010-11 Budget.
35. The increase mainly relates to asset transfers in relation to the CG MoG partially offset by the 2020 Beef property purchase which was completed at a value lower than anticipated, the sale of the Oonoonba Research Station and the transfers of the Ecosciences Precinct to DPW and DERM, H&FS Precinct to QH and ARI to DLGP. Also, contributing to the movement is the realignment of funding for capital expenditure projects including to Ecosciences Precinct and Tropical Biosecurity Laboratory to match anticipated cash flows.
36. The decrease largely relates to the realignment of funding for Streamlining Mining Tenure Approval (SMTA) project to match anticipated cash flows.
37. The increase mainly relates to the CG MoG and includes provisions for compulsory lands resumptions.
38. The decrease mainly relates to the transfer to DPW, DERM and QH of contributions from the CSIRO for the Ecosciences and H&FS Precincts.
39. The increase mainly relates to the CG MoG and includes provisions for compulsory lands resumptions.
40. The increase mainly relates to the CG MoG partially offset by the 2020 Beef property purchase which was completed at a value lower than what was anticipated, the transfers of the Ecosciences Precinct to DPW and DERM, H&FS Precinct to QH and ARI to DLGP. Also, contributing to the movement is the realignment of funding for capital expenditure projects including to Ecosciences Precinct and Tropical Biosecurity Laboratory to match anticipated cash flows.
41. The decrease reflects the impairment of the ZeroGen Pty Ltd investment, and devaluations of non-current assets, both of which occurred in 2009-10. In addition, there has been a prior year adjustment related to MoG changes.
42. The decrease is largely due to the 2009-10 actual valuations being lower than anticipated market movements.

Major variations between 2010-11 Adjusted Budget and 2011-12 Estimate include:

43. The increase mainly represents instalments receivable for the sale of the Oonoonba Research Station.
44. The decrease relates to the impairment of the in ZeroGen Pty Ltd investment during 2009-10.
45. The increase mainly relates to asset transfers in relation to the CG MoG and 2011-12 MIDQ Corporation funding approvals. This is partially offset by the 2020 Beef property purchase being completed at a value lower than what was anticipated, the disposal of land at Hamilton, the sale of the Oonoonba Research Station and the completion and subsequent transfer of the Ecosciences Precinct to DPW and DERM all occurring in 2010-11.

46. The decrease mainly relates to the transfer to DPW, DERM and QH of contributions from the CSIRO for the Ecosciences and H&FS Precincts.
47. The increase mainly relates to the CG MoG and includes provisions for compulsory lands resumptions.
48. The increase mainly relates to the CG MoG. This is partially offset by the 2020 Beef property purchase which was completed at a value lower than what was anticipated, the disposal of land at Hamilton and subsequent transfer of the Ecosciences Precinct to DPW and DERM all occurring in 2010-11.
49. The decrease relates to the impairment of the ZeroGen Pty Ltd investment and devaluations of non-current assets, both of which occurred in 2009-10 after the 2010-11 Budget was published. In addition, there has been a prior year adjustment related to MoG changes.
50. The increase is mainly due to expected increases in the revaluation of assets during 2011-12 partially offset by 2009-10 actual valuations being lower than anticipated market movements.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

51. The increase is largely due to 2011-12 MIDQ Corporation Funding Approvals offset by reduced funding for the Ecosciences Precinct and land purchases for the Gold Coast Parkland Redevelopment.
52. The increase mainly relates to the CG MoG and the realignment of funding for SMTA to match anticipated cash flows.
53. The increase is largely due to 2011-12 MIDQ Corporation Funding Approvals offset by reduced funding for the Ecosciences Precinct and land purchases for the Gold Coast Parkland Redevelopment. In addition, the disposal of land at Hamilton, a transfer of funds to QH for the H&FS Precinct, the transfer of the Ecosciences Precinct to DPW and DERM and the transfer of the ARI to DLGP occurred in 2010-11.
54. The decrease relates to the anticipated 2010-11 operating surplus, which includes funding received for land purchases for the Gold Coast Parkland Redevelopment.
55. The increase is mainly due to expected increases in the revaluation of assets during 2011-12.

Cash flow statement

Major variations between 2010-11 Adjusted Budget and 2010-11 Estimated actual include:

56. The increase is largely due to funding provided to facilitate the winding down of ZeroGen Pty Ltd, operating costs of the Ecosciences and H&FS Precincts, Mary Valley Land Management, QFGF for Wandoan Power project, Collingwood Park remediation, and pest and disease incursions across the State including the NRIFAEP. This is partly offset by a reduction in funding for the MoG transfer of the OLG&FT functions, transfer of funding to DET for Solar Kindergartens as part of the Solar Initiatives Package and the transfer of funding for Flood and Cyclone Recovery to the QRA, which will be reinstated to DEEDI as grants revenue. Also, contributing to the movement is the realignment of funding for numerous programs including Yarwun Alumina Refinery, SFF, Carbon Geostorage, QREF including the Coastal Geothermal Energy Initiative, iLab, IBF, the Brain Institute, Biotechnology Strategy, Western Hardwoods plan and Indigenous Business Grants to match anticipated cash flows.
57. The increase is largely due to additional funding for pest and disease incursions including NRIFAEP, QNDJSP, Safety and Health fee for service revenue, revenue for the Australia/China Coal Mine Safety demonstration project, increased revenues from CSIRO for H&FS precinct fit outs and recovery of project costs incurred on behalf of SPV companies.
58. The increase is largely due to revenue received from QRA for flood and cyclone recovery activities including the RRP and the QNDJSP, additional revenue from DET for the delivery of particular employment programs and an increase in external funding approvals for R&D projects. This is partially offset by MoG transfer of the OLG&FT functions. Also contributing to the movement is the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor, the Gold Coast Parkland Redevelopment, the Surat Basin Railway project and grants provided for the Racing Industry Capital Development Scheme (RICDS) to match anticipated cash flows.
59. The increase is largely due to increased expenses for pest and disease incursions including NRIFAEP and the MoG transfer of CG functions to DEEDI, and MoG transfer of the OLG&FT functions from DEEDI.
60. The increase is primarily due to increased expenses for pest and disease incursions including NRIFAEP, additional expenses due to Collingwood Park remediation activities, MoG transfer of the CG functions, including Mary Valley Land Management, operating costs of H&FS and Ecosciences precincts, expenditure on flood and cyclone recovery activities including the RRP and the QNDJSP and increased R&D project costs. This is partially offset by a decrease due to the transfer of funding to DET for Solar Kindergartens as part of the Solar Initiatives Package. The movement also includes the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor, Carbon Geostorage, and QREF including the Coastal Geothermal Energy Initiative to match anticipated cash flows.
61. The decrease is largely due to the transfer of grant funding to DET for Solar Kindergartens as part of Solar Initiative Package. This is partially offset by additional funding to facilitate the winding down of ZeroGen Pty Ltd, Wandoan Power project under the QFGF, grant funding from QRA for flood and cyclone recovery activities (including the RRP and the QNDJSP) from DET for delivery of employment programs The movement also includes the realignment of funding for the Yarwun Alumina Refinery, RICDS, SFF, IBF, iLab, Brain Institute, Biotechnology Strategy and the Western Hardwoods plan to match anticipated cash flows.
62. The decrease relates to the reclassification of CSIRO contributions for Ecosciences and H&FS Precincts from financing activities. Refer note 65.
63. The decrease largely reflects the transfer of ARI to DLGP during 2010-11
64. The decrease is largely due to realignment of funding for capital expenditure projects including to Ecosciences Precinct, SMTA and Tropical Biosecurity Laboratory to match anticipated cash flows.
65. The decrease relates to the reclassification of CSIRO contributions for Ecosciences and H&FS Precincts to operating activities. See note 83.
66. The decrease mainly relates to the CG MoG, which included funding for the Airport Link Project that has been realigned to match anticipated cash flows The 2020 Beef property purchase during 2010-11 was completed at a value lower than what was anticipated. In addition, funding adjustments for the Ecosciences and H&FS precincts were finalised during 2010-11.
67. The decrease mainly relates to funding for the Airport Link Project that has been realigned to match anticipated cash flows for land acquisition costs.

Major variations between 2010-11 Adjusted Budget and 2011-12 Estimate include:

68. The increase is largely due to full year effect of the MoG transfer of CG functions, additional funding for the Smart State – Investment for the Future Program, the existing SSF including the NCRIS and Research and Innovation Programs, the Ecosciences and H&FS Precincts, the QCCF and the payment of an EB increment for 2011-12. This is partially offset by full year effect of the OLG&FT MoG to JAG, a decrease in funding for Climate Smart Homes and the QSESF. Also, contributing to the movement is the realignment of funding for numerous programs including design and upgrade of Mareeba Airport, SFF, Yarwun Alumina Refinery, Solar Initiatives Package, funding to facilitate the winding down of ZeroGen Pty Ltd, and the Biotechnology Strategy to match anticipated cash flows.
69. The increase is largely due to increased funding for pest and disease incursions across the State (including NRIFAEP), full year effect of the MoG transfer of CG functions and increased fee for service revenues including additional revenue anticipated for project work on behalf of SPV's. This is partially offset by full year effect of the OLG&FT MoG to JAG.
70. The increase is largely due to additional ECF funding approved by the MIDQ including funding for the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and Abbot Point State Development Area, additional revenue from the DRET and ACALET for the Carbon Geostorage initiative, revenue received from the QRA for flood and cyclone recovery activities (including RRP and QNDJSP), additional revenue from DET for the delivery of particular employment programs, full year effect of the MoG transfer of the CG functions and an expected increase in external funding approvals for R&D projects. This is partially offset by the decrease in funding provided by the ECF for the construction of the SSMRC, and full year effect of the OLG&FT MoG to JAG. Also, contributing to the movement is the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor, the RICDS and the TRL Trawl Fishing Licenses buy-back program to match anticipated cash flows.
71. The decrease is largely due to full year effect of the OLG&FT MoG to JAG, partially offset by increased expenses for pest and disease incursions including the NRIFAEP, full year effect of the MoG transfer of CG functions, expenditure related to additional MIDQ funding and EB increments in 2011-12.
72. The increase is largely due to increased expenses associated with full year effect of the MoG transfer of CG functions, anticipated expenditure for the DRET and ACALET funded Carbon Geostorage initiative, pest and disease incursions (including NRIFAEP), Abandon Mines rehabilitation, project work undertaken on behalf of SPV's, operating costs of the H&FS and Ecosciences precincts, expenditure on flood and cyclone recovery activities including the RRP and the QNDJSP, expenditure related to the QCCF, MIDQ funding, State Development Area Stanwell to Gladstone Infrastructure Corridor and increased R&D project costs. This is partially offset by a decrease associated with full year effect of OLG&FT MoG to JAG.
73. The increase is largely due to the increased expenses associated with the full year effect of the MoG transfer of CG functions, additional increased expenses for the Smart State – Investment for the Future Program, increased expenses for the existing SSF including Research and Innovation Programs, delivery of DET employment programs and expenses from QRA for flood and cyclone recovery activities (including the RRP and the QNDJSP). This is partially offset by a decrease due to full year effect of OLG&FT MoG to JAG, a decrease for the construction of the SSMRC and for Climate Smart Homes. Also, contributing to the movement is the realignment of funding for the QSESF, ZeroGen Pty Ltd, RICDS, Mareeba Airport upgrade, Yarwun Alumina Refinery, Solar Initiatives Package, SFF (including NCRIS and Innovation fund), Biotechnology Strategy and the TRL Trawl Fishing licenses buy-back program to match anticipated cash flows.
74. The increase due to full year effect of MoG transfer of CG functions, offset by the full year effect of OLG&FT MoG to JAG.
75. The decrease is largely due to 2011-12 MIDQ Corporation Funding Approvals, which includes the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point State Development Area. This is partly offset by reduced funding for the Ecosciences Precinct and land purchases for the Gold Coast Parkland Redevelopment.
76. The 2010-11 Adjusted Budget includes additional funding for the 2020 Beef property purchase and the Ecosciences Precinct.
77. The decrease largely relates to return of sale proceeds to Consolidated Fund for disposal of land at Hamilton in 2010-11.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

78. The increase is largely due to additional funding for the Smart State – Investment for the Future Program, the existing SSF including the NCRIS and Research and Innovation Programs and Abandon Mines rehabilitation, additional revenue from full year effect of the MoG transfer of the CG functions, the QCCF and supplementation for the EB increment in 2011-12. This is partially offset by decreased revenue as a result of full year effect of the OLG&FT MoG to JAG, decreased in funding for Wandoan Power project under QFGF, the winding down of ZeroGen Pty Ltd, Climate Smart State Homes, Smart Mining and reduced funding for Ecosciences precinct due to the transfer of building and depreciation costs to DPW and DERM. The realignment of funding for numerous programs including the design and upgrade of Mareeba Airport, Yarwun Alumina Refinery, Solar Initiatives Package, QSESF, the QREF including the Coastal Geothermal Energy Initiative and Biotechnology Strategy to match anticipated cash flows also contribute to the movement.
79. The decrease is largely due to the completion of funding provided under the QNDJSP, full year effect of OLG&FT MoG to JAG and anticipated reductions in fee for service projects. This is partially offset by increase revenue from project work undertaken on behalf of SPV's.
80. The increase is largely due to additional ECF funding including funding for the Townsville Eastern Access Corridor, Callide Infrastructure Corridor and the Abbot Point State Development Area, DRET and ACALET Carbon Geostorage initiative, revenue from the QRA for flood and cyclone recovery activities (including the RRP and the QNDJSP), and revenue realigned for the TRL Trawl Fishing Licenses buy-back program. This increase is partially offset by the decrease in funding for the construction of the SSMRC, full year effect of the OLG&FT MoG to JAG. Also contributing to the movement is the realignment of funding for the State Development Area Stanwell to Gladstone Infrastructure Corridor and the RICDS to match anticipated cash flows.
81. The decrease is predominantly due to the full year effect of the OLG&FT MoG to JAG. This is partially offset by an increase as a result of the full year effect of the MoG transfer of the CG functions, additional expenditure related to MIDQ funding and EB increments in 2011-12.
82. The increase is largely due to the full year effect of the MoG transfer of the CG functions, additional expenses for the Smart State – Investment for the Future Program, increased expenses for the existing SSF (including NCRIS and Research and Innovation Programs) and the QNDJSP. This is partially offset by a decrease in expenses the Wandoan Power project under the QFGF, the construction of the SSMRC, the full year effect of OLG&FT MoG to JAG and a decrease in expenses for Climate Smart Homes. Additionally, the realignment of funding for the QSESF, ZeroGen Pty Ltd, RICDS, Mareeba Airport upgrade, Yarwun Alumina Refinery, Solar Initiatives Package, the Biotechnology Strategy and TRL Trawl Fishing licenses buy-back to match anticipated cash flow requirements contributes to the movement.

83. The increase reflects the reclassification of contributions from CSIRO for Ecosciences and H&FS Precincts in 2010-11 offset by the full year of the MoG transfer of the CG functions.
84. The increase is largely due to the receipt of an instalment for the sale proceeds from Oonoonba Research Station to the ULDA.
85. The 2010-11 Estimated actual reflects reclassification of contributions from CSIRO for Ecosciences and H&FS Precincts. See note 83.
86. The increase largely relates to funding for Airport Link Project that has been realigned to match anticipated cash flows partially offset by funding in 2010-11 for the Ecosciences Precinct and land purchases for the Gold Coast Parkland Redevelopment.
87. The increase largely relates to funding for Airport Link Project that has been realigned to match anticipated cash flows. This is partly offset by the return of sale proceeds to Consolidated Fund for disposal of land at Hamilton that occurred in 2010-11

Administered income statement

Major variations between 2010-11Adjusted Budget and 2010-11 Estimated actual include:

88. The decrease is mainly due to the revision of mining royalties mainly as a result of significant declines in volumes of export coal, which in turn have been caused by extensive flooding of Queensland coal mines. An expectation of slightly higher than average US$ prices for coal has effectively been offset by the appreciation of the A$ against the US$.
89. The increase is primarily due to increased Community Service Obligations (CSO) payments to Ergon Energy Queensland (Ergon) for electricity tariff adjustments, which are determined each year by a number of factors including the Benchmark Retail Cost Index, franchise load growth and the purchasing cost of energy.
90. The increase is primarily due to increased CSO payments to Ergon.
91. The decrease is mainly due to the revision of mining royalties referred to above.

Major variations between 2010-11 Adjusted Budget and 2011-12 Estimate include:

92. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
93. The decrease is mainly due to the MoG transfer of the MRU to QT effective 1 July 2011.
94. The increase is primarily due to the increased payments to Ergon for CSO electricity tariff adjustments partially offset by the cessation of payments to Forestry Plantations Queensland (FPQ) for the Western Hardwoods Plantation (WHP) initiative.
95. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
96. The increase is primarily due to the increased payments to Ergon for CSO electricity tariff adjustments partially offset by the full year effect of the OLGFT MoG to JAG and the cessation of payments to FPQ for the WHP Initiative.
97. The decrease is mainly due to the MoG transfer of MRU to QT.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

98. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
99. The decrease is mainly due to the MoG transfer of MRU to QT.
100. The increase is primarily due to the increased payments to Ergon for CSO electricity tariff adjustments.
101. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
102. The decrease is primarily due to the increased payments to Ergon for CSO electricity tariff adjustments offset by the full year effect of the OLGFT MoG to JAG.
103. The decrease is mainly due to the OLGFT MoG transfer and MoG transfer of MRU to QT.

Administered balance sheet

Major variations between 2010-11Adjusted Budget and 2010-11 Estimated actual include:

104. The decrease mainly relates to royalties receivable.
105. The decrease mainly relates to the repayment of Primary Industry Productivity Enhancement Scheme (PIPES) loan funding advances from QRAA during 2010-11.
106. The increase mainly relates to royalties revenue.
107. The decrease mainly relates to an equity withdrawal payment relating to the repayment of PIPES loan funding advances. In addition, there has been realignment between accumulated deficit and contributed equity due to MoG changes.
108. The increase mainly relates to the realignment between accumulated deficit and contributed equity due to MoG changes and a surplus in 2009-10 due to delays in grant recipients submitting claims from the Community Benefit Fund.

Major variations between 2010-11 Adjusted Budget and 2011-12 Estimate include:

109. The decrease is mainly due to the MoG transfer of the MRU to QT.
110. The decrease mainly relates to the repayment of PIPES loan funding advances from QRAA during 2010-11.
111. The decrease is mainly due to the MoG transfer of the MRU to QT.
112. The decrease mainly relates to an equity withdrawal payment relating to the repayment of PIPES loan funding advances. In addition, there has been realignment between accumulated deficit and contributed equity due to the MoG changes.
113. The increase mainly relates to the realignment between accumulated deficit and contributed equity due to MoG changes and a surplus in 2009-10 due to delays in grant recipients submitting claims from the Community Benefit Fund.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

114. The decrease is mainly due to the MoG transfer of the MRU to QT.
115. The decrease is mainly due to the MoG transfer of the MRU to QT.

Administered cash flow statement

Major variations between 2010-11Adjusted Budget and 2010-11 Estimated actual include:

116. The increase is primarily due to increased CSO payments to Ergon
117. The decrease is mainly due to the revision of mining royalties.
118. The decrease is mainly due to the revision of mining royalties.

119. The increase is primarily due to increased CSO payments to Ergon.
120. The increase represents the repayment of PIPES loans from QRAA.
121. The increase relates to the repayment of PIPES loan funding advances.
122. The increase relates to the repayment of PIPES loan funding advances.

Major variations between 2010-11 Adjusted Budget and 2011-12 Estimate include:
123. The increase is primarily due to the increased payments to Ergon for CSO electricity tariff adjustments partially offset by the cessation of payments to FPQ for the WHP Initiative.
124. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
125. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
126. The decrease is mainly due to the MoG transfer of MRU to QT.
127. The decrease is mainly due to the MoG transfer of MRU to QT.
128. The increase is primarily due to the increased payments to Ergon for CSO electricity tariff adjustments partially offset by the full year effect of the OLGFT MoG to JAG and the cessation of payments to FPQ for the WHP initiative.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:
129. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
130. The decrease is mainly due to the full year effect of the OLGFT MoG to JAG.
131. The decrease is mainly due to the MoG transfer of MRU to QT.
132. The decrease is mainly due to the OLGFT MoG transfer and MoG transfer of MRU to QT.
133. The decrease is primarily due to the full year effect of the OLGFT MoG to JAG partially offset by increased payments to Ergon for CSO electricity tariff adjustments.
134. The decrease is due to the repayment of PIPES loan funding advances from QRAA in 2010-11.

Post Budget Day Events

The Non-Current Asset policies of the Queensland Public Sector require Agencies to perform comprehensive revaluations at least once every five years. DEEDI is currently undertaking this exercise along with a valuation of the Mary Valley properties. The outcome of these processes is unknown at this stage. However, it is noted that these may have a decrement impact on the reported operating result in DEEDI’s financial statements for 2010-2011.

Commercialised Business Unit

Property Services Group

OVERVIEW

The Property Services Group (PSG) through the Industry Location Scheme and its staff delivers a range of transactional and development services aimed at encouraging the location and expansion of industry in Queensland. In essence, PSG is a long-term, end-to-end developer of industrial land. PSG's activities support a resilient, flexible and diverse economy for Queensland with a core theme of attracting industry and creating and retaining jobs across the State.

PSG commenced operations as a commercialised business unit on 1 January 1998, to deliver a range of services provided through the administration of the *Industrial Development Act 1963*. By managing the Estates Construction Fund, PSG ensures that revenue generated through the sale of land can be used for both property related and other industry support projects that contribute to the economic development of Queensland. It also supports several areas within the Department of Employment, Economic Development and Innovation to deliver industry support mechanisms.

In 2010-11, PSG sustained strong sales growth through the management of its substantial land asset base by supporting the development of the LNG industry in Gladstone and completed construction of a number of Estates in regional Queensland. Sales growth is forecast to continue into 2011-12 with the capital program tapering from construction into a land acquisition and planning phase in line with the Group's business cycle.

REVIEW OF PERFORMANCE

Recent achievements

- Sold $52 million in industrial land, throughout Queensland. The industries located on these sites generated an estimated 100 jobs and created an estimated $40 million in capital investment through improvements on the sites.
- Completed the sale of land on Curtis Island to support the Queensland Gas LNG, Gladstone LNG and Australia Pacific LNG projects. The completion of these land sales represents a key milestone in securing this new industry sector for Queensland. PSG developed three lots to meet specific industry requirements including negotiating access to infrastructure corridors and tenure for marine infrastructure.
- Completed construction of the 35 lot first stage of the Coolum Industrial Estate, 28 lot final stage of the Bohle Industrial Estate, 13 lot extension to the Nordale Industrial Estate, Mount Isa and 11 lot final stage of the South Mackay Industrial Estate.

Future developments

- Sell $66 million in industrial land throughout Queensland generating an estimated 150 jobs and creating an estimated $80 million in capital investment through improvements on the sites.

- Develop 10 lots extension to the Bundaberg Industrial Park and 5 lots within the Aldoga Precinct of the Gladstone State Development Area.
- Secure land for future regional industry development in Abbot Point, Cairns, Mackay and Townsville.

STATEMENTS

STAFFING[1]

	Notes	2010-11 Budget	2010-11 Est. actual	2011-12 Estimate
	2,3	20	14.7	17.6

Notes:
1. Full-time equivalents (FTEs) as at 30 June.
2. All staff are fully funded from the revenue generated by PSG's activities.
3. Actual PSG FTE numbers in 2010/11 vary from budget due to internal structural changes.

PERFORMANCE STATEMENT

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/Est.
Service Standards				
Value of land sale settlements	1	\$40.3 million	\$52 million	\$66 million
Estimated value of capital investment created through successful land sales applications	3	\$40 million	\$40 million	\$80 million
Percentage of total number of land sales in Regional Queensland		63%	68%	66%
Other measures				
Number of new land lots developed and buildings constructed	2	87	87	15
Number of land leases administered		120	115	103
Number of properties acquired	3	4	2	3
Estimated number of jobs generated through successful land sale applications	4	100	100	150

Notes:
1. The higher than expected sales revenue is as a result of the sale of land on Curtis Island. The 2011-12 target is based upon strong demand for land within the Lytton Industrial Estate.
2. Actual performance in 2010-11 results from completion of developments at Bohle (28 lots), Coolum (35 lots), Nordale Industrial Estate, Mount Isa (13 lots) and South Mackay (11 lots). The estimated target for 2010-11 provides for development at Bundaberg (10 lots) and Aldoga (5 lots). The reduction is due to the Group tapering from the high level of construction activity experienced in 2010-11 to the land acquisition and planning phase of its business cycle.
3. The reduced performance for 2010-11 is due to delays in the identification of available and suitable sites.
4. The 2011-12 target reflects an increase in the estimated number of jobs generated and capital investment expected with a stronger demand for land through land sales applications.

INCOME STATEMENT

Property Services Group	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Income				
Service revenue		..	..	..
User charges	1,6,11	53,220	67,399	84,579
Grants and other contributions		..	..	..
Other revenue	2,7,12	6,800	12,250	11,148
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		**60,020**	**79,649**	**95,727**
Expenses				
Employee expenses		1,864	1,699	2,096
Supplies and services	3,8,13	15,286	22,984	27,491
Grants and Subsidies	4,9,14	62,058	66,845	52,318
Depreciation and amortisation		285	285	291
Finance/borrowing costs		..	..	..
Other expenses		16,664	17,043	17,287
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		**96,157**	**108,856**	**99,483**
OPERATING SURPLUS/(DEFICIT)	5,10,15	**(36,137)**	**(29,207)**	**(3,756)**

STATEMENT OF CHANGES IN EQUITY

Property Services Group	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	16,20,24	(13,503)	(212,948)	6,779
Net amount of all revenue and expense adjustments direct to equity not disclosed above	17,21	18,222	(155,319)	1,011
Net income recognised directly in equity		**4,719**	**(368,267)**	**7,790**
Deficit for the period	18,22,25	(36,137)	(29,207)	(3,756)
Total recognised income and expense for the period		**(31,418)**	**(397,474)**	**4,034**
Equity injection/(withdrawal)	19,23,26	(14,839)	16,349	(22,048)
Equity adjustments (MoG transfers)		..	373,277	..
Total movement in equity for period		**(46,257)**	**(7,848)**	**(18,014)**

BALANCE SHEET

Property Services Group	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CURRENT ASSETS				
Cash assets	27,35,43	90,535	184,881	148,149
Receivables		12,569	14,172	14,664
Other financial assets		..	..	..
Inventories	28,36,44	351,492	313,251	338,406
Other		16	14	14
Non-financial assets held for sale		..	..	..
Total current assets		**454,612**	**512,318**	**501,233**
NON-CURRENT ASSETS				
Receivables		39,710	40,066	40,026
Other financial assets		..	..	..
Property, plant and equipment	29,37	324,507	344,063	334,990
Deferred tax assets		4,911	4,868	4,868
Intangibles		77	77	47
Other		511	372	372
Total non-current assets		**369,716**	**389,446**	**380,303**
TOTAL ASSETS		**824,328**	**901,764**	**881,536**
CURRENT LIABILITIES				
Payables		18,368	18,664	18,910
Interest bearing liabilities and derivatives		..	..	..
Current tax liabilities		5,467	5,798	5,180
Accrued employee benefits		..	..	..
Other	30,38	6,535	21,456	21,456
Total current liabilities		**30,370**	**45,918**	**45,546**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Deferred tax liabilities	31,39	83,284	89,911	88,069
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**83,284**	**89,911**	**88,069**
TOTAL LIABILITIES		**113,654**	**135,829**	**133,615**
NET ASSETS/(LIABILITIES)		**710,674**	**765,935**	**747,921**
EQUITY				
Capital/contributed equity	32,40,45	378,343	784,523	762,475
Accumulated surplus/(accumulated deficit)	33,41,46	147,349	(22,467)	(25,212)
Reserves:				
- Asset revaluation surplus	34,42,47	184,982	3,879	10,658
- Other (specify)		..	..	..
TOTAL EQUITY		**710,674**	**765,935**	**747,921**

CASH FLOW STATEMENT

Property Services Group	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts		..	..	..
User charges	48,56,63	53,215	64,351	84,573
Grants and other contributions		..	..	..
Other	49,57	7,402	12,470	11,328
Outflows:				
Employee costs		(1,864)	(1,696)	(2,096)
Supplies and services	50,58,64	(86,392)	(70,844)	(52,646)
Grants and subsidies	51,59,65	(62,058)	(66,845)	(52,318)
Taxation equivalents paid		(19,879)	(20,441)	(22,758)
Borrowing costs		..	..	..
Other		(45)	(52)	(50)
Net cash provided by/(used in) operating activities		**(109,621)**	**(83,057)**	**(33,967)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		13,635	14,461	12,918
Investments redeemed		..	..	..
Loans and advances redeemed		6,414	5,581	6,653
Outflows:				
Payments for property, plant and equipment and intangibles		(20)	(20)	(270)
Payments for investments		..	..	..
Loans and advances made		(17)	(17)	(18)
Net cash provided by/(used in) investing activities		**20,012**	**20,005**	**19,283**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	52,60,66	25,215	20,441	44,595
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	53,61,67	(40,054)	(4,092)	(66,643)
Net cash provided by/(used in) financing activities		**(14,839)**	**16,349**	**(22,048)**
Net increase/(decrease) in cash held		**(104,448)**	**(46,703)**	**(36,732)**
Cash at the beginning of financial year	54,68	**194,983**	**231,584**	**184,881**
Cash transfers from restructure		..	..	..
Cash at the end of financial year	55,62,69	**90,535**	**184,881**	**148,149**

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

MoG changes with an effective date of 21 February 2011 resulted in the transfer of the Coordinator-General (CG) functions from the Department of Local Government and Planning (DLGP) to DEEDI.

Income statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

1. The increase primarily relates to achieving higher than expected inventory land sales in Curtis Island during 2010-11 and higher operating lease income resulting from the increase in rental category percentage from July 2010.
2. The increase relates to interest income from higher than expected cash balances in 2010-11 and increase in finance lease interest from July 2010.
3. The increase reflects an increase in cost of land sold affected by an increase in inventory land sales in 2010-11.
4. The increase relates to additional funding allocated for Gold Coast Parkland Redevelopment to Carrara, offset by realignment of funding for the Surat Basin Railway land acquisition project. Major projects approved by the Minister for Industrial Development of Queensland include Queensland Institute of Medical Research, Stanwell to Gladstone Infrastructure Corridor, Whitsunday Airport upgrade and funding to the Coordinator-General for land planning activities.
5. The decrease is primarily due to the expected increases in inventory land sales during 2010-11.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

6. The increase primarily relates to a higher level of inventory land sales expected due to strong demand for land within Lytton Industrial Estate and higher operating lease income resulting from rental increases during 2011-12.
7. The increase results from interest income being higher due to higher cash reserves and increase in finance lease interest from July 2010.
8. The increase relates to an increase in cost of land sales, in line with the expected increase in inventory land sales in 2011-12.
9. The decrease primarily relate to varying approvals granted by the Minster for Industrial Development including the completion of funding for Queensland Institute of Medical Research and Stanwell to Gladstone Infrastructure Corridor project. This was partly offset by additional funding for Abbot Point Corridor project, Callide to Gladstone Infrastructure Corridor project, Townville Eastern Access Corridor project and funding to the Coordinator-General for projects and land planning activities during 2011-12.
10. The decrease is primarily due to the expected increase in inventory land sales and higher income expected from operating leases and cash reserves during 2011-12.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

11. The increase primarily relates to higher level of inventory land sales expected due to strong demand for land within Lytton Industrial Estate and higher operating lease income resulting from rental increases during 2011-12.
12. The decrease results from interest income being lower due to lower cash reserves in 2011-12.
13. The increase relates to an increase in cost of land sales in line with the expected increase in inventory land sales in 2011-12.
14. The decrease primarily relates to varying approvals granted by the Minister for Industrial Development of Queensland, and includes the completion of funding for Queensland Institute of Medical Research and Stanwell to Gladstone Infrastructure Corridor project and a reduction in funding for Whitsunday Airport upgrade project and for Gold Coast Parkland Redevelopment project during 2011-12. This is partly offset by additional funding approved for Abbot Point Corridor project, Callide to Gladstone Infrastructure Corridor project, Townville Eastern Access Corridor project and an increase in funding for Surat Basin Railway and funding to the Coordinator-General for projects and land planning and project activities during 2011-12.
15. The decrease is primarily due to expected increases in inventory land sales and higher operating lease income resulting from rental increases together with an expected reduction in grant payments primarily due to completion of funding for Queensland Institute of Medical Research and Stanwell to Gladstone Infrastructure Corridor projects during 2011-12.

Statement of changes in equity

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

16. The decrease reflects the transfer from the asset revaluation reserve to contributed equity, due to the transfer of PSG from the former Department of Infrastructure and Planning under MoG arrangements and the revaluation to reflect market movements provided by the State Valuation Services.
17. The decrease reflects the transfer of retained surplus to contributed equity due to the transfer of PSG from the former Department of Infrastructure and Planning under MoG arrangements.
18. The decrease is primarily due to the expected increases in inventory land sales during 2010-11.
19. The increase in equity injections is due to the realignment of planned equity payments to Department of Health to fund the Translational Research Institute at the Princess Alexandra Hospital project, Callide to Gladstone Infrastructure Corridor project and Targinie acquisitions from 2010-11 to 2011-12; off set by reduction in expected retained tax equivalents in 2010-11.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

20. The increase reflects transfer from the asset revaluation reserve to contributed equity, due to the transfer of PSG from the former Department of Infrastructure and Planning under MoG arrangements; and the revaluation to reflect market increases in 2010-11 and anticipated increases in 2011-12 by the State Valuation Services.
21. The decrease reflects the transfer of retained surplus to contributed equity, due to the transfer of PSG from the former Department of Infrastructure and Planning under MoG arrangements.
22. The decrease is primarily due to the expected increase in inventory land sales and higher income expected from operating leases and cash reserves during 2011-12.
23. The increase is due to planned payments to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital in 2011-12 offset by realignment of equity injections for Surat Basin Rail project to 2011-12 and equity injected through sale of Coomera land in 2011-12.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

24. The increase is a result of anticipated land revaluations to reflect increases by the State Valuation Services during 2011-12.
25. The decrease is primarily due to expected increases in inventory land sales and higher operating lease income resulting from increase in rental together with an expected reduction in grant payments primarily due to completion of funding for Queensland Institute of Medical Research and Stanwell to Gladstone Infrastructure Corridor projects during 2010-11.
26. The increase in equity withdrawals primarily relates to approval of additional funding to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital and realignment of scheduled payments to the Coordinator-General from 2010-11 to 2011-12 partly offset by equity injected through sale proceeds of Coomera land and Surat Basin Rail project during 2011-12.

Balance sheet

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

27. The Increase is due to realignment of scheduled equity payments to Coordinator-General and to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital from 2010-11 to 2011-12 and lower than expected capital works and higher income receipted from inventory land sales and interest from cash reserves during 2010-11.
28. The decrease is primarily due to lower than expected capital works expenditure on industrial land development and acquisition activities in 2009-10 and land development activities in 2010-11.
29. The increase relates to asset revaluations by the State Valuation Services in 2009-10.
30. The increase primarily relates to increase in the deposits held for sale of land and building.
31. The increase relates to the provision of taxation on the revaluation of non-inventory land.
32. The increase primarily relates to the transfer of the revaluation reserve and the retained surplus, due to the transfer of PSG from the former Department of Infrastructure and Planning under the MoG arrangements. In addition, realignment of scheduled payments to Coordinator-General and Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital from 2010-11 to 2011-12, offset by reduction in expected retained taxation equivalents in 2010-11 also contributed to the variance.
33. The decrease reflects the transfer to contributed equity from the retained surplus due to PSG transferring from the former Department of Infrastructure and Planning under MoG arrangements. The deficit relates to the period of four months operations under the DEEDI from March to June 2010-11.
34. The decrease reflects the transfer between the asset revaluation reserve and contributed equity due to the transfer of PSG from the former Department of Infrastructure and Planning under MoG arrangements and the revaluation to reflect market increases by the State Valuation Services in 2010-11.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

35. The increase relates to expected decrease in capital expenditure on acquisition and development of industrial land, expected increase in inventory land sales and equity injected through Coomera land offset by realignment of equity payments for Translational Research Institute at the Princess Alexandra Hospital from 2010-11 to 2011-12.
36. The decrease is primarily due to lower level of expected capital works expenditure on industrial land development and land acquisition activities and increased cost of sales resulting from higher level of land sales during 2011-12.
37. The increase relates to revaluation by the State Valuation Services during 2009-10 and 2010-11 to reflect market movements.
38. The increase relates to an increase in the deposits held for sale of land and building.
39. The increase relate to the provision of taxation on the revaluation of non-inventory land.
40. The increase primarily relates to the transfer of the revaluation reserve and the retained surplus, due to the transfer of PSG from the former Department of Infrastructure and Planning under MoG arrangements, equity injections resulting from sales proceeds of Coomera land and higher level of retained taxation equivalents in 2011-12.
41. The decrease reflects the transfer to contributed equity from the retained surplus due to PSG transferring from the former Department of Infrastructure and Planning under MoG arrangements and expected deficit in 2010-11 and 2011-12.
42. The decrease reflects the transfer between the asset revaluation reserve and contributed equity due to the transfer of PSG from the former Department of Infrastructure and Planning under MoG arrangements and the increase in land values relating only to 2010-11 and 2011-12.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

43. The decrease is primarily due to equity payments to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital together with realignment of scheduled equity payments from 2010-11 to 2011-12 offset by reduction a capital works and grant payments and higher inventory land sales and equity injected from Coordinator-General relating to Coomera land and Surat Basin Rail Project during 2011-12.
44. The increase is primarily due to an expected increase in capital works expenditure on industrial land acquisition and land development activities during 2011-12.
45. The decrease is due to equity payments made to Queensland Health to fund Translational Research Institute development at the Princess Alexandra Hospital and realignment of scheduled equity payments to Coordinator-General from 2010-11 to 2011-12; partly offset by equity injected through sale proceeds of Coomera land and Surat Basin Rail project during 2011-12.
46. The increase primarily relates to the expected deficit during 2011-12 resulting from higher than expected grant and subsidy costs.
47. The increase is primarily due to anticipated increase in property values due to revaluation by the State Valuation Services during 2011-12.

Cash flow statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

48. The increase primarily relates to increase in inventory land sales in 2010-11 and higher operating lease income resulting from increase in rental category percentage from 5% to 7% from 1 July 2010.
49. The increase relates to interest receipts from higher than expected cash balances in 2010-11 and increase in Interest rates on variable finance leases from July 2010.
50. The decrease reflects lower level of land acquisition costs and development costs incurred on industrial estates during 2010-11.
51. The increase relates to additional funding allocated for Gold Coast Parkland Redevelopment project, offset by realignment of project funding for the Surat Basin Railway land project from 2010-11 to 2011-12. Major projects approved by the Minister for Industrial Development of Queensland include Queensland Institute of Medical Research, Stanwell to Gladstone Infrastructure Corridor, Whitsunday Airport upgrade and funding to the Coordinator-General for land planning activities.
52. The decrease is due to realignment of a receipt from Coordinator-General in respect of Surat Basin Rail land project from 2010-11 to 2011-12.
53. The decrease is due to realignment of planned equity payments to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital project, Callide to Gladstone Infrastructure Corridor project, Targinie acquisitions and Narangba Hard Rock Haulage Road project from 2010-11 to 2011-12.
54. The increase is due to the realignment of scheduled grant payments to the Coordinator-General from 2009-10 to 2010-11 and lower than expected land acquisition costs and development costs incurred on industrial estates during 2009-10.
55. The increase is due to realignment of scheduled equity payments to Coordinator-General and to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital from 2010-11 to 2011-12 and lower than expected capital works higher income receipted from inventory land sales and interest from cash reserves during 2010-11.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

56. The increase primarily relates to expected increase in inventory land sales in 2011-12 and higher operating lease income resulting from increase in rental category percentage from 1 July 2010.
57. The increase relates to interest receipts from higher than expected cash balances in 2011-12 and increase in Interest rates on variable finance leases with effect from July 2010.
58. The decrease reflects lower level of land acquisition costs and development costs incurred on industrial estates in 2011-12.
59. The decrease primarily relates to varying approvals granted by the Minster of Industrial Development of Queensland and includes the completion of funding for Queensland Institute of Medical Research project and Stanwell to Gladstone Infrastructure Corridor project. This was partly offset by additional funding approved for Abbot Point Corridor project, Callide to Gladstone Infrastructure Corridor project, Townville Eastern Access Corridor project and funding project and land planning activities during 2011-12.
60. The increase is due to sales proceeds from Coomera land and higher level of retained tax equivalents in 2010-12.
61. The increase is due to realignment of planned equity payments to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital project from 2010-11 to 2011-12.
62. The increase relates to expected decrease in capital expenditure on acquisition and development of industrial land, expected increase in inventory land sales and equity injected through Coomera land offset by realignment of equity payments for Translational Research Institute at the Princess Alexandra Hospital from 2010-11 to 2011-12.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

63. The increase primarily relates to expected increase in inventory land sales in 2011-12 and higher operating lease income resulting from increase in rental category percentage from 1 July 2010.
64. The decrease reflects lower level of land acquisition costs and development costs incurred on industrial estates in 2011-12.
65. The decrease primarily relates to the varying approvals granted by the Minister for Industrial Development of Queensland, and includes the completion of funding for Queensland Institute of Medical Research project and Stanwell to Gladstone Infrastructure Corridor project together with the reduction in funding allocated for Whitsunday Airport upgrade project and for Gold Coast Parkland Redevelopment project during 2011-12. This was partly offset by additional funding approved for Abbot Point Corridor project, Callide to Gladstone Infrastructure Corridor project, Townville Eastern Access Corridor project, Surat Basin Railway and funding to the Coordinator-General for land planning activities during 2011-12.
66. The increase is due to sales proceeds from Coomera land, realignment of funding for Surat Basin Rail land project to 2011-12 and higher level of retained tax equivalents retained in 2011-12.
67. The increase relates to realignment of planned equity payments to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital project and realignment of planned equity payments to Callide to Gladstone Infrastructure corridor project, Targinie acquisitions and Narangba Hard Rock Haulage Road project from 2010-11 to 2011-12.
68. The decrease is due to scheduled grant payments to Coordinator-General and Queensland Institute of Medical Research in 2010-11.
69. The decrease is primarily due to equity payments to Queensland Health to fund the Translational Research Institute at the Princess Alexandra Hospital together with realignment of scheduled equity payments from 2010-11 to 2011-12. This was offset by reduction in capital works and grant payments, higher inventory land sales and equity injected from Coordinator-General during 2011-12.

Statutory Bodies

Australian Agricultural College Corporation

OVERVIEW

Throughout 2009, the Australian Agricultural College Corporation (AACC) consulted widely with industry and community in preparing a plan for its future entitled Reconnecting Agricultural Education. This plan commenced in April 2010 and will run through to 2012. It is based on three Core Priorities and three Enabling Priorities. Enabling Priorities support the Core Priorities which drive the business. Core priorities include: diversification of training products and services; creation of innovative training delivery methods; and building of partnerships with industry and other stakeholders to promote career pathways. Enabling priorities are: renewal of infrastructure; investment in the workforce; and establishment of strong and effective governance.

The plan represents a key component of the Fresh Approach initiative, implemented by DEEDI to build a $34 billion Agricultural Industry by 2020. AACC is focussed on skilling the agricultural, pastoral and agribusiness workforce for today and the future.

REVIEW OF PERFORMANCE

Recent achievements

- Assisted Queenslanders to gain qualifications in agriculture. This represents a second year trend of increases with a 24% increase on 2009-10 qualifications achieved.
- Delivered 104% of the targeted 350,000 average hours of contract for the Vocational Education and Training (VET) Revenue General Funding.
- Successful renewal of Registered Training Organisation status.
- Delivered chemical accreditation to about 600 canegrowers in the Mackay region in partnership with Mackay Canegrowers, BSES Limited (formerly Bureau of Sugar Experiment Stations) and AgriServ via a series of two-day workshops to assist industry to improve farm and chemical management.
- Restructured the organisation to focus on industry-based training and on responding to new business opportunities in the agribusiness sector.
- Continually improve links with DEEDI to deliver greater benefits to industry from this partnership.

Future developments

- Re-engage with industry through the establishment of Industry Advisory Groups.
- Revitalise the full-time residential training product through industry engagement.
- Grow the delivery of industry band training products and services.
- Build partnerships in training with the schools sector and specific groups – for example, Indigenous people.
- Deliver new models of training such as cadetships and enterprise training.
- Build online/e-learning opportunities for students/clients.

- Renew and reinvest in infrastructure across the organisation (as outlined in the document Reconnecting Agricultural Education).
- Significant investment in the development of AACC’s workforce.
- Continue to strengthen and promote effective governance arrangements.

STATEMENTS

STAFFING[1]

	Notes	2010-11 Budget	2010-11 Est. actual	2011-12 Estimate
	1	210	190.9	190

Note:
1. Full-time equivalents (FTEs) as at 30 June.

PERFORMANCE STATEMENT

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/Est.
Service Standards				
Level of stakeholder satisfaction with VET training services and products	1			
• Quality Indicator (QI) Learners Survey		78%	78%	78%
• Quality Indicator (QI) Employer Survey		72%	72%	72%
Percentage of successfully completed competencies compared with all modules assessed	2	89%	90%	89%
Percentage of completed competencies delivered at or above Certificate IV level	3	13%	7%	13%
Percentage of students employed or in further study 6 months after completing their training	4	86%	95%	86%
Other measures				
Total number of VET students	5	New measure	N/A	4,200
Total competencies successfully completed	5	New measure	N/A	20,000
State contribution ($'000)		**19,218**	**16,492**	**15,492**
Other revenue ($'000)		**7,472**	**7,472**	**7,477**
Total cost ($'000)		**25,229**	**22,503**	**22,815**

Notes:
1. 2010-11 Estimated actual is preliminary consistent with the 2010-11 Target/estimate as Quality Indicator (QI) reports are due for completion by 30 June 2011.
2. Slight increase in the successful completion of units of competence at this point in the year has increased the estimate for 2010-11.
3. Increased delivery happening in schools and full-time students has not been matched by delivery at the higher levels, which has lowered the estimate for completions above Certificate IV.
4. Improved outcomes for students finishing training with AACC has resulted in this increase.
5. A service standard is considered a 'New measure' where the service standard is:
   - completely new (has no correlation to any of the 2010-11 measures); or
   - may be similar in wording to a 2010-11 measure but a 'material' change has occurred. Changes are considered to be 'material' where 2010-11 data will no longer be directly comparable to 2011-12 data. 'Material' changes may be the result of changes to reporting methodology or where the scope of the service standard has been expanded to cover additional business areas not previously contributing to the measure.

INCOME STATEMENT

Australian Agricultural College Corporation	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Income				
Service revenue		..	..	..
User charges		3,754	3,754	3,754
Grants and other contributions	1, 4, 8	19,218	16,492	15,492
Other revenue		3,718	3,718	3,723
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		**26,690**	**23,964**	**22,969**
Expenses				
Employee expenses	2, 5, 9	14,422	14,722	12,186
Supplies and services	3, 6, 10	6,951	3,925	5,708
Grants and subsidies		..	..	..
Depreciation and amortisation	7, 11	2,018	2,018	3,083
Finance/borrowing costs		..	..	..
Other expenses		1,838	1,838	1,838
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		**25,229**	**22,503**	**22,815**
OPERATING SURPLUS/(DEFICIT)		**1,461**	**1,461**	**154**

STATEMENT OF CHANGES IN EQUITY

Australian Agricultural College Corporation	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		108	108	(867)
Net amount of all revenue and expense adjustments direct to equity not disclosed above		315	315	..
Net income recognised directly in equity		**423**	**423**	**(867)**
Surplus/(deficit) for the period		1,461	1,461	154
Total recognised income and expense for the period		**1,884**	**1,884**	**(713)**
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		**1,884**	**1,884**	**(713)**

BALANCE SHEET

Australian Agricultural College Corporation	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CURRENT ASSETS				
Cash assets	12, 23, 32	506	2,305	2,343
Receivables	13, 24, 33	1,062	1,571	1,241
Other financial assets	14, 25	5,000	5,120	3,635
Inventories		268	264	264
Other		127	118	114
Non-financial assets held for sale		..	..	..
Total current assets		**6,963**	**9,378**	**7,597**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	15, 26	95	44	31
Property, plant and equipment	16, 27, 34	110,133	110,310	113,476
Intangibles		..	..	..
Other	17, 35	4,862	6,139	4,915
Total non-current assets		**115,090**	**116,493**	**118,422**
TOTAL ASSETS		**122,053**	**125,871**	**126,019**
CURRENT LIABILITIES				
Payables	18, 28, 36	498	1,381	1,617
Accrued employee benefits	19, 29, 37	816	1,505	1,605
Interest-bearing liabilities and derivatives	20, 30	160	..	..
Provisions		..	..	..
Other	21, 31	585	40	40
Total current liabilities		**2,059**	**2,926**	**3,262**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits	22, 29, 38	1,037	526	1,051
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**1,037**	**526**	**1,051**
TOTAL LIABILITIES		**3,096**	**3,452**	**4,313**
NET ASSETS/(LIABILITIES)		**118,957**	**122,419**	**121,706**
EQUITY				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		35,804	34,517	34,671
Reserves:				
- Asset revaluation surplus		83,153	87,902	87,035
- Other (specify)		..	..	..
TOTAL EQUITY		**118,957**	**122,419**	**121,706**

CASH FLOW STATEMENT

Australian Agricultural College Corporation	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts		..	..	..
User charges	44, 53	3,666	3,604	3,840
Grants and other contributions	39, 45, 54	19,020	16,587	15,492
Other		3,962	3,962	3,967
Outflows:				
Employee costs	40, 46, 55	(16,256)	(15,844)	(11,561)
Supplies and services	41, 47, 56	(8,654)	(7,131)	(8,332)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	48,57	(2,560)	(1,998)	(1,853)
Net cash provided by/(used in) operating activities		**(822)**	**(820)**	**1,553**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	42, 49, 58	3,957	1,384	..
Investments redeemed	50, 59	170	170	1,485
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	43, 51, 60	(3,167)	(594)	(3,000)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		**960**	**960**	**(1,515)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	52, 61	(289)	(291)	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		**(289)**	**(291)**	**..**
Net increase/(decrease) in cash held		**(151)**	**(151)**	**38**
Cash at the beginning of financial year		**657**	**2,456**	**2,305**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**506**	**2,305**	**2,343**

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:
1. Decrease due to delays in capturing revenue for contract training.
2. Increase due to providing for staff wages transferred to Education Queensland wages.
3. Decrease due to projects being delayed due to natural disasters.

Major variations between 2010-11 Budget and 2011-12 Estimate include:
4. Decrease due to delays in capturing revenue for contract training.
5. Decrease in wages due to organisational restructure in line with Reconnecting Agricultural Educations Strategy (RAE).
6. Decrease in supplies and services in alignment with changed investment program with Burdekin and Dalby Campuses.
7. Increase due to capital investments in alignment with RAE.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:
8. Decrease due to no longer receiving the backlog maintenance grant.
9. Decrease in wages due to organisational restructure in line with RAE.
10. Increase in leasing arrangements in alignment with RAE.
11. Increase due to capital investments in alignment with RAE.

Balance sheet

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:
12. Original budget included voluntary early redundancy's (VERs) where cash was provided for payouts however delays with organisational structure means this cash may roll over to 2011-12.
13. Increase with students using payment plans over the semester rather then paying fees upfront.
14. Increase due to a change in financial investors to capture higher interest rates.
15. Decrease in the valuation of sugar shares.
16. Increase due to delay in implementing the RAE.
17. Increase with biological assets due to higher sugar and livestock market valuations.
18. Increase in payables not previously budgeted – for example, payroll now contracted to Corporate Administration Agency (CAA), increase in accrued expenses via outstanding commitments
19. Increase in provisions due to delays with implementing VER's.
20. Decrease due to early payout of loans.
21. Decrease due to change in the standard for reciprocal grants no longer being treated as unearned revenue.
22. Decrease due to staff being encouraged to take leave in excess of two years accrual.

Major variations between 2010-11 Budget and 2011-12 Estimate include:
23. Increase in cash due to delays with VERs..
24. Increase with students using payment plans over the semester rather then paying fees upfront
25. Decrease in investment offset by the increase in cash.
26. Decrease due to expected decline in share prices.
27. Increase in Property, Plant and Equipment (PPE) in alignment with RAE reinvestment strategies.
28. Increase in payables due to new leasing arrangements in alignment with RAE.
29. Increase due to previous budget under-compensated.
30. Decrease due to early payout of loans.
31. Decrease due to change in the accounting standard for reciprocal grants no longer being treated as unearned revenue.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:
32. Decrease due to implementing debt management strategies.
33. Decrease due to payout of VERs in 2011-12.
34. Increase in PPE in alignment with reinvestment strategies.
35. Decrease in biological assets (sugar and livestock) due to a changed investment focus for Burdekin and Dalby Campuses.
36. Increase due to leasing arrangements in 2011-12.
37. Increase due to enterprise bargaining wage increase – for example, administration stream.
38. Increase due to transfer from current liabilities to non-current.

Cash flow statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:
39. Decrease due to delays in contract training.
40. Increase due to paying for wages to the end of June for staff transferred to EQ.
41. Decrease in supplies and services due to changed investment.
42. Decrease in sales of PPE due to delays with RAE implementation.
43. Decrease in PPE purchases due to delays with RAE implementation.

Major variations between 2010-11 Budget and 2011-12 Estimate include:
44. Increase in user charges due to increase in training delivery.
45. Decrease in due to no longer receiving backlog maintenance grant and reduction in contract delivery.
46. Decrease in employee wages in alignment with new organisational structure.
47. Decrease in supplies and services due to changed investment strategies.
48. Decrease in biological assets due to changed investment program at Burdekin and Dalby Campuses.
49. Decrease PPE sales due to delays with implementation of RAE program.
50. Increase in maturity of term deposits to cater for VERs.

51. Decrease in PPE purchases due to delays with implementing RAE program.
52. Decrease due to payout of loans.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

53. Increase in user charges due to increased training delivery.
54. Decrease in grants contributed to no longer receiving backlog maintenance grant offset against increased delivery in contract training.
55. Decrease in wages due to implementation of organisation structure in alignment with RAE.
56. Increase in leasing arrangements as part of changed investment program.
57. Decrease in biological asset values due to changed investment strategy with Burdekin and Dalby Campuses.
58. Decrease in sales of PPE due to reinvestment in capital items in 2010-11 – For example, vehicles, ICT.
59. Increase due to maturity of term deposits to cater for payout of VERs.
60. Increase in capital purchases in alignment with investment strategies with RAE implementation.
61. Decrease for final payout of loans.

Energy and Water Ombudsman Queensland

OVERVIEW

The Energy Ombudsman Queensland (EOQ) was established in July 2007 by the Queensland Government as an independent external dispute resolution scheme, to receive, investigate and facilitate the resolution of disputes between small energy customers and energy entities in Queensland and, if necessary, to make final orders against energy entities.

From 1 January 2011, EOQ became the Energy and Water Ombudsman Queensland (EWOQ). In addition to its existing energy functions, it now receives, investigates and facilitates the resolution of disputes between small water customers and water entities in South East Queensland (SEQ).

EWOQ contributes to the Government's *Toward Q2: Tomorrow's Queensland* ambition of Fair – *Supporting safe and caring communities* by contributing to fair, equitable and accountable energy and water sectors within Queensland that protects individual rights and concerns through the provision of independent, free, accessible and effective dispute resolution services to meet the diverse needs of Queensland's small energy customers and small water customers in SEQ.

EWOQ also provides reports to jurisdictional regulators, scheme participants and the public on systemic issues arising from the complaints it receives, and on the performance of its energy and water scheme participants.

EWOQ is fully funded by an industry levy, imposed on electricity, gas and water distributors and retailers who service small energy and water customers.

As at 1 July 2010, EWOQ had a staff establishment of 35 full-time equivalent positions and it is anticipated that it will have 38 full-time equivalent positions as at 30 June 2011.

REVIEW OF PERFORMANCE

Recent achievements

- The expansion of EOQ's jurisdiction to include dispute resolution for water and wastewater required changes to occur throughout the organisation and organisational systems.
- In addition to ensuring the organisation and its systems were ready to undertake water and wastewater disputes, EOQ staff also continued to meet the day-to-day needs of the organisation.
- EWOQ closed 12,590 cases in the 2009-10 financial year. EWOQ anticipates it will deal with over 13,000 cases from Queensland's energy and water customers.
- Providing best practice dispute resolution processes to assist the resolution in complaints between small electricity, gas and water customers and their energy and water suppliers.
- Maintaining and developing ongoing relationships with key energy and water sector participants and other stakeholders through regular presentations and updates on services.
- Raising awareness of the services offered to energy and water customers across Queensland through various marketing, engagement and media activities.
- Investigating, reporting and providing feedback to the Government and industry participants on systemic customer issues.

- Referring matters to jurisdictional regulators for action under their legislative powers.
- Implementing improved corporate and operational systems and processes resulting from the independent review undertaken of EWOQ to support and further enhance their day-to-day operations.

Future developments

In 2011-12, the Energy and Water Ombudsman will focus on the following key priorities:

- achieving best practice, fairness and confidence in the resolution of disputes between Queensland's small electricity and reticulated gas customers and energy suppliers and SEQ's small water customers and water suppliers
- raising awareness and proactively promoting EWOQ services to energy customers across Queensland and water customers in SEQ
- maintaining and further developing relationships between EWOQ and key stakeholders
- investigating, reporting and providing feedback on systemic energy and water customer issues.

STATEMENTS

STAFFING[1]

	Notes	2010-11 Budget	2010-11 Est. actual	2011-12 Estimate
	2,3	35	38	41

Notes:
1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in the 2010-11 Estimated actual FTE's over the 2010-11 Budget relates to the additional jurisdictional responsibility for water and wastewater disputes for South East Queensland.
3. The increase in the 2011-12 Estimate FTE's over the 2010-11 Estimated actual FTE's is primarily due to additional investigation staff to manage anticipated growth in complaint numbers associated with the additional jurisdictional responsibility for water and wastewater disputes for South East Queensland.

PERFORMANCE STATEMENT

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Standards				
Percentage of customers who rate the performance of the Energy and Water Ombudsman Queensland as satisfactory or better	1	…	…	80%
Other measures				
Percentage of complaints received which are completed by the Energy and Water Ombudsman Queensland		95%	95%	95%
Energy and water consumer complaints resolved within agreed standards		90%	90%	90%
State contribution ($000)		**..**	**..**	**..**
Other revenue ($000)		**4,943**	**5,643**	**6,092**
Total cost ($000)		**4,943**	**5,643**	**6,092**

Note:
1. EWOQ conducts Customer Satisfaction Surveys on a biennial basis.

INCOME STATEMENT

Energy and Water Ombudsman Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Income				
Service revenue		..	..	..
User charges	1,5,9	4,943	5,643	6,092
Grants and other contributions		..	..	..
Other revenue	2,6,10	..	70	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		**4,943**	**5,713**	**6,092**
Expenses				
Employee expenses	1,5,9	3,712	3,829	4,527
Supplies and services	1,5,11	1,154	1,767	1,530
Grants and subsidies		..	..	..
Depreciation and amortisation	3,7,12	30	10	3
Finance/borrowing costs		..	..	..
Other expenses	4,8	47	37	32
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		**4,943**	**5,643**	**6,092**
OPERATING SURPLUS/(DEFICIT)		**..**	**70**	**..**

STATEMENT OF CHANGES IN EQUITY

Energy and Water Ombudsman Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 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		..	70	..
Total recognised income and expense for the period		**..**	**..**	**..**
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		**..**	**..**	**..**

BALANCE SHEET

Energy and Water Ombudsman Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CURRENT ASSETS				
Cash assets		442	438	438
Receivables		20	24	22
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		**462**	**462**	**460**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	13,15,17	..	13	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**..**	**13**	**..**
TOTAL ASSETS		**462**	**475**	**460**
CURRENT LIABILITIES				
Payables		50	45	55
Accrued employee benefits	14,16,18	272	230	265
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**322**	**275**	**320**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits	14,16,18	61	51	61
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**61**	**51**	**61**
TOTAL LIABILITIES		**383**	**326**	**381**
NET ASSETS/(LIABILITIES)		**79**	**149**	**79**
EQUITY				
Capital/contributed equity		79	79	79
Accumulated surplus/(accumulated deficit)		..	70	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		**79**	**149**	**79**

CASH FLOW STATEMENT

Energy and Water Ombudsman Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts		..	..	..
User charges	19,23,27	4,948	5,619	6,094
Grants and other contributions		..	..	..
Other	20,24,28	3	70	20
Outflows:				
Employee costs	21,25,29	3,777	3,829	4,572
Supplies and services	22,26,30	1,094	1,812	1,510
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		47	37	32
Net cash provided by/(used in) operating activities		**33**	**11**	**..**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		**..**	**..**	**..**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		**..**	**..**	**..**
Net increase/(decrease) in cash held		**33**	**11**	**..**
Cash at the beginning of financial year		**409**	**427**	**438**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**442**	**438**	**438**

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

1. Increase relates to projects associated with the implementation of additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
2. Income relates to penalty fees and interest not included in user pays calculations resulting in an operating surplus.
3. A review of assets and depreciation during 2010-11 resulted in reduced expenditure.
4. Under expenditure in Advisory Council operating costs.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

5. Increase relates to the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
6. Unable to include future penalty fees due to the unpredictable nature of these fees.
7. A review of assets and depreciation during 2010 -11 has resulted in reduced forecast for 2011-12.
8. Reduced budget associated with a reduction in Audit Fees.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

9. Increase relates to the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
10. Unable to include future penalty fees due to the unpredictable nature of these fees.
11. Project costs associated with the implementation of additional jurisdictional responsibilities not required in 2011-12.
12. A review of assets and depreciation during 2010 -11 has resulted in reduced forecast for 2011-12

Balance sheet

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

13. A review of assets and depreciation during 2010-11 resulted in reduced balances.
14. Variation relates to a combination of the retirement of the Energy and Water Ombudsman and changes in staffing resulting in lower than estimated liabilities.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

15. A review of assets and depreciation during 2010-11 resulted in reduced balances.
16. Variation relates to a combination of the retirement of the Energy and Water Ombudsman and changes in staffing.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

17. A review of assets and depreciation during 2010-11 resulted in reduced balances.
18. Variation relates to changes in staffing associated with the implementation of additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.

Cash flow statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

19. Increase in user charges due to increased costs associated with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
20. Penalty fees and bank interest not included in calculations.
21. Increase relates to new positions required with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
22. Increase relates to project and additional costs associated with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

23. Increase in user charges due to increased costs associated with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
24. Penalty fees and bank interest unpredictable and difficult to estimate.
25. Increase relates to new positions required with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
26. Increase relates to additional costs associated with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

27. Increase in user charges due to increased costs associated with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
28. Penalty fees and bank interest unpredictable and difficult to estimate.
29. Increase relates to new positions required with the additional jurisdictional responsibility for water and wastewater disputes in South East Queensland.
30. Increase relates to project costs associated with the implementation of additional jurisdictional responsibility for water and wastewater disputes in South East Queensland no longer required.

QRAA

OVERVIEW

QRAA's role is to provide financial administrative services on behalf of the Australian, State and Territory governments throughout Australia in accordance with the *Rural and Regional Adjustment Act 1994*. Through the administration of loans, grants, rebates and subsidies, QRAA contributes to a more productive and sustainable rural and regional sector in Australia and other sectors of the Queensland economy.

In 2011-12 QRAA will be contributing to the Queensland Government's *Toward Q2: Tomorrow's Queensland* ambitions of Strong: *Creating a diverse economy powered by bright ideas* and Green: *Protecting our lifestyle and environment* through the implementation of QRAA's strategic priorities - cost leadership, business growth, service delivery excellence, and capability. In accordance with the Act, this direction will seek to stimulate demand for QRAA's services in both intrastate and interstate markets as well as encouraging growth to strengthen the core rural and regional Queensland sector.

QRAA is administering the Natural Disaster Relief and Recovery Arrangement (NDRRA) measures on behalf of the Queensland and Australian Governments. The effects of widespread flooding and Tropical Cyclone Yasi will continue to drive unprecedented levels of activity in the administration of (NDRRA) assistance to primary producers, small businesses and non-profit sectors.

REVIEW OF PERFORMANCE

Recent achievements

- QRAA secured and commenced administering the following:
  - Queensland Government Solar Hot Water Rebate Scheme;
  - Natural Disaster Assistance Scheme (Grant and Loan Package for Non-Profit Organisations – Queensland Floods (November 2010 – January 2011) and Tropical Cyclone Yasi);
  - Special Disaster Assistance Scheme (Grant for Small Business, Primary Producers and Non-Profit Organisations – Queensland Floods (November 2010 – January 2011) and Tropical Cyclone Yasi); and
  - Exceptional Disaster Assistance Scheme (Loan and Grant Package for Primary Producers, Businesses and Non-Profit organisations – Queensland Floods (November 2010 – January 2011) and Tropical Cyclone Yasi).
- The approval of 25,000 applications (estimated gross as at 16 May 2011) from primary producers, businesses and non-profit organisations for financial assistance in 2010-11. This compares with 2,510 applications approved in 2009-10, a ten fold increase in applications approved.
- Approval of State and Australian Government funding of $204 million (estimated gross as at 16 May 2011) in financial assistance to Queensland primary producers, businesses and non-profit organisations in 2010-11. This compares with gross approvals of $108.49 million in 2009-10. Approval of $138 million (estimated gross as at 16 May 2011) in disaster related assistance to primary producers, businesses and non-profit organisations in 2010-11. This compares with gross approvals of $14.4 million in 2009-10.

- QRAA administered an unprecedented number of Natural Disaster Relief and Recovery Arrangement (NDRRA) measures on behalf of the Queensland and Australian Governments. In response to widespread flooding in Queensland between October 2010 and January 2011, QRAA:
  - administered grants to primary producers, small businesses and non profit organisations; and
  - provided loans to primary producers, small businesses, and non profit organisations.
- In response to Tropical Cyclone Yasi QRAA administered special disaster assistance grants and provided loans to primary producers, small businesses and non-profit organisations.
- Additionally, support was provided by QRAA client liaison officers who proactively engaged with potential applicants by establishing temporary offices, participating in industry/regional forums, coordinating one-on-one appointments and responding to up to 400 enquiries per day.

Future developments

- The magnitude of the flooding and cyclone disaster events in 2010-11 will continue to drive high levels of activity in the administration of concessional loans and grants in 2011-12, particularly in the first two quarters.
- QRAA will promote and manage the refreshed Primary Industry Productivity Enhancement Scheme to increase demand for concessional loans.
- During 2010-11 a planned marketing campaign for productivity loans was impacted as a result of the disaster events. This campaign has been rescheduled and will promote the recently improved Sustainability and First Start productivity loans and grow QRAA's productivity loan portfolio.

STATEMENTS

STAFFING[1]

	Notes	2010-11 Budget	2010-11 Est. actual	2011-12 Estimate
	2	70.9	120.0	96.6

Notes:
1. Full-time equivalents (FTEs) as at 30 June.
2. The 2010-11 Budget estimate followed a Commonwealth Government revision and significant reduction in Exceptional Circumstances declared areas in Queensland. QRAA's workforce was projected to reduce in alignment to these changing demands. However during the 2010-2011 financial year, Queensland was devastated by the natural disasters of the Queensland Floods and Tropical Cyclone Yasi which necessitated an increase in staffing numbers rather than the projected decline. QRAA has utilised contingent of temporary and casual staff as a means of aligning its workforce to changing demands.

PERFORMANCE STATEMENT

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Standards				
Arrears to loan portfolio	1	3%	1.2%	3%
Client satisfaction with QRAA's services	2	80%	86.2%	80%
Program owner satisfaction with QRAA's administration	3	75%	90%	75%
Awareness of QRAA in Queensland	4	80%	82.7%	80%
Other measures				
Applications processed within standard response Indicators	5	85%	80%	85%
Growth of productivity loan portfolio	6	7%	4%	7%
New programs administered	7	3	7	3
State contribution ($000)		**9,535**	**151,092**	**169,720**
Other revenue ($000)		**26,599**	**33,072**	**28,044**
Total cost ($000)		**20,774**	**168,560**	**172,819**

Notes:
1. The 2010-11 Estimated actual result reflects the quality of the Loan portfolio and is successfully managed with thorough processes in place to minimise arrears.
2. Independent survey undertaken every two years provided an increased 2010-11 Estimated actual result.
3. First time survey process has been undertaken during 2010-11 and benchmark is adequate in the current environment.
4. Independent survey undertaken every two years provided an increased 2010-11 Estimated actual result.
5. QRAA performance for 2010-11 in relation to this measure has been impacted by the unprecedented volumes of natural disaster applications due to severe and wide spread flooding that commenced in November 2010 and Tropical Cyclone Yasi in February 2011. QRAA has received applications at a rate of approximately seven times that of the January 2008 flooding event which was the previous disaster event with the highest rate of applications received. QRAA responded to this exceptional situation by increasing staff numbers and leasing, fitting-out and equipping additional office space.
6. While the Productivity Loan portfolio has seen steady growth, the 2010-11 Target/estimate of 7% is not expected to be achieved (as at 16 May 2011). This outcome was largely due to the impact of the Queensland floods and Tropical Cyclone Yasi and the large number of primary producers throughout the State required to focus on clean up and recovery activities. Also as a result of the Queensland floods and Tropical Cyclone Yasi, QRAA postponed a major marketing campaign that was scheduled to run between February and June 2011. The objective of this campaign was to promote the new Sustainability and First Start productivity loans being offered by QRAA.
7. Increase in number of programs administered in 2010-11 is due to the number of assistance programs offered as a result of the unexpected weather events in 2010-11.

INCOME STATEMENT

QRAA	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Income				
Service revenue		..	..	..
User charges		..	..	..
Grants and other contributions	1	17,448	162,792	169,720
Other revenue	2	18,686	21,372	28,044
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		**36,134**	**184,164**	**197,764**
Expenses				
Employee expenses	3	7,105	9,983	11,186
Supplies and services		2,866	2,860	3,168
Grants and subsidies	4	8,500	153,370	155,650
Depreciation and amortisation		420	355	423
Finance/borrowing costs		1,883	1,787	2,642
Other expenses	5	..	205	(250)
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		**20,774**	**168,560**	**172,819**
OPERATING SURPLUS/(DEFICIT)	6	**15,360**	**15,604**	**24,945**

STATEMENT OF CHANGES IN EQUITY

QRAA	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 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		15,360	15,604	24,945
Total recognised income and expense for the period		**15,360**	**15,604**	**24,945**
Equity injection/(withdrawal)	7	..	137,652	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		**15,360**	**153,256**	**24,945**

BALANCE SHEET

QRAA	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CURRENT ASSETS				
Cash assets	8	73,697	94,254	74,673
Receivables	9	34,181	37,153	71,130
Other financial assets		..	..	..
Inventories		..	..	..
Other		120	121	121
Non-financial assets held for sale		..	..	..
Total current assets		**107,998**	**131,528**	**145,924**
NON-CURRENT ASSETS				
Receivables	9	283,332	317,729	639,846
Other financial assets		..	..	..
Property, plant and equipment		918	1,004	1,081
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**284,250**	**318,733**	**640,927**
TOTAL ASSETS		**392,248**	**450,261**	**786,851**
CURRENT LIABILITIES				
Payables		536	584	747
Accrued employee benefits	10	1,500	768	768
Interest-bearing liabilities and derivatives		15,286	16,318	15,622
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**17,322**	**17,670**	**17,137**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		399	400	400
Interest-bearing liabilities and derivatives	9,11	217,450	128,232	440,410
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**217,849**	**128,632**	**440,810**
TOTAL LIABILITIES		**235,171**	**146,302**	**457,947**
NET ASSETS/(LIABILITIES)		**157,077**	**303,959**	**328,904**
EQUITY				
Capital/contributed equity		(53,000)	84,652	84,652
Accumulated surplus/(accumulated deficit)	7	210,077	219,307	244,252
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		**157,077**	**303,959**	**328,904**

CASH FLOW STATEMENT

QRAA	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts		..	..	..
User charges		..	..	..
Grants and other contributions	1	17,448	162,821	169,720
Other	2	16,102	21,289	27,880
Outflows:				
Employee costs	3	(7,106)	(9,889)	(11,222)
Supplies and services		(2,866)	(2,900)	(2,969)
Grants and subsidies	4	(8,500)	(153,370)	(155,650)
Borrowing costs		(1,883)	(1,787)	(2,642)
Other		..	..	..
Net cash provided by/(used in) operating activities		**13,195**	**16,164**	**25,117**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	9	36,913	33,657	33,120
Outflows:				
Payments for property, plant and equipment and intangibles		(500)	(500)	(500)
Payments for investments		..	..	..
Loans and advances made	9	(65,000)	(101,700)	(388,800)
Net cash provided by/(used in) investing activities		**(28,587)**	**(68,543)**	**(356,180)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	9,12	12,000	61,200	327,800
Equity injections		..	137,652	..
Outflows:				
Borrowing redemptions	9,13	(15,851)	(153,891)	(16,318)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		**(3,851)**	**44,961**	**311,482**
Net increase/(decrease) in cash held		**(19,243)**	**(7,418)**	**(19,581)**
Cash at the beginning of financial year		**92,940**	**101,672**	**94,254**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**73,697**	**94,254**	**74,673**

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

1. QRAA receives contributions from the Australian and Queensland Governments to fund various grant programs it administers, based on agreements between QRAA and the program owners.

   All funds which are allocated to QRAA by the Governments for grant purposes and controlled by QRAA, are recognised as revenues in the year in which QRAA gains control of the funds and this is generally upon receipt of funds. QRAA recognises revenue upon receipt as required under Australian Accounting Standard AASB 1004.

Table 1.1 Grants and other contributions	Notes	2010-11 Budget $'000	2010-11 Est. Act. $'000	2011-12 Estimate $'000
Grants and contributions from State Government				
QRAA Administration		8,685	8,685	8,887
NDRRA – Special Disaster Flood Assistance Schemes (SDFAS)	i	..	129,367	158,533
RAS Exceptional Circumstances	ii	850	1,195	..
Qld Government Solar Hot Water Rebate Scheme	iii	..	10,518	1,650
Traveston Crossing and Wyaralong Dams Business Adjustment Scheme		..	273	..
Vegetation Management Framework Assistance Package	iv	..	1,017	..
Other state schemes		..	37	650
Total received from State Government		**9,535**	**151,092**	**169,720**
Grants and other contributions from Australian Government				
RAS Exceptional Circumstances	ii	7,650	11,700	..
Total received from Australian Government		**7,650**	**11,700**	**..**
Total Grants and contributions		**17,185**	**162,792**	**169,720**

Notes:

i. SDFAS for November 2010-January 2011 was a new Scheme announced in early 2011 as a result of the Nov 2010 to Jan 2011 Queensland floods and Tropical Cyclone Yasi. This is not included in the 2010-11 Budget.
ii. Funding provided for RAS Exceptional Circumstances is based on demand.
iii. The Queensland Government Solar Hot Water Rebate Scheme was a new Scheme announced in the 2010-11 financial year and not included in the 2010-11 Budget.
iv. Vegetation Management Framework Assistance Package Scheme was completed in 2009-2010. Funding was provided to pay the Scheme's remaining applications.

2. Other revenue refers to interest earned on loans made to rural producers and small businesses and interest earned on unutilised funds.
3. The increase in the 2010-11 Est. actual and 2011-12 Estimate is due to additional staff recruited as a result of the Queensland floods and Tropical Cyclone Yasi.
4. Grants and subsidies expenses are detailed in Table 1.2. Explanations with regard to variances should be read in conjunction with Table 1.1 and its notes.

   v. Great Barrier Reef Marine Park Structural Adjustment Package Scheme payments for 2010-11 were carried over from 2008-09.

Table 1.2 Grants and subsidies	Notes	2009-10 Budget $'000	2009-10 Est. Act. $'000	2010-11 Estimate $'000
Great Barrier Reef Marine Park Structural Adjustment Package	v	..	4,397	..
NDRRA – Special Disaster Flood Assistance Schemes	i	..	126,633	155,650
RAS Exceptional Circumstances	ii	8,500	14,291	..
Qld Government Solar Hot Water Rebate Scheme	iii	..	6,662	..
Small Business Emergency Assistance		..	2	..
Traveston Crossing Dam and Wyaralong Dam Business Adjustment Scheme		..	285	..
Vegetation Management Framework Assistance Package		..	1,100	..
Total grants and subsidies		**8,500**	**153,370**	**155,650**

5. These figures reflect net movement in doubtful debt provisions for the respective financial periods.

6. Significant increase in operating surplus in 2011-12 Estimate is due to the increase in interest earned on QRAA's loan portfolio as a result of increased client demand on NDRRA and Primary Industry Productivity Enhancement Scheme (PIPES).

Statement of Changes in Equity

7. Loans to Queensland Treasury and DEEDI of $49.4 million and $88.2 million respectively converted to equity.

Balance Sheet

7. Refer to previous note.
8. An increase in cash holdings in 2010-11 Estimated actual reflects client loan repayments and reduction in PIPES lending which is funded internally. A significant increase in lending is due to the recent NDRRA schemes and is reimbursed back to QRAA by Queensland Treasury.
9. Significant increase in client loan portfolio in the 2010-11 Est. actual and 2011-12 Estimate is due to increased lending as a result of the Queensland floods and Tropical Cyclone Yasi.
10. Amounts reflect net movement in Balance Sheet provisions.
11. $217.4 million in 2010-11 Budget includes $137.4 million in loans. These loans have been re-classified to Equity and therefore reflect a decrease to $128.2 million in 2010-11 Estimates.

Cash Flow Statement

2. Refer to previous note.
3. Refer to previous note.
4. Refer to previous note.
5. Refer to previous note.
9. Refer to previous note.
12. $61.2 million reflects increase in NDRRA borrowings to finance client loans following recent disaster events and links to Note 9; likewise, the increase to $327.8 million is the expected NDRRA borrowings and links to Note 9.
13. The $153.9 million in 2010-11 reflects the movement and includes the $137.7 million reclassification of the loans to equity and this is referred to in Note 7, in the explanation of Variance.

Tourism Queensland

OVERVIEW

Tourism Queensland contributes to the Queensland Government's *Toward Q2: Tomorrow's Queensland* ambition of Strong: *Creating a diverse economy powered by bright ideas*. It maintains a network of international offices and works closely with Queensland's regional tourism organisations, government agencies, industry and the community to:

- provide industry leadership to ensure the ongoing development of a strong and sustainable tourism industry in Queensland
- deliver effective tourism marketing to grow leisure visitation, length of stay and expenditure in all of the State's destinations particularly for the benefit of Queensland's economy and job creation
- further develop tourism destinations by identifying new and enhanced tourism experiences and products as well as through increased presence in each tourism zone.

In 2010-11 Tourism Queensland had an estimated 158 full-time equivalent staff.

REVIEW OF PERFORMANCE

Recent achievements

- Implemented year two of the Tourism Action Plan to 2012, in partnership with the DEEDI. Tourism Queensland's actions within this Plan are resourced by Tourism Queensland's total budget, which includes year two of the $36 million allocated to Tourism Queensland under the Protecting Tourism Jobs election commitment. Activity focused on:
  - launching Queensland and regional brand identities;
  - branded intrastate and interstate marketing activity with industry partners;
  - international marketing executed in line with Tourism Queensland's market prioritisation strategy;
  - developing and promoting specific events to increase tourism visitation and awareness of events in Queensland; and
  - the delivery of a suite of development activity with a specific focus on business sustainability and attraction.
- Delivered activity under the Nothing Beats Queensland recovery strategy in partnership with DEEDI and the Australian Government. This strategy encompasses the $12 million Tourism Industry Support Package. Activity included:
  - extensive domestic marketing activity, retail campaign activity, a global publicity blitz and youth campaign and targeted international marketing activity; and
  - business assistance, industry recovery forums and trade and consumer engagement activity.

Future developments

- Implement year three of the Tourism Action Plan to 2012, in partnership with DEEDI. Tourism Queensland's actions within this plan are resourced by Tourism Queensland's total budget which includes the final year of the $36 million allocated to Tourism Queensland under the Protecting Tourism Jobs election commitment. Activity will focus on:
  - continuing to deliver branded intrastate and interstate marketing activity in partnership with industry partners to encourage Australians to holiday at home. This activity builds on the $12 million Tourism Industry Support Package;
  - international marketing activity delivered in line with Tourism Queensland's market prioritisation strategy with a focus on fewer activities but a bigger impact;
  - developing and marketing specific events to increase tourism visitation and awareness of events in Queensland; and
  - providing industry development and leadership through targeted industry and stakeholder engagement, tourism specific business assistance activities, further developing Queensland's competitive advantage and ensuring Queensland is considered in the national tourism policy agenda.
- Tourism Queensland will work with DEEDI to deliver a new $1 million program designed to enhance the capability of tourism operators in a rapidly changing global market, extending the $12 million Tourism Industry Support Package. The program will be focused on the technology and business skills needed by operators, including helping operators to capture more business on-line, and working one-on-one with individual operators to benchmark their businesses against world's best practice. This program will be in addition to, and build on, existing Tourism Queensland and DEEDI programs to assist tourism businesses.

STATEMENTS

STAFFING[1]

	Notes	2010-11 Budget	2010-11 Est. actual	2011-12 Estimate
		158	158	158

Note:
1 Full-time equivalents (FTEs) as at 30 June.

PERFORMANCE STATEMENT

	Notes	2010-11 Target/est.	2010-11 Est. actual	2011-12 Target/est.
Service Standards				
Advertising Value Equivalent of Tourism Queensland's Global publicity activity	1,2,6	New measure	New measure	$177.7 million
Value of cooperative investment in marketing campaigns	1,2,6,7	$7 million	$12.7 million	$7 million
Number of unique visitors to Tourism Queensland's websites	1,2,3,6	6.8 million	6.6 million	6.5 million
Number of total records listed in the Australian Tourism Data Warehouse (ATDW)	1,4,6	New measure	New measure	5,400
Industry satisfaction with Tourism Queensland development programs	1,5,6	New measure	New measure	65%
State contribution ($000)		**55,100**	**61,025**	**55,583**
Other revenue ($000)		**8,600**	**14,754**	**8,520**
Total cost ($000)		**63,700**	**81,116**	**64,103**

Notes:
1. The 2011-12 Service Standards and associated Target/estimate for each measure has been developed in line with the 'Tourism Queensland Performance Management Framework' which was approved by the Tourism Queensland Board in July 2010. The framework was developed to measure the effectiveness of activities carried out by Tourism Queensland. The targets identified align with the approved measures and illustrate successful outcomes for 2011-12.
2. Tourism Queensland's primary responsibility, as outlined in the *Tourism Queensland Act 1979* is to facilitate the promotion, marketing and development of tourism to and within Queensland. Approved measures of successful marketing and promotion activity include (but are not limited to) cooperative funding, Public Relations media value and website visits.
3. The 2011-12 Target/estimate for website visitors is expected to be lower than 2010-11 due to the increasing trend to use campaign partner websites as the call to action (e.g. Flight Centre).
4. The Australian Tourism Data Warehouse (ATDW) is a national tourism database that feeds information on tourism products and destination information. The ATDW was formed in 2001 and is a joint initiative of the Government State Tourism Organisations from all Australian States and Territories and Tourism Australia. Tourism Queensland manages the annual ATDW subscriptions and updates for all Queensland tourism products on behalf of the ATDW. Of the 5,400 targeted for 2011-12, it is anticipated that 2,250 will be full record (paid subscriptions).
5. The 'Tourism Queensland Performance Management Framework' approved measure for development activity is 'Feedback from Industry participating in activities'. Tourism Queensland runs a variety of development programs and workshops across Queensland. Success will be measured by survey feedback.
6. The measures presented in the Performance Statement have been approved by the Tourism Queensland board.
7. The 2010-11 Estimated actual for the Value of cooperative investment in marketing campaigns includes $2.9 million from a marketing partnership with Tourism Australia.

INCOME STATEMENT

Tourism Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
Income				
User charges	1,8	7,080	12,664	7,000
Grants and other contributions	2,9	55,100	61,025	55,583
Other revenue		1,520	2,090	1,520
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		**63,700**	**75,779**	**64,103**
Expenses				
Employee expenses	3,6,10	17,119	16,710	17,400
Supplies and services	4,11	40,309	58,987	41,263
Grants and subsidies		4,110	4,110	4,110
Depreciation and amortisation		1,148	1,074	1,100
Finance/borrowing costs		..	..	..
Other expenses	5,7	1,014	235	230
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		**63,700**	**81,116**	**64,103**
OPERATING SURPLUS/(DEFICIT)	4	**..**	**(5,337)**	**..**

STATEMENT OF CHANGES IN EQUITY

Tourism Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 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		..	(5,337)	..
Total recognised income and expense for the period		**..**	**..**	**..**
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		**..**	**(5,337)**	**..**

BALANCE SHEET

Tourism Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CURRENT ASSETS				
Cash assets	12,13	6,308	5,622	5,205
Receivables	12,13	2,483	2,599	2,597
Other financial assets		..	..	..
Inventories		..	..	..
Other	12,13	75	346	349
Non-financial assets held for sale		..	..	..
Total current assets		**8,866**	**8,567**	**8,151**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		107	107	107
Property, plant and equipment	12,13	1,522	1,924	1,907
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**1,629**	**2,031**	**2,014**
TOTAL ASSETS		**10,495**	**10,598**	**10,165**
CURRENT LIABILITIES				
Payables		5,020	5,095	5,056
Accrued employee benefits		3,933	4,198	4,042
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	14,15	248	248	40
Total current liabilities		**9,201**	**9,541**	**9,138**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		346	432	442
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		82	82	42
Total non-current liabilities		**428**	**514**	**484**
TOTAL LIABILITIES		**9,629**	**10,055**	**9,622**
NET ASSETS/(LIABILITIES)		**866**	**543**	**543**
EQUITY				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		866	543	543
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		**866**	**543**	**543**

CASH FLOW STATEMENT

Tourism Queensland	Notes	2010-11 Budget $'000	2010-11 Est. act. $'000	2011-12 Estimate $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts		..	..	..
User charges	16,23	7,092	12,567	7,012
Grants and other contributions	17,24	55,100	61,025	55,583
Other		1,510	2,080	1,510
Outflows:				
Employee costs	18,21,25	(16,473)	(16,164)	(16,854)
Supplies and services	19,26	(42,014)	(59,951)	(42,445)
Grants and subsidies		(4,110)	(4,110)	(4,110)
Borrowing costs		..	..	..
Other	20,22	(1,222)	(443)	(230)
Net cash provided by/(used in) operating activities		**(117)**	**(4,996)**	**466**
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		(183)	(570)	(883)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		**(183)**	**(570)**	**(883)**
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		**(300)**	**(5,566)**	**(417)**
Cash at the beginning of financial year		**6,608**	**11,188**	**5,622**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**6,308**	**5,622**	**5,205**

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

1. The increase in user charges includes $2.9 million from a marketing partnership with Tourism Australia and an increase in industry participation.
2. The increase in grants and other contributions is due to additional funding of $5.9 million for disaster recovery.
3. The decrease in employee expenses is due to some positions left vacant for extended periods.
4. The increase in supplies and services is in line with increased revenue and a deficit of $5.3 million which is the result of the spending of grants received in previous financial years.
5. The decrease in other expenses is due to regulatory fees now classified as supplies and services.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

6. The increase in employee expenses is in line with expected FTE and Enterprise Bargaining agreement.
7. The decrease in other expenses is due to regulatory fees now classified as supplies and services.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

8. The decrease in user charges is a return to normal demand for TQ services.
9. The decrease in grants and other contributions is due to one-off funding.
10. The increase in employee expenses is in line with expected FTE and EB agreement.
11. The decrease in supplies and services is in line with decreased revenue.

Balance sheet

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

12. The decrease in cash is due to the increase in receivables, other and PPE.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

13. The decrease in cash is due to the increase in receivables, other and PPE.
14. The decrease in other current liabilities is due to end of a lease.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

15. The decrease in other current liabilities is due to end of a lease.

Cash flow statement

Major variations between 2010-11 Budget and 2010-11 Estimated actual include:

16. The increase in user charges includes $2.9 million from a marketing partnership with Tourism Australia and an increase in industry participation.
17. The increase in grants and other contributions is due to additional funding of $5.9 million for disaster recovery.
18. The decrease in employee costs is due to some positions left vacant for extended periods.
19. The increase in supplies and services is in line with increased revenue and a deficit of $5.3 million which is the result of the spending of grants received in previous financial years.
20. The decrease in other is due to regulatory fees now classified as supplies and services.

Major variations between 2010-11 Budget and 2011-12 Estimate include:

21. The increase in employee costs is in line with expected FTE and EB agreement.
22. The decrease in other is due to regulatory fees now classified as supplies and services.

Major variations between 2010-11 Estimated actual and the 2011-12 Estimate include:

23. The decrease in user charges is a return to normal demand for TQ services.
24. The decrease in grants and other contributions is due to one-off funding being received in 2010-11 for flood recovery.
25. The increase in employee costs is in line with expected FTE and EB agreement.
26. The decrease in supplies and services reflects the costs associated with 2011-12 service delivery.