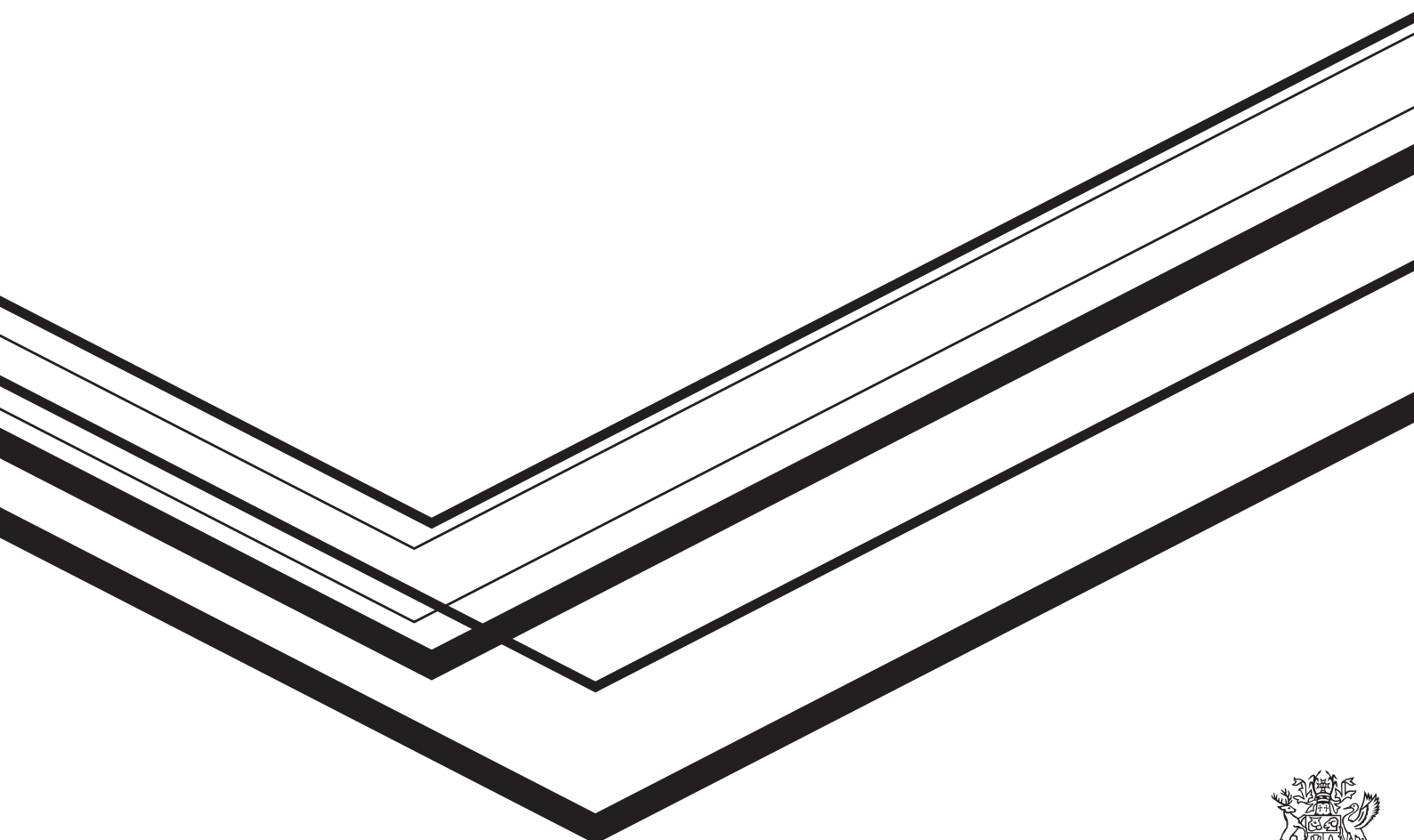


Service Delivery Statements

# **Department of Infrastructure, Local Government and Planning**



# **2015-16 Queensland Budget Papers**

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
- 5. Service Delivery Statements**

## **Appropriation Bills**

## **Jobs Now, Jobs for the Future - Queensland Government employment plan**

## **Budget Highlights**

The suite of Budget Papers is similar to that published in 2014-15.

The Budget Papers are available online at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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## **Service Delivery Statements**

ISSN 1445-4890 (Print)  
ISSN 1445-4904 (Online)



# Department of Infrastructure, Local Government and Planning

## Summary of portfolio

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# Portfolio overview

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Deputy Premier, Minister for Transport, Minister for Infrastructure, Local Government and Planning and Minister for Trade:

### **Deputy Premier, Minister for Transport, Minister for Infrastructure, Local Government and Planning and Minister for Trade**

**The Honourable Jackie Trad MP**

### **Department of Infrastructure, Local Government and Planning**

**Acting Director-General: Stephen Johnston**

**Service Area 1:** Capacity Building

**Service Area 2:** Community Recovery and Resilience

**Service Area 3:** Governance and Statutory Services

**Service Area 4:** Local Government and Community Funding

**Service Area 5:** Better Planning for Queensland

**Service Area 6:** Leading Infrastructure Policy, Planning and Assessment for Queensland

### **Economic Development Queensland**

**Acting General Manager: Greg Chemello**

**Objective:** To drive business and economic growth in Queensland

### **Queensland Reconstruction Authority**

**Chief Executive Officer: Frankie Carroll**

**Objective:** To demonstrate accountability in the use of natural disaster funding and support the Queensland economy and jobs growth by coordinating the rapid restoration of communities following natural disasters

## South Bank Corporation

**Chief Executive Officer: Jeffrey Weigh**

**Objective:** To manage South Bank's commercial assets including the Brisbane Convention and Exhibition Centre, retail property and car park

## Trade and Investment Queensland

**Chief Executive Officer: Andrew Tulloch**

**Objective:** Trade and Investment Queensland delivers services to develop sustainable export markets, improve export capabilities and promote investment opportunities to international investors

Additional information can be sourced from:

[www.dilgp.qld.gov.au](http://www.dilgp.qld.gov.au)

<http://edq.qld.gov.au/local-government/about-us/economic-development-queensland.html>

[www.qldreconstruction.org.au](http://www.qldreconstruction.org.au)

[www.southbankcorporation.com.au](http://www.southbankcorporation.com.au)

[www.tiq.qld.gov.au](http://www.tiq.qld.gov.au)

# Departmental overview

The Department of Infrastructure, Local Government and Planning was created to build a prosperous, connected, liveable, sustainable and resilient Queensland. Our vision is to create better cities, towns and communities through future-focused planning, smart development and strong partnerships.

The department integrates infrastructure, local government and planning to form a lead agency with the power and expertise to shape the future of Queensland. It contributes to the Queensland Government's objectives for the community by:

- creating jobs and a diverse economy through stimulating economic growth and innovation and delivering new infrastructure and investment
- delivering quality frontline services through providing responsive and integrated government services
- building safe, caring and connected communities through engagement with local government and the community
- protecting the environment through enabling responsible development.

The department's objectives are to:

- be the prominent central agency for infrastructure, planning, local government and resilience services
- boost operational effectiveness and efficiency
- enhance cross-functional collaboration across the department
- build stronger, more effective relationships with the federal, state and local governments and industry
- leverage our skills so that we are seen by other agencies as a partner of choice through our delivery of relevant, practical and pragmatic advice
- set a clear infrastructure investment strategy and priorities across the State
- attract investment to priority projects in Queensland to realise economic growth and social return on investment
- establish Building Queensland
- develop an approach to sustainable resilience funding
- achieve better, more responsible and more efficient outcomes in service delivery through fostering and supporting a creative environment
- make positive changes in efficiency, productivity, quality and customer value
- enhance departmental processes, systems and personnel performance
- improve local government practice, skills, resources and knowledge
- improve community preparedness for the impact of natural disasters
- deliver world class planning processes and outcomes to provide better cities, towns and communities for Queensland.

The department will achieve these objectives through effective integration, partnership, investment, innovation, capability and planning practices.

During 2015-16, the department's key priorities and initiatives are to:

- finalise the establishment of Building Queensland as a new and rigorous infrastructure advisor to government
- develop and deliver a state infrastructure plan, drive economic growth through innovative property and infrastructure partnerships and facilitate priority development infrastructure
- deliver a better planning system that supports effective and genuine public participation, whilst providing for efficient and consistent decision making that instils investment and community confidence
- help communities to prepare for natural disasters and continue implementation and management of the Queensland Strategy for Disaster Resilience
- develop and administer the Community Resilience Fund to build resilient infrastructure and a suite of local government funding programs
- support the Queensland Local Government Grants Commission in its administration of the financial assistance grant arrangements.

The department's capital program primarily relates to capital works undertaken under the Indigenous State Infrastructure Program (ISIP). The ISIP improves environmental health conditions for people living in major communities in Indigenous council areas by providing safe and secure drinking water, safe sewerage systems, safe solid waste disposal

arrangements, reductions in vector environments (such as mosquitoes) and dust reduction through sealed roads. In 2015-16 the total estimated capital expenditure program for ISIP is \$7.1 million.

Around two million extra people are projected to be living in Queensland by 2031, with most of the growth in South-East Queensland. To support the current and future prosperity of Queensland's population, the State requires strong local governments, planning and infrastructure that will support productivity, job creation and improved public spaces and community experiences. Achieving consensus between local government, industry and communities and managing private sector confidence in a fluctuating property market are key challenges for the department.

At a national level, a number of policy initiatives are likely to influence the department including the Australian Infrastructure Audit, Northern Australia Infrastructure Audit, Tax White Paper, Federation White Paper, Northern Australia White Paper, Competition Policy Review, Senate Regional Capitals Inquiry and negotiations relating to the Productivity Commission's recommendations on Natural Disaster Funding Arrangements.

# Service performance

## Service approach

The service area structure presented reflects the machinery-of-government changes effective 1 March 2015, under which the Department of Local Government, Community Recovery and Resilience was renamed the Department of Infrastructure, Local Government and Planning.

As part of the machinery-of-government changes, the following service areas were transferred to the department from the former Department of State Development, Infrastructure and Planning:

- Leading Infrastructure Policy, Planning and Delivery for the State
- Reforming Queensland's Planning System
- Economic Development Queensland

These service areas joined the department's existing service areas, presented in the 2014-15 Service Delivery Statement which were:

- Local Government
- Community Recovery and Resilience

Following a review of service provision and related performance measures in late 2014, and the machinery-of-government changes of early 2015, the department has redefined its service areas as follows:

- Capacity Building
- Community Recovery and Resilience
- Governance and Statutory Services
- Local Government and Community Funding
- Better Planning for Queensland
- Leading Infrastructure Policy, Planning and Assessment for Queensland

## Performance statement

### Capacity Building

#### Service area objective

To ensure local governments have a sound understanding of roles and responsibilities under local government legislation.

#### Service area description

The department delivers statewide information programs on legislation and policy, targeted governance training especially for small rural, remote and Indigenous Councils and specific place-based assistance for individual councils requiring specialised support.

#### 2015-16 service area highlights

This service area will deliver a broad range of capacity building services to councils including:

- targeted and high quality capacity building resources, training and solutions for councils to enable strong and responsive local government for Queensland
- opportunities for inter-council collaboration to build capacity, efficiencies and revenue
- comprehensive online resources to support and promote understanding of local government legislation
- capacity building for departmental staff to improve and maintain understanding of local government
- in preparation for the quadrennial local government elections to be held in March 2016, develop and deliver:
  - statewide information seminars for intending candidates
  - 'Councillor Induction Programs' to assist newly-elected councillors to understand their roles and responsibilities, statutory obligations and public interest disclosure requirements under local government legislation



- develop and deliver programs to assist Indigenous local governments identify rateable land and implement a rating regime from 1 July 2016, and practice good governance and financial and asset management
- develop and deliver training to local governments and other stakeholders, in accordance with their statutory obligations, on dealing efficiently and effectively with complaints about the conduct of councillors
- deliver best-practice governance training for individual councils or regional groupings of councils, targeting rural and remote councils
- broker and sponsor statewide delivery of the Local Government Association of Queensland's nationally-accredited Diploma of Local Government Administration program to local government employees and councillors in metropolitan, regional and remote locations.

| Department of Infrastructure, Local Government and Planning                                                                                                                                                         | Notes | 2014-15 Target/Est. | 2014-15 Est. Actual | 2015-16 Target/Est. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|---------------------|---------------------|
| <b>Service area: Capacity Building</b>                                                                                                                                                                              | 1     |                     |                     |                     |
| <b>Service standards</b><br><i>Effectiveness measure</i><br>Extent to which capacity building training programs and initiatives increase participant's understanding of local government roles and responsibilities | 2     | New measure         | New measure         | 75%                 |
| <i>Efficiency measure</i><br>Cost of capacity building per local government                                                                                                                                         | 3     | New measure         | New measure         | \$13,800            |

Notes:

1. Capacity building is a new service area for the 2015-16 Service Delivery Statement.
2. This new service standard improves on the discontinued measure 'percentage of scheduled capacity building activities and training programs undertaken by the department completed within agreed timeframes and budget' by measuring the effectiveness of the service, rather than how the service is delivered. It is based on participant evaluation across all capacity building programs delivered to councillors or council staff members in the financial year.
3. This new service standard measures the total cost (capital and labour) of developing resources and publications and delivering training programs that focus on building the capacity of councils to undertake their roles and responsibilities averaged across the 77 local governments.

## Community Recovery and Resilience

### Service area objective

To build community preparedness and resilience for natural disasters and emergency events.

### Service area description

Through the Disaster Resilience Program, the Community Recovery and Resilience team has responsibility for leading the development and delivery of initiatives to enhance the State's level of disaster resilience and to position Queensland as the most disaster resilient state in Australia.

The Community Recovery and Resilience service area provides:

- governance frameworks to oversee and coordinate recovery and resilience activities undertaken by government agencies
- regular reporting to Government and the community on recovery and resilience activities and achievements
- a coordinated approach to working in partnership with communities to build community resilience through the Get Ready Queensland program.

### 2015-16 service area highlights

Community Recovery and Resilience service area highlights for 2015-16 include:

- ongoing implementation and management of the Queensland Strategy for Disaster Resilience
- management of governance frameworks and development of State disaster recovery plans to oversee and coordinate recovery and resilience activities undertaken by Queensland Government agencies
- management of the State Resilience Activities Register
- management of sponsorship arrangements, event coordination and program delivery of the RACQ Get Ready Queensland program
- management of the two year trial program with the not-for-profit organisation, GIVIT, to register and match donations with community need after a disaster event.

| Department of Infrastructure, Local Government and Planning                                                                          | Notes | 2014-15 Target/Est. | 2014-15 Est. Actual | 2015-16 Target/Est. |
|--------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|---------------------|---------------------|
| <b>Service area: Community Recovery and Resilience</b>                                                                               |       |                     |                     |                     |
| <b>Service standards</b>                                                                                                             |       |                     |                     |                     |
| <i>Effectiveness measures</i>                                                                                                        | 1     |                     |                     |                     |
| <i>Efficiency measure</i><br>Cost per Queenslander of the department's Get Ready Queensland Community Resilience program initiatives | 2     | New measure         | New measure         | <\$0.75             |

Notes:

1. An effectiveness measure is being developed for this service area and will be included in a future Service Delivery Statement.
2. Cost includes human resources costs and expenditure on advertising, events, merchandise, surveys, website less income from sponsorship monies.

## Governance and Statutory Services

### Service area objective

To provide a legislative and regulatory framework that supports the strategic direction of the department.

### Service area description

This service area ensures that portfolio legislation supports the department's strategic direction and is streamlined, effective and reduces unnecessary red tape. It includes delivery of governance and statutory services related to portfolio legislation, including the provision of legal advice, policy development and coordination and legislation services.

### 2015-16 service area highlights

- Review and maintain the regulatory framework to support the local government system in Queensland.
- Strategic policy coordination across Queensland Government portfolios.

| Department of Infrastructure, Local Government and Planning                                                                                                                                                                                                            | Notes | 2014-15 Target/Est. | 2014-15 Est. Actual | 2015-16 Target/Est. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|---------------------|---------------------|
| <b>Service area: Governance and Statutory Services</b>                                                                                                                                                                                                                 | 1     |                     |                     |                     |
| <b>Service standards</b><br><i>Effectiveness measures</i><br>Level of satisfaction of local governments (Mayors and CEOs) that the regulatory framework gives them the authority and capacity to manage their interests, to be financially sustainable and accountable | 2     | New measure         | New measure         | 85%                 |
| Level of satisfaction of local governments (Mayors and CEOs) with the timeliness, effectiveness and consistency of advice and services provided by the department                                                                                                      | 3     | New measure         | New measure         | 85%                 |
| <i>Efficiency measure</i><br>Average cost of administering and managing the councillor conduct complaints process per local government                                                                                                                                 | 4     | New measure         | New measure         | \$12,000            |

Notes:

1. Governance and statutory services is a new service area for the 2015-16 Service Delivery Statement.
2. This new service standard is based on the percentage of Mayors and CEOs indicating in the annual customer satisfaction survey that they agree or strongly agree that their council has the authority and autonomy necessary to do its job.
3. This new service standard improves on the discontinued measure 'percentage of Local Governments satisfied with advice and services provided by the department' by aggregating the level of satisfaction of Mayors and CEOs with the timeliness, effectiveness and consistency of departmental advice and services to produce an overall satisfaction result.
4. Administration and management costs are labour full time equivalent (FTE) costs (including on-cost). The total cost is averaged across the 77 local governments.

## Local Government and Community Funding

### Service area objective

To efficiently administer funding programs in accordance with budget forecasts and within agreed timeframes.

### Service area description

This service area includes administration of the Local Government Grants and Subsidies Program, grants to Indigenous Councils and community based grants. The funding assists councils in their provision of community infrastructure including infrastructure to make towns more resilient to disaster. The department also provides funding to support councils in providing local government services.

### 2015-16 service area highlights

- Administer the Local Government Grants and Subsidies Program with an allocation of \$36.1 million in 2015-16 to support councils to generate local economic activity and job creation.
- Develop and administer the \$40 million Community Resilience Fund in accordance with the Queensland Government's election commitment to build resilient infrastructure.
- Administer a \$40 million special assistance package following Tropical Cyclone Marcia for iconic projects in Rockhampton and Livingstone shires.

| Department of Infrastructure, Local Government and Planning                                                                                                 | Notes | 2014-15 Target/Est. | 2014-15 Est. Actual | 2015-16 Target/Est. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|---------------------|---------------------|
| <b>Service area: Local Government and Community Funding</b>                                                                                                 | 1     |                     |                     |                     |
| <b>Service standards</b><br><i>Effectiveness measure</i><br>Percentage of funded projects administered according to agreed timeframes and budget allocation | 2     | New measure         | New measure         | 90%                 |
| <i>Efficiency measure</i><br>Administration costs as a percentage of all funding distributed                                                                | 3     | New measure         | New measure         | 0.75%               |

Notes:

1. Local Government and Community Funding is a new service area for the 2015-16 Service Delivery Statement.
2. The new funding service standard combines the previous two funding standards and broadens the dimension of service output measured through inclusion of budget. The target has not changed. This service standard was reported in the 2014-15 SDS under the service area 'Community Recovery and Resilience'.
3. Administration costs are labour (FTE) costs (including on-cost).

## Better Planning for Queensland

### Service area objective

To reform, streamline and simplify Queensland's planning and development assessment system.

### Service area description

This service area is creating a better planning and development assessment framework through:

- supporting better strategic planning and high quality development outcomes
- ensuring effective public participation and engagement in the planning framework
- creating an open, transparent and accountable planning system that delivers investment and community confidence
- creating legislation that has a practical structure and clearly expresses how land use planning and development assessment will be done in Queensland
- supporting local governments to adapt to and adopt the changes.

### 2015-16 service area highlights

- Introduce a new planning legislative framework to provide for improved plan making arrangements, more streamlined development assessment processes, more timely dispute resolution and a much more positive culture in planning practice.
- Release a suite of supporting documentation to help practitioners and the community understand how reform will translate into improved plan making and development assessment practices.
- Deliver a user-friendly electronic preparation and lodgement system to support the development application and assessment process aligned to the new legislative framework.
- Release a draft of the South East Queensland Regional Plan for public consultation.
- Work in partnership with traditional owners to complete a planning, delivery and funding strategy for delivering basic infrastructure facilities to the One Mile community on North Stradbroke Island.
- Progress red tape reduction initiatives as prioritised by the Construction, Planning and Red Tape Reduction Panel.
- Deliver State Assessment and Referral Agency development assessment services, including the provision of timely and reasonable decisions.
- Amend the State Planning Policy to ensure Government policies on land use planning and development issues are clearly expressed and provide certainty to local government and industry.

| Department of Infrastructure, Local Government and Planning                                                                      | Notes | 2014-15 Target/Est. | 2014-15 Est. Actual | 2015-16 Target/Est. |
|----------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|---------------------|---------------------|
| <b>Service area: Better Planning for Queensland</b>                                                                              | 1     |                     |                     |                     |
| <b>Service standards</b>                                                                                                         |       |                     |                     |                     |
| <i>Effectiveness measures</i>                                                                                                    |       |                     |                     |                     |
| Percentage of total decisions or referral responses where the state is the Assessment Manager or Concurrence Agency are appealed | 2     | <2%                 | 0.4%                | <2%                 |
| Percentage of total referral responses or decision notices issued that do not require an additional information request          | 2     | 70%                 | 81%                 | 70%                 |
| <i>Efficiency measure</i>                                                                                                        | 3     |                     |                     |                     |

Notes:

1. This service area was transferred from the former Department of State Development, Infrastructure and Planning following machinery-of-government changes and renamed from 'Reforming Queensland's Planning System' to 'Better Planning for Queensland'.
2. This service standard was transferred from the former Department of State Development, Infrastructure and Planning following machinery-of-government changes. It was reported in the 2014-15 SDS under the service area Reforming Queensland's Planning System.
3. An efficiency measure is being developed for this service and will be included in a future Service Delivery Statement.

## Leading Infrastructure Policy, Planning, and Assessment for Queensland

### Service area objective

To effectively and efficiently deliver high quality infrastructure policy, planning, prioritisation and assessment activities to enable a return on investment and unlock economic growth and social potential.

### Service area description

This service area will lead the Government's efforts in developing and coordinating policy, planning, prioritisation and assessment of infrastructure activities. This involves the coordination of infrastructure policy activities including inputs to national infrastructure agendas, whole of state infrastructure planning, and undertaking rigorous cost benefit analyses and prioritisation of major infrastructure projects. Infrastructure will be prioritised on the basis that it will provide a clear economic or service delivery benefit and will deliver the best possible value for money to Queenslanders on infrastructure investment.

### 2015-16 service area highlights

- Establish Building Queensland, including finalising enabling legislation, appointing its inaugural Board and resourcing it sufficiently to meet its objectives.
- Develop and deliver a State infrastructure plan, including consultation with key stakeholders.
- Coordinate Queensland input into national infrastructure forums and initiatives.
- Deliver Building Queensland's review of initial infrastructure projects to Government.

| Department of Infrastructure, Local Government and Planning                         | Notes   | 2014-15 Target/Est. | 2014-15 Est. Actual | 2015-16 Target/Est. |
|-------------------------------------------------------------------------------------|---------|---------------------|---------------------|---------------------|
| Service area: Leading Infrastructure Policy, Planning and Assessment for Queensland | 1, 2, 3 |                     |                     |                     |

Notes:

1. The Leading Infrastructure Policy, Planning and Assessment for Queensland service area was previously named 'Leading Infrastructure Policy and Planning for the State' and was reported on in the Department of State Development Infrastructure and Planning 2014-15 SDS. Following the machinery-of-government changes effective 1 March 2015, this service area was transferred to the Department of Infrastructure, Local Government and Planning. The two measures reported under this service area in the 2014-15 SDS will be reported on in the Department of State Development's SDS under the Driving Business Development, Economic Growth and Job Creation service area.
2. Service standards for the Leading Infrastructure Policy, Planning and Assessment for Queensland service area will be developed and included in the 2016-17 Service Delivery Statement.
3. Building Queensland was established administratively within the department on 20 April 2015 and, in accordance with the Queensland Government's commitment to establish Building Queensland as an independent statutory body, the *Building Queensland Bill 2015* is being progressed through Parliament. This will enable Building Queensland to be established as an independent statutory body from December 2015. Once established as an independent statutory body, Building Queensland will develop service standards with input from the Building Queensland Board. It is expected that Building Queensland will be included in the 2016-17 SDS as an independent statutory body.

## Administered items

Administered activities are those undertaken by departments on behalf of the Queensland Government.

The Department of Infrastructure, Local Government and Planning administers funds for other State agencies including the Queensland Reconstruction Authority, Trade and Investment Queensland and South Bank Corporation.

In addition, the department administers Commonwealth funds on behalf of the State which include:

- Australian Government Financial Assistance Grants: Under the *Local Government (Financial Assistance) Act 1995* the Australian Government provides grant funding to support Queensland councils in delivering services to their communities. In 2014-15, \$453.1 million was made available to local governments as untied funding.
- Australian Government National Insurance Affordability Initiative: Ipswich and Roma – the Australian Government is contributing \$17 million over two years to build the Roma flood levee (\$7 million) and to upgrade flood defences in Ipswich (\$10 million).

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

## Discontinued measures

Performance measures included in the 2014-15 Service Delivery Statements that have been discontinued or replaced are reported in the following table with estimated actual results. For those measures which are being discontinued from the Service Delivery Statement because they do not demonstrate the effectiveness or efficiency of services, please refer to the Notes below for further information about where these measures will continue to be reported.

| Department of Infrastructure, Local Government and Planning                                                                                           | Notes | 2014-15 Target/Est. | 2014-15 Est. Actual | 2015-16 Target/Est.  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|---------------------|----------------------|
| <b>Service area: Capacity Building</b>                                                                                                                |       |                     |                     |                      |
| Percentage of scheduled capacity building activities and training programs undertaken by the department completed within agreed timeframes and budget | 1,2   | 85%                 | 100%                | Discontinued measure |
| <b>Service area: Governance and Statutory Services</b>                                                                                                |       |                     |                     |                      |
| Percentage of Local Governments satisfied with advice and services provided by the department                                                         | 1,3   | 85%                 | 83%                 | Discontinued measure |
| <b>Service area: Local Government and Community Funding</b>                                                                                           |       |                     |                     |                      |
| Percentage of Local Government Grants and Subsidies (Infrastructure) Program Funding agreements managed according to agreed timeframes                | 1,4   | 90%                 | 100%                | Discontinued measure |
| Percentage of Local Government Grants and Subsidies (Flood) Program Funding agreements managed according to agreed timeframes                         | 4,5   | 90%                 | 100%                | Discontinued measure |
| <b>Service area: Better Planning for Queensland</b>                                                                                                   |       |                     |                     |                      |
| Percentage of stakeholders indicating they are satisfied with Queensland's simplified planning system                                                 | 6     | 90%                 | N/A                 | Discontinued measure |

### Notes:

1. This service standard was reported in the 2014-15 SDS under the Local Government service area.
2. The service standard has been discontinued as it measured how the service was delivered rather than the effectiveness of the service. This measure has been replaced by a new effectiveness measure, 'extent to which capacity building training programs and initiatives increase participant's understanding of local government roles and responsibilities'.
3. The service standard has been discontinued and replaced by two new effectiveness measures – 'level of satisfaction of local governments (Mayors and CEOs) that the regulatory framework gives them the authority and capacity to manage their interests, to be financially sustainable and accountable' and 'level of satisfaction of local governments (Mayors and CEOs) with the timeliness, effectiveness and consistency of advice and services provided by the department'.
4. The service standard has been discontinued as timeliness is only one dimension of measuring service output effectiveness. This measure has been replaced by a new effectiveness measure 'percentage of funded projects administered according to agreed timeframes and budget allocation' and a new efficiency measure 'administration costs as a percentage of all funding distributed'.
5. This service standard was reported in the 2014-15 SDS under the Community Recovery and Resilience service area.
6. This service standard was reported under the Reforming Queensland's Planning System service area in the former Department of State Development Infrastructure and Planning's 2014-15 SDS. This measure was transferred to Department of Infrastructure, Local Government and Planning (DILGP) following the machinery-of-government changes. This service standard is being deleted in 2015-16 as this satisfaction measure primarily relates to stakeholder views about changes to processes, not the effectiveness or efficiency of the service. At the time of print a stakeholder survey had not been undertaken due to the state election and subsequent machinery-of-government changes. This information will be reported through other mechanisms, including the contextual sections of the SDS and the Annual Report.



# Departmental budget summary

The table below shows the total resources available in 2015-16 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

| Department of Infrastructure, Local Government and Planning           | 2014-15<br>Adjusted Budget<br>\$'000 | 2014-15<br>Est. Actual<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-----------------------------------------------------------------------|--------------------------------------|----------------------------------|-----------------------------|
| <b>CONTROLLED</b>                                                     |                                      |                                  |                             |
| <b>Income</b>                                                         |                                      |                                  |                             |
| Appropriation revenue <sup>1</sup>                                    |                                      |                                  |                             |
| Deferred from previous year/s                                         | 66,204                               | 46,413                           | 83,487                      |
| Balance of service appropriation                                      | 125,491                              | 124,019                          | 219,350                     |
| Other revenue                                                         | 1,112                                | 9,847                            | 4,740                       |
| <b>Total income</b>                                                   | 192,807                              | 180,279                          | 307,577                     |
| <b>Expenses</b>                                                       |                                      |                                  |                             |
| Capacity Building                                                     | 5,780                                | 4,818                            | 5,213                       |
| Community Recovery and Resilience                                     | 1,916                                | 3,313                            | 3,628                       |
| Governance and Statutory Services                                     | 6,875                                | 5,911                            | 7,979                       |
| Local Government and Community Funding                                | 193,091                              | 166,066                          | 229,916                     |
| Better Planning for Queensland                                        | 13,836                               | 15,604                           | 60,179                      |
| Leading Infrastructure Policy, Planning and Assessment for Queensland | 1,882                                | 1,129                            | 11,435                      |
| <b>Total expenses</b>                                                 | 223,380                              | 196,841                          | 318,350                     |
| <b>Operating surplus/deficit</b>                                      | (30,573)                             | (16,562)                         | (10,773)                    |
| <b>Net assets</b>                                                     | 84,322                               | 84,973                           | 79,817                      |
| <b>ADMINISTERED</b>                                                   |                                      |                                  |                             |
| <b>Revenue</b>                                                        |                                      |                                  |                             |
| Commonwealth revenue                                                  | 453,600                              | 458,161                          | 462,480                     |
| Appropriation revenue                                                 | 2,305,584                            | 1,474,442                        | 1,151,569                   |
| Other administered revenue                                            | 4,045                                | 4,522                            | 10,695                      |
| <b>Total revenue</b>                                                  | 2,763,229                            | 1,937,125                        | 1,624,744                   |
| <b>Expenses</b>                                                       |                                      |                                  |                             |
| Transfers to government                                               | 454,645                              | 457,650                          | 461,195                     |
| Administered expenses                                                 | 2,308,584                            | 1,479,475                        | 1,163,549                   |
| <b>Total expenses</b>                                                 | 2,763,229                            | 1,937,125                        | 1,624,744                   |
| <b>Net assets</b>                                                     | ..                                   | 93                               | 93                          |

Note:

1. Includes State and Commonwealth funding.

## Service area sources of revenue

| Sources of revenue<br>2015-16 Budget <sup>1</sup>                        |                      |                                 |                                       |                               |                            |
|--------------------------------------------------------------------------|----------------------|---------------------------------|---------------------------------------|-------------------------------|----------------------------|
| Service area                                                             | Total cost<br>\$'000 | State<br>contribution<br>\$'000 | User<br>charges<br>and fees<br>\$'000 | C'wealth<br>revenue<br>\$'000 | Other<br>revenue<br>\$'000 |
| Capacity Building                                                        | 5,213                | 5,044                           | 150                                   | 19                            | ..                         |
| Community Recovery and Resilience                                        | 3,628                | 3,295                           | ..                                    | ..                            | 333                        |
| Governance and Statutory Services                                        | 7,979                | 7,699                           | 280                                   | ..                            | ..                         |
| Local Government and Community<br>Funding                                | 229,916              | 206,155                         | ..                                    | 12,535                        | 454                        |
| Better Planning for Queensland                                           | 60,179               | 56,656                          | 3,023                                 | ..                            | 500                        |
| Leading Infrastructure Policy, Planning<br>and Assessment for Queensland | 11,435               | 11,435                          | ..                                    | ..                            | ..                         |
| <b>Total</b>                                                             | <b>318,350</b>       | <b>290,284</b>                  | <b>3,453</b>                          | <b>12,554</b>                 | <b>1,287</b>               |

Note:

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

## Budget measures summary

This table shows a summary of budget measures relating to the department since the 2014-15 State Budget. Further details are contained in *Budget Paper 4*.

| Department name                 | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 | 2018-19<br>\$'000 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue measures</b>         |                   |                   |                   |                   |                   |
| Up to and including 2014-15 MYR |                   |                   |                   |                   |                   |
| Administered                    | ..                | ..                | ..                | ..                | ..                |
| Departmental                    | ..                | ..                | ..                | ..                | ..                |
| 2015-16 Budget                  |                   |                   |                   |                   |                   |
| Administered                    | ..                | ..                | ..                | ..                | ..                |
| Departmental                    | ..                | ..                | ..                | ..                | ..                |
| <b>Total revenue measures</b>   |                   |                   |                   |                   |                   |
| <b>Administered</b>             | ..                | ..                | ..                | ..                | ..                |
| <b>Departmental</b>             | ..                | ..                | ..                | ..                | ..                |
| <b>Expense measures</b>         |                   |                   |                   |                   |                   |
| Up to and including 2014-15 MYR |                   |                   |                   |                   |                   |
| Administered                    | ..                | 25,000            | ..                | ..                | ..                |
| Departmental                    | ..                | 1,700             | ..                | ..                | ..                |
| 2015-16 Budget                  |                   |                   |                   |                   |                   |
| Administered                    | ..                | 6,617             | 32,113            | 32,834            | 33,494            |
| Departmental                    | 2,119             | 87,852            | 39,124            | 8,090             | 7,367             |
| <b>Total expense measures</b>   |                   |                   |                   |                   |                   |
| <b>Administered</b>             | ..                | <b>31,617</b>     | <b>32,113</b>     | <b>32,834</b>     | <b>33,494</b>     |
| <b>Departmental</b>             | <b>2,119</b>      | <b>89,552</b>     | <b>39,124</b>     | <b>8,090</b>      | <b>7,367</b>      |
| <b>Capital measures</b>         |                   |                   |                   |                   |                   |
| Up to and including 2014-15 MYR |                   |                   |                   |                   |                   |
| Administered                    | ..                | ..                | ..                | ..                | ..                |
| Departmental                    | 100,000           | ..                | ..                | ..                | ..                |
| 2015-16 Budget                  |                   |                   |                   |                   |                   |
| Administered                    | ..                | ..                | ..                | ..                | ..                |
| Departmental                    | (59,350)          | 20,000            | 20,000            | 19,350            | ..                |
| <b>Total capital measures</b>   |                   |                   |                   |                   |                   |
| <b>Administered</b>             | ..                | ..                | ..                | ..                | ..                |
| <b>Departmental</b>             | <b>40,650</b>     | <b>20,000</b>     | <b>20,000</b>     | <b>19,350</b>     | <b>..</b>         |

## Departmental capital program

This section is to complement Budget Paper 3: the Capital Statement, by providing further information about the major projects being undertaken by a department.

The department's capital program primarily relates to capital works undertaken under the Indigenous State Infrastructure Program (ISIP). The ISIP provides funding for water supply, sewerage, drainage, solid waste, town roads and serviced land in Queensland's Indigenous councils. These capital works projects improve environmental health conditions for people living in major communities in Indigenous council areas by providing safe and secure drinking water, safe sewerage systems, safe solid waste disposal arrangements, reductions in vector environments (such as mosquitoes) and dust reduction through sealed roads.

The total estimated capital expenditure program for ISIP is \$63 million, including \$7.1 million in 2015-16.

ISIP also supports the Council of Australian Governments National Partnership Agreement on Remote Indigenous Housing by providing serviced lots and supporting infrastructure needed for additional housing in these communities. Under this initiative, communities will have access to adequate and appropriate services in order to improve the health, safety and economic outcomes of Indigenous people.

## Capital budget

| Department of Infrastructure, Local Government and Planning | Notes | 2014-15 Adjusted Budget \$'000 | 2014-15 Est. Actual \$'000 | 2015-16 Budget \$'000 |
|-------------------------------------------------------------|-------|--------------------------------|----------------------------|-----------------------|
| <b>Capital purchases</b>                                    | 1     |                                |                            |                       |
| Total land, buildings and infrastructure                    | 2     | 8,427                          | 1,765                      | 7,090                 |
| Total plant and equipment                                   |       | 41                             | 41                         | 102                   |
| Total other capital                                         |       | ..                             | ..                         | ..                    |
| <b>Total capital purchases</b>                              |       | 8,468                          | 1,806                      | 7,192                 |

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. The decrease in 2014-15 Estimated Actual compared to 2014-15 Adjusted Budget primarily relates to the deferral of funds to 2015-16 for ISIP.

## Staffing<sup>1,2</sup>

| Service areas                                                         | Notes | 2014-15<br>Adjusted<br>Budget <sup>3</sup> | 2014-15<br>Est. Actual | 2015-16 Budget |
|-----------------------------------------------------------------------|-------|--------------------------------------------|------------------------|----------------|
| Capacity Building                                                     |       | 30                                         | 30                     | 28             |
| Community Recovery and Resilience                                     |       | 5                                          | 5                      | 5              |
| Governance and Statutory Services                                     |       | 46                                         | 50                     | 48             |
| Local Government and Community Funding                                |       | 59                                         | 58                     | 54             |
| Better Planning for Queensland                                        | 4     | 171                                        | 177                    | 228            |
| Leading Infrastructure Policy, Planning and Assessment for Queensland | 5     | 19                                         | 26                     | 49             |
| <b>TOTAL</b>                                                          |       | 330                                        | 346                    | 412            |

Notes:

1. FTEs as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The 2014-15 Adjusted Budget includes 209 FTEs that were transferred from the Department of State Development as part of the transfer of Planning and Infrastructure functions to the department on 1 March 2015.
4. The increase in 2015-16 Budget reflects that the Government has provided increased funding to the department to deliver a better planning system.
5. The increase in 2015-16 Budget reflects that Building Queensland has been established to provide independent, expert advice on infrastructure priorities.

# Budgeted financial statements

## Analysis of budgeted financial statements

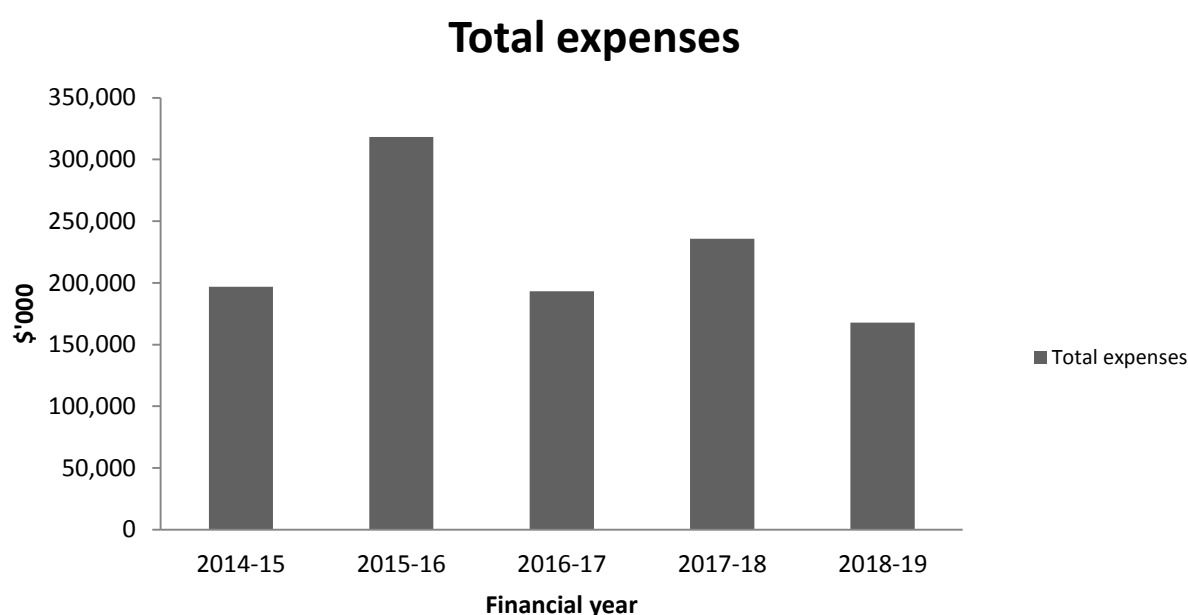
An analysis of the department's budgeted financial statements, as reflected in the department's financial statements, is provided below.

### Departmental income statement

Total expenses are estimated to be \$318.4 million in 2015-16, an increase of \$121.5 million from the 2014-15 financial year. The increase is mainly due to increased expenditure for the Commonwealth Games Athletes Village, the Royalties for the Regions program and the Torres Strait Major Infrastructure program, as well as additional funding to deliver a better planning system for Queensland. Additional funding to establish Building Queensland and the establishment of the Community Resilience Fund, as well as the machinery-of-government changes effective 1 March 2015 have also contributed to this variance. This is partially offset by decreased expenditure under the Natural Disaster Resilience Program and the completion of the Indigenous Environmental Health Infrastructure program.

The forecast deficit for the department 2015-16 is \$10.8 million. This is primarily due to the transfer of infrastructure assets to Indigenous local councils for no consideration under the Indigenous State Infrastructure Program.

**Chart: Total departmental expenses across the Forward Estimates period**



The decrease in total departmental expenses after 2015-16 is a result of the completion of the Local Government Grants and Subsidies Program for 2014-15 and 2015-16 and the Royalties for the Regions program for 2014-15 and 2015-16, and the Community Resilience Fund and the Indigenous State Infrastructure Program ending in 2015-16.

### Departmental balance sheet

The department's major assets are in property, plant and equipment (\$44 million) and loans and advances (\$5.8 million). Plant and equipment is expected to decrease over the forward estimates period as construction of infrastructure assets are completed and transferred to Indigenous local councils in the Far North Queensland region. In addition, loans and advances are expected to decrease as they are repaid by local governments.

# Controlled income statement

| Department of Infrastructure, Local Government and Planning | Notes   | 2014-15<br>Adjusted<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|---------|-----------------------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                                               |         |                                         |                                |                             |
| Appropriation revenue                                       | 1,6,12  | 191,695                                 | 170,432                        | 302,837                     |
| Taxes                                                       |         | ..                                      | ..                             | ..                          |
| User charges and fees                                       | 2,7     | 430                                     | 3,716                          | 3,453                       |
| Royalties and land rents                                    |         | ..                                      | ..                             | ..                          |
| Grants and other contributions                              | 3,8,13  | 188                                     | 5,637                          | 833                         |
| Interest                                                    |         | 494                                     | 494                            | 454                         |
| Other revenue                                               |         | ..                                      | ..                             | ..                          |
| Gains on sale/revaluation of assets                         |         | ..                                      | ..                             | ..                          |
| <b>Total income</b>                                         |         | <b>192,807</b>                          | <b>180,279</b>                 | <b>307,577</b>              |
| <b>EXPENSES</b>                                             |         |                                         |                                |                             |
| Employee expenses                                           | 9,14    | 20,194                                  | 20,573                         | 46,300                      |
| Supplies and services                                       | 4,10,15 | 20,786                                  | 18,962                         | 50,942                      |
| Grants and subsidies                                        | 5,11,16 | 181,843                                 | 156,782                        | 220,365                     |
| Depreciation and amortisation                               |         | 203                                     | 164                            | 472                         |
| Finance/borrowing costs                                     |         | ..                                      | ..                             | ..                          |
| Other expenses                                              |         | 354                                     | 360                            | 271                         |
| Losses on sale/revaluation of assets                        |         | ..                                      | ..                             | ..                          |
| <b>Total expenses</b>                                       |         | <b>223,380</b>                          | <b>196,841</b>                 | <b>318,350</b>              |
| <b>OPERATING SURPLUS/(DEFICIT)</b>                          |         | <b>(30,573)</b>                         | <b>(16,562)</b>                | <b>(10,773)</b>             |

# Controlled balance sheet

| Department of Infrastructure, Local Government and Planning | Notes    | 2014-15<br>Adjusted<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|-----------------------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                                       |          |                                         |                                |                             |
| Cash assets                                                 | 17,20,25 | 14,385                                  | 28,927                         | 25,340                      |
| Receivables                                                 |          | 5,186                                   | 4,707                          | 4,707                       |
| Other financial assets                                      |          | ..                                      | ..                             | ..                          |
| Inventories                                                 |          | ..                                      | ..                             | ..                          |
| Other                                                       |          | 16                                      | 16                             | 16                          |
| Non financial assets held for sale                          |          | ..                                      | ..                             | ..                          |
| <b>Total current assets</b>                                 |          | <b>19,587</b>                           | <b>33,650</b>                  | <b>30,063</b>               |
| <b>NON-CURRENT ASSETS</b>                                   |          |                                         |                                |                             |
| Receivables                                                 | 21,26    | 26,007                                  | 26,007                         | 25,358                      |
| Other financial assets                                      |          | ..                                      | ..                             | ..                          |
| Property, plant and equipment                               | 22,27    | 45,036                                  | 44,602                         | 43,909                      |
| Intangibles                                                 |          | 2,161                                   | 2,005                          | 1,686                       |
| Other                                                       |          | ..                                      | ..                             | ..                          |
| <b>Total non-current assets</b>                             |          | <b>73,204</b>                           | <b>72,614</b>                  | <b>70,953</b>               |
| <b>TOTAL ASSETS</b>                                         |          | <b>92,791</b>                           | <b>106,264</b>                 | <b>101,016</b>              |
| <b>CURRENT LIABILITIES</b>                                  |          |                                         |                                |                             |
| Payables                                                    | 18,23    | 6,581                                   | 19,481                         | 19,389                      |
| Accrued employee benefits                                   |          | 1,888                                   | 1,810                          | 1,810                       |
| Interest bearing liabilities and derivatives                |          | ..                                      | ..                             | ..                          |
| Provisions                                                  |          | ..                                      | ..                             | ..                          |
| Other                                                       |          | ..                                      | ..                             | ..                          |
| <b>Total current liabilities</b>                            |          | <b>8,469</b>                            | <b>21,291</b>                  | <b>21,199</b>               |
| <b>NON-CURRENT LIABILITIES</b>                              |          |                                         |                                |                             |
| Payables                                                    |          | ..                                      | ..                             | ..                          |
| Accrued employee benefits                                   |          | ..                                      | ..                             | ..                          |
| Interest bearing liabilities and derivatives                |          | ..                                      | ..                             | ..                          |
| Provisions                                                  |          | ..                                      | ..                             | ..                          |
| Other                                                       |          | ..                                      | ..                             | ..                          |
| <b>Total non-current liabilities</b>                        |          | <b>..</b>                               | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                                    |          | <b>8,469</b>                            | <b>21,291</b>                  | <b>21,199</b>               |
| <b>NET ASSETS/(LIABILITIES)</b>                             |          | <b>84,322</b>                           | <b>84,973</b>                  | <b>79,817</b>               |
| <b>EQUITY</b>                                               |          |                                         |                                |                             |
| <b>TOTAL EQUITY</b>                                         | 19,24,28 | <b>84,322</b>                           | <b>84,973</b>                  | <b>79,817</b>               |



# Controlled cash flow statement

| Department of Infrastructure, Local Government and Planning | Notes    | 2014-15<br>Adjusted<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|-----------------------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                                         |                                |                             |
| <b>Inflows:</b>                                             |          |                                         |                                |                             |
| Appropriation receipts                                      | 29,38,47 | 191,695                                 | 176,174                        | 302,837                     |
| User charges and fees                                       | 30,39,48 | 430                                     | (1,071)                        | 3,453                       |
| Royalties and land rent receipts                            |          | ..                                      | ..                             | ..                          |
| Grants and other contributions                              | 31,40,49 | 188                                     | 5,637                          | 833                         |
| Interest received                                           |          | ..                                      | ..                             | ..                          |
| Taxes                                                       |          | ..                                      | ..                             | ..                          |
| Other                                                       |          | ..                                      | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                                         |                                |                             |
| Employee costs                                              | 41,50    | (20,194)                                | (20,573)                       | (46,300)                    |
| Supplies and services                                       | 32,42,51 | (20,786)                                | (18,962)                       | (50,942)                    |
| Grants and subsidies                                        | 33,43,52 | (154,495)                               | (144,317)                      | (212,633)                   |
| Borrowing costs                                             |          | ..                                      | ..                             | ..                          |
| Other                                                       |          | (354)                                   | (360)                          | (271)                       |
| <b>Net cash provided by or used in operating activities</b> |          | <b>(3,516)</b>                          | <b>(3,472)</b>                 | <b>(3,023)</b>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                                         |                                |                             |
| <b>Inflows:</b>                                             |          |                                         |                                |                             |
| Sales of non financial assets                               |          | ..                                      | ..                             | ..                          |
| Investments redeemed                                        |          | ..                                      | ..                             | ..                          |
| Loans and advances redeemed                                 |          | 1,103                                   | 1,103                          | 1,103                       |
| <b>Outflows:</b>                                            |          |                                         |                                |                             |
| Payments for non financial assets                           | 34,44,53 | (8,690)                                 | (2,013)                        | (7,284)                     |
| Payments for investments                                    |          | ..                                      | ..                             | ..                          |
| Loans and advances made                                     |          | ..                                      | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(7,587)</b>                          | <b>(910)</b>                   | <b>(6,181)</b>              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                                         |                                |                             |
| <b>Inflows:</b>                                             |          |                                         |                                |                             |
| Borrowings                                                  |          | ..                                      | ..                             | ..                          |
| Equity injections                                           | 35,45,54 | 45,386                                  | 20,909                         | 38,023                      |
| <b>Outflows:</b>                                            |          |                                         |                                |                             |
| Borrowing redemptions                                       |          | ..                                      | (30)                           | ..                          |
| Finance lease payments                                      |          | ..                                      | ..                             | ..                          |
| Equity withdrawals                                          | 36,46,55 | (38,224)                                | (21,957)                       | (32,406)                    |
| <b>Net cash provided by or used in financing activities</b> |          | <b>7,162</b>                            | <b>(1,078)</b>                 | <b>5,617</b>                |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>(3,941)</b>                          | <b>(5,460)</b>                 | <b>(3,587)</b>              |
| <b>Cash at the beginning of financial year</b>              |          | <b>18,203</b>                           | <b>29,478</b>                  | <b>28,927</b>               |
| Cash transfers from restructure                             | 37,56    | 123                                     | 4,909                          | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>14,385</b>                           | <b>28,927</b>                  | <b>25,340</b>               |

# Administered income statement

| Department of Infrastructure, Local Government and Planning | Notes    | 2014-15<br>Adjusted<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|-----------------------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                                               |          |                                         |                                |                             |
| Appropriation revenue                                       | 57,62,67 | 2,305,584                               | 1,474,442                      | 1,151,569                   |
| Taxes                                                       |          | ..                                      | ..                             | ..                          |
| User charges and fees                                       |          | 444                                     | 334                            | 444                         |
| Royalties and land rents                                    |          | ..                                      | ..                             | ..                          |
| Grants and other contributions                              | 58,63,68 | 453,600                                 | 458,161                        | 462,480                     |
| Interest                                                    |          | ..                                      | ..                             | ..                          |
| Other revenue                                               | 59,64,69 | 3,601                                   | 4,188                          | 10,251                      |
| Gains on sale/revaluation of assets                         |          | ..                                      | ..                             | ..                          |
| <b>Total income</b>                                         |          | <b>2,763,229</b>                        | <b>1,937,125</b>               | <b>1,624,744</b>            |
| <b>EXPENSES</b>                                             |          |                                         |                                |                             |
| Employee expenses                                           |          | ..                                      | ..                             | ..                          |
| Supplies and services                                       |          | ..                                      | ..                             | ..                          |
| Grants and subsidies                                        | 60,65,70 | 2,308,584                               | 1,479,475                      | 1,163,549                   |
| Depreciation and amortisation                               |          | ..                                      | ..                             | ..                          |
| Finance/borrowing costs                                     |          | ..                                      | ..                             | ..                          |
| Other expenses                                              |          | ..                                      | ..                             | ..                          |
| Losses on sale/revaluation of assets                        |          | ..                                      | ..                             | ..                          |
| Transfers of Administered Revenue to Government             | 61,66,71 | 454,645                                 | 457,650                        | 461,195                     |
| <b>Total expenses</b>                                       |          | <b>2,763,229</b>                        | <b>1,937,125</b>               | <b>1,624,744</b>            |
| <b>OPERATING SURPLUS/(DEFICIT)</b>                          |          | <b>..</b>                               | <b>..</b>                      | <b>..</b>                   |

# Administered balance sheet

| Department of Infrastructure, Local Government and Planning | Notes | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                                       |       |                             |                                |                             |
| Cash assets                                                 |       | ..                          | 105                            | 105                         |
| Receivables                                                 |       | ..                          | 6                              | 6                           |
| Other financial assets                                      |       | ..                          | ..                             | ..                          |
| Inventories                                                 |       | ..                          | ..                             | ..                          |
| Other                                                       |       | ..                          | ..                             | ..                          |
| Non financial assets held for sale                          |       | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                                 |       | ..                          | <b>111</b>                     | <b>111</b>                  |
| <b>NON-CURRENT ASSETS</b>                                   |       |                             |                                |                             |
| Receivables                                                 |       | ..                          | ..                             | ..                          |
| Other financial assets                                      |       | ..                          | ..                             | ..                          |
| Property, plant and equipment                               |       | ..                          | 93                             | 93                          |
| Intangibles                                                 |       | ..                          | ..                             | ..                          |
| Other                                                       |       | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>                             |       | ..                          | <b>93</b>                      | <b>93</b>                   |
| <b>TOTAL ASSETS</b>                                         |       | ..                          | <b>204</b>                     | <b>204</b>                  |
| <b>CURRENT LIABILITIES</b>                                  |       |                             |                                |                             |
| Payables                                                    |       | ..                          | 111                            | 111                         |
| Transfers to Government payable                             |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                                   |       | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives                |       | ..                          | ..                             | ..                          |
| Provisions                                                  |       | ..                          | ..                             | ..                          |
| Other                                                       |       | ..                          | ..                             | ..                          |
| <b>Total current liabilities</b>                            |       | ..                          | <b>111</b>                     | <b>111</b>                  |
| <b>NON-CURRENT LIABILITIES</b>                              |       |                             |                                |                             |
| Payables                                                    |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                                   |       | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives                |       | ..                          | ..                             | ..                          |
| Provisions                                                  |       | ..                          | ..                             | ..                          |
| Other                                                       |       | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>                        |       | ..                          | ..                             | ..                          |
| <b>TOTAL LIABILITIES</b>                                    |       | ..                          | <b>111</b>                     | <b>111</b>                  |
| <b>NET ASSETS/(LIABILITIES)</b>                             |       | ..                          | <b>93</b>                      | <b>93</b>                   |
| <b>EQUITY</b>                                               |       |                             |                                |                             |
| <b>TOTAL EQUITY</b>                                         |       | ..                          | <b>93</b>                      | <b>93</b>                   |

# Administered cash flow statement

| Department of Infrastructure, Local Government and Planning | Notes    | 2014-15<br>Budget*<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|------------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                              |                                |                             |
| <b>Inflows:</b>                                             |          |                              |                                |                             |
| Appropriation receipts                                      | 72,77,82 | 2,305,584                    | 1,474,442                      | 1,151,569                   |
| User charges and fees                                       |          | 444                          | 2,236                          | 444                         |
| Royalties and land rent receipts                            |          | ..                           | ..                             | ..                          |
| Grants and other contributions                              | 73,78,83 | 453,600                      | 458,161                        | 462,480                     |
| Interest received                                           |          | ..                           | ..                             | ..                          |
| Taxes                                                       |          | ..                           | ..                             | ..                          |
| Other                                                       | 74,79,84 | 3,601                        | 4,188                          | 10,251                      |
| <b>Outflows:</b>                                            |          |                              |                                |                             |
| Employee costs                                              |          | ..                           | ..                             | ..                          |
| Supplies and services                                       |          | ..                           | ..                             | ..                          |
| Grants and subsidies                                        | 75,80,85 | (2,308,584)                  | (1,479,475)                    | (1,163,549)                 |
| Borrowing costs                                             |          | ..                           | ..                             | ..                          |
| Other                                                       |          | ..                           | ..                             | ..                          |
| Transfers to Government                                     | 76,81,86 | (454,645)                    | (457,650)                      | (461,195)                   |
| <b>Net cash provided by or used in operating activities</b> |          | ..                           | <b>1,902</b>                   | ..                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                              |                                |                             |
| <b>Inflows:</b>                                             |          |                              |                                |                             |
| Sales of non financial assets                               |          | ..                           | ..                             | ..                          |
| Investments redeemed                                        |          | ..                           | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                           | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                              |                                |                             |
| Payments for non financial assets                           |          | ..                           | ..                             | ..                          |
| Payments for investments                                    |          | ..                           | ..                             | ..                          |
| Loans and advances made                                     |          | ..                           | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | ..                           | ..                             | ..                          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                              |                                |                             |
| <b>Inflows:</b>                                             |          |                              |                                |                             |
| Borrowings                                                  |          | ..                           | ..                             | ..                          |
| Equity injections                                           |          | ..                           | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                              |                                |                             |
| Borrowing redemptions                                       |          | ..                           | ..                             | ..                          |
| Finance lease payments                                      |          | ..                           | ..                             | ..                          |
| Equity withdrawals                                          |          | ..                           | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | ..                           | ..                             | ..                          |
| <b>Net increase/(decrease) in cash held</b>                 |          | ..                           | <b>1,902</b>                   | ..                          |
| <b>Cash at the beginning of financial year</b>              |          | ..                           | ..                             | <b>105</b>                  |
| Cash transfers from restructure                             |          | ..                           | (1,797)                        | ..                          |
| <b>Cash at the end of financial year</b>                    |          | ..                           | <b>105</b>                     | <b>105</b>                  |

\*Technical adjustments have been made in this statement to reallocate amounts between categories and facilitate consistency across agencies.

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

1. The decrease is primarily due to the carry over of funding for the Royalties for the Regions, the Torres Strait Major Infrastructure program, Local Government Capacity Building programs and flood studies. This is partially offset by additional recurrent funding for the Commonwealth Games Athletes Village. The finalisation of a development agreement has resulted in a revised funding profile across the Forward Estimates.
2. The increase primarily relates to fees collected for development applications.
3. The increase principally relates to the contribution received for grants to local governments under the Indigenous Local Governments Sustainability program, and contributions received for flood studies.
4. The decrease is primarily due to the carry-over of funding to support projects such as Local Government Capacity Building programs and flood studies. This is partially offset by increased funding to deliver a better planning system for Queensland.
5. The decrease primarily relates to the transfers of infrastructure assets at nil value to Indigenous local councils under the Indigenous Environmental Health Infrastructure program (IEHIP) and the carry over of funding for the Torres Strait Major Infrastructure program, and the Royalties for the Regions program. This is partially offset by increased funding for the Commonwealth Games Athletes Village.

### Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

6. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund and for establishing Building Queensland; increased funding to deliver a better planning system for Queensland; for the Commonwealth Games Athletes Village; and for the Royalties for the Regions program; and the transfer of Planning and Infrastructure functions from the Department of State Development on 1 March 2015 (Machinery of Government changes on 1 March 2015). This is partially offset by decreased funding for the Natural Disaster Resilience Program (NDRP).
7. The increase primarily relates to fees collected for development applications.
8. The increase principally relates to contributions received for flood studies.
9. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
10. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
11. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund; and increased funding for the Commonwealth Games Athletes Village, and the Royalties for the Regions program. This is partially offset by decreased funding for NDRP and the completion of IEHIP.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

12. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund and for establishing Building Queensland; increased funding to deliver a better planning system for Queensland; for the Commonwealth Games Athletes Village, and for the Royalties for the Regions program; and the Machinery of Government changes on 1 March 2015. This is partially offset by decreased funding for the NDRP.
13. The decrease principally relates to the reduction in contribution received for grants to local governments under the Indigenous Local Governments Sustainability program.
14. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
15. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
16. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund; increased funding for the Commonwealth Games Athletes Village; the Royalties for the Regions program and the Torres Strait Major Infrastructure program. This is partially offset by decreased funding for NDRP and the completion of IEHIP.

## Balance sheet

### Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

17. The increase primarily reflects funds held for grants commitments at year end.
18. The increase primarily reflects the forecast for accrual of grants payments at year end.
19. The increase principally relates to a reduction in infrastructure assets transferred to Indigenous local councils under IEHIP at nil value. This is largely offset by a reduction in contributed equity for the purposes of constructing infrastructure assets under IEHIP.

### Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

20. The increase primarily reflects an increase in funds held for the payment of grants payable at year end. This is partially offset by the draw down of cash received in prior years from the Australian Government's joint funding programs.
21. The decrease primarily reflects loan repayments by local governments.
22. The variance is primarily due to recognition of depreciation of water assets.
23. The increase primarily reflects the forecast for accrual of grants payments at year end.
24. The decrease principally relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP and a reduction in contributed equity for construction of these assets.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

25. The decrease principally relates to the draw down of cash received in prior years from the Australian Government's joint funding programs.
26. The decrease primarily reflects loan repayments by local governments.
27. The decrease principally relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP.
28. The decrease primarily reflects the forecasted deficit for 2015-16 and is offset by an increase in contributed equity for the construction of infrastructure assets under IEHIP.

## Cash flow statement

### Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

29. The decrease is primarily due to the carry over of funding for the Royalties for the Regions; the Torres Strait Major Infrastructure program; Local Government Capacity Building programs and flood studies. This is partially offset by increased funding for the Commonwealth Games Athletes Village and appropriation received for a prior year.
30. The decrease is primarily due to the disbursement of fees collected for development applications to the relevant State Departments.
31. The increase principally relates to the contribution received for grants to local governments under the Indigenous Local Governments Sustainability program, and contributions received for flood studies.
32. The decrease is primarily due to the carry-over of funding to support projects such as Local Government Capacity Building programs and flood studies. This is partially offset by increased funding to deliver a better planning system for Queensland.
33. The decrease primarily relates to the carry over of funding for the Torres Strait Major Infrastructure program, and the Royalties for the Regions program. This is partially offset by increased funding for the Commonwealth Games Athletes Village.
34. The decrease principally relates to the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
35. The decrease principally relates to the deferral of contributions for the Commonwealth Games Athletes Village and for the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
36. The decrease principally relates to the deferral of contributions for the Commonwealth Games Athletes Village.
37. The increase principally relates to the cash received on the transfer of Planning and Infrastructure functions from the Department of State Development on 1 March 2015.

**Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:**

38. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund and for establishing Building Queensland; increased funding to deliver a better planning system for Queensland; for the Commonwealth Games Athletes' Village; for the Royalties for the Regions program; and the Machinery of Government changes on 1 March 2015. This is partially offset by decreased funding for NDRP.
39. The increase primarily relates to fees collected for development applications.
40. The increase principally relates to contributions received for flood studies.
41. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
42. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
43. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund; and increased funding for the Commonwealth Games Athletes Village, and the Royalties for the Regions program. This is partially offset by decreased funding for NDRP.
44. The decrease principally relates to the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
45. The decrease principally relates to the deferral of contributions for the Commonwealth Games Athletes Village. This is partially offset by increased contributions for the Program Development Co-Investment Program.
46. The decrease principally relates to the deferral of contributions for the Commonwealth Games Athletes Village. This is partially offset by increased contributions for the Program Development Co-Investment Program.

**Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:**

47. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund and for establishing Building Queensland; increased funding to deliver a better planning system for Queensland; for the Commonwealth Games Athletes' Village; for the Royalties for the Regions program; and the Machinery of Government changes on 1 March 2015. This is partially offset by decreased funding for NDRP.
48. The variance is primarily due to the disbursement of fees collected for development applications to the relevant State Departments in 2014-15.
49. The decrease principally relates to the reduction in contribution received for grants to local governments under the Indigenous Local Governments' Sustainability program.
50. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
51. The increase is primarily due to increased funding to deliver a better planning system for Queensland, additional funding for establishing Building Queensland and the Machinery of Government changes on 1 March 2015.
52. The increase is primarily due to additional funding for the establishment of the Community Resilience Fund; and increased funding for the Commonwealth Games Athletes' Village, the Royalties for the Regions program and the Torres Strait Major Infrastructure program. This is partially offset by decreased funding for NDRP.
53. The increase principally relates to the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
54. The increase principally relates to increased contributions for the Priority Development Co-Investment Program and for construction of the infrastructure assets on behalf of Indigenous local councils under IEHIP.
55. The increase principally relates to increased contributions for the Priority Development Co-Investment Program.
56. The decrease principally relates to the cash received on the transfer of Planning and Infrastructure functions from the Department of State Development in 2014-15.

## Administered income statement

### Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

- 57. The decrease which primarily relates to the funding for the Queensland Reconstruction Authority (QRA), is due to a change in the profile of reconstruction spend by agencies.
- 58. The increase is primarily due to increased funding for the Australian Government National Insurance Affordability Initiative (NIAI) and Financial Assistance Grants (FAG).
- 59. The increase principally relates to the return of funds from QRA.
- 60. The decrease which primarily relates to the funding for QRA, is due to a change in the profile of reconstruction spend by agencies.
- 61. The increase is primarily due to increased funding for FAG.

### Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

- 62. The decrease primarily relates to a reduction in funding required by QRA for completed Natural Disaster Relief and Recovery Arrangements (NDRRA) projects.
- 63. The increase is primarily due to increased funding for NIAI.
- 64. The increase primarily relates to the Machinery of Government changes on 1 March 2015.
- 65. The decrease primarily relates to a reduction in funding required by QRA for completed NDRRA projects.
- 66. The increase primarily relates to the Machinery of Government changes on 1 March 2015.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 67. The decrease primarily relates to a reduction in funding required by QRA for completed NDRRA projects.
- 68. The increase is primarily due to increased funding for NIAI.
- 69. The increase primarily relates to the Machinery of Government changes on 1 March 2015.
- 70. The decrease primarily relates to a reduction in funding required by QRA for completed NDRRA projects.
- 71. The increase primarily relates to the Machinery of Government changes on 1 March 2015.

## Administered cash flow statement

### Major variations between 2014-15 Budget\* and 2014-15 Estimated Actual include:

- 72. The decrease which primarily relates to the funding for the QRA, is due to a change in the profile of reconstruction spend by agencies.
- 73. The increase is primarily due to increased funding for the NIAI and FAG.
- 74. The increase principally relates to the return of funds from QRA.
- 75. The decrease which primarily relates to the funding for QRA, is due to a change in the profile of reconstruction spend by agencies.
- 76. The increase is primarily due to increased funding for FAG.

### Major variations between 2014-15 Budget\* and 2015-16 Budget include:

- 77. The decrease primarily relates to a reduction in funding required by QRA for completed NDRRA projects.
- 78. The increase is primarily due to increased funding for NIAI.
- 79. The increase primarily relates to the Machinery of Government changes on 1 March 2015.
- 80. The decrease primarily relates to a reduction in funding required by QRA for completed NDRRA projects.
- 81. The increase primarily relates to the Machinery of Government changes on 1 March 2015.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 82. The decrease primarily relates to a reduction in funding required by QRA for completed NDRRA projects.
- 83. The increase is primarily due to increased funding for NIAI.



- 84. The increase primarily relates to the Machinery of Government changes on 1 March 2015.
- 85. The decrease primarily relates to a reduction in funding required by QRA for completed NDRRA projects.
- 86. The increase primarily relates to the Machinery of Government changes on 1 March 2015.

# Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of Infrastructure, Local Government and Planning (excluding Administered);
- Economic Development Queensland.

## Reporting entity income statement

| Department of Infrastructure, Local Government and Planning | Notes | 2014-15<br>Adjusted<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|-------|-----------------------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                                               |       |                                         |                                |                             |
| Appropriation revenue                                       |       | 191,695                                 | 170,432                        | 302,837                     |
| Taxes                                                       |       | ..                                      | ..                             | ..                          |
| User charges and fees                                       |       | 73,378                                  | 53,548                         | 134,880                     |
| Royalties and land rents                                    |       | ..                                      | ..                             | ..                          |
| Grants and other contributions                              |       | 3,382                                   | 10,231                         | 15,833                      |
| Interest                                                    |       | 1,401                                   | 3,304                          | 4,833                       |
| Other revenue                                               |       | (28)                                    | (85)                           | 17                          |
| Gains on sale/revaluation of assets                         |       | ..                                      | ..                             | ..                          |
| <b>Total income</b>                                         |       | <b>269,828</b>                          | <b>237,430</b>                 | <b>458,400</b>              |
| <b>EXPENSES</b>                                             |       |                                         |                                |                             |
| Employee expenses                                           |       | 26,704                                  | 24,694                         | 61,411                      |
| Supplies and services                                       |       | 73,088                                  | 64,448                         | 171,203                     |
| Grants and subsidies                                        |       | 187,789                                 | 151,087                        | 202,253                     |
| Depreciation and amortisation                               |       | 198                                     | 99                             | 504                         |
| Finance/borrowing costs                                     |       | 3,009                                   | 1,247                          | 3,969                       |
| Other expenses                                              |       | 6,964                                   | 4,678                          | 16,384                      |
| Losses on sale/revaluation of assets                        |       | (3,130)                                 | (200)                          | ..                          |
| <b>Total expenses</b>                                       |       | <b>294,622</b>                          | <b>246,053</b>                 | <b>455,724</b>              |
| Income tax expense/revenue                                  |       | 3,148                                   | 3,768                          | 4,035                       |
| <b>OPERATING SURPLUS/(DEFICIT)</b>                          |       | <b>(27,942)</b>                         | <b>(12,391)</b>                | <b>(1,359)</b>              |

# Reporting entity balance sheet

| Department of Infrastructure, Local Government and Planning | Notes | 2014-15<br>Adjusted<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|-------|-----------------------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                                       |       |                                         |                                |                             |
| Cash assets                                                 |       | 127,861                                 | 182,753                        | 139,206                     |
| Receivables                                                 |       | 16,615                                  | 17,029                         | 16,890                      |
| Other financial assets                                      |       | ..                                      | ..                             | ..                          |
| Inventories                                                 |       | 430,141                                 | 386,821                        | 409,939                     |
| Other                                                       |       | 1,222                                   | 1,222                          | 1,222                       |
| Non financial assets held for sale                          |       | ..                                      | ..                             | ..                          |
| <b>Total current assets</b>                                 |       | <b>575,839</b>                          | <b>587,825</b>                 | <b>567,257</b>              |
| <b>NON-CURRENT ASSETS</b>                                   |       |                                         |                                |                             |
| Receivables                                                 |       | 39,686                                  | 24,983                         | 52,090                      |
| Other financial assets                                      |       | ..                                      | ..                             | ..                          |
| Property, plant and equipment                               |       | 501,584                                 | 415,641                        | 437,579                     |
| Deferred tax assets                                         |       | 8,882                                   | 8,217                          | 8,217                       |
| Intangibles                                                 |       | 2,174                                   | 2,005                          | 1,686                       |
| Other                                                       |       | 1                                       | ..                             | ..                          |
| <b>Total non-current assets</b>                             |       | <b>552,327</b>                          | <b>450,846</b>                 | <b>499,572</b>              |
| <b>TOTAL ASSETS</b>                                         |       | <b>1,128,166</b>                        | <b>1,038,671</b>               | <b>1,066,829</b>            |
| <b>CURRENT LIABILITIES</b>                                  |       |                                         |                                |                             |
| Payables                                                    |       | 52,901                                  | 50,109                         | 53,162                      |
| Current tax liabilities                                     |       | 8,611                                   | 10,088                         | 4,035                       |
| Accrued employee benefits                                   |       | 1,888                                   | 1,810                          | 1,810                       |
| Interest bearing liabilities and derivatives                |       | 4,438                                   | 22,236                         | 21,136                      |
| Provisions                                                  |       | ..                                      | ..                             | ..                          |
| Other                                                       |       | 21,296                                  | 23,094                         | 17,895                      |
| <b>Total current liabilities</b>                            |       | <b>89,134</b>                           | <b>107,337</b>                 | <b>98,038</b>               |
| <b>NON-CURRENT LIABILITIES</b>                              |       |                                         |                                |                             |
| Payables                                                    |       | 790                                     | ..                             | ..                          |
| Deferred tax liabilities                                    |       | 81,590                                  | 76,753                         | 76,753                      |
| Accrued employee benefits                                   |       | ..                                      | ..                             | ..                          |
| Interest bearing liabilities and derivatives                |       | 81,685                                  | 38,230                         | 60,388                      |
| Provisions                                                  |       | ..                                      | ..                             | ..                          |
| Other                                                       |       | ..                                      | ..                             | ..                          |
| <b>Total non-current liabilities</b>                        |       | <b>164,065</b>                          | <b>114,983</b>                 | <b>137,141</b>              |
| <b>TOTAL LIABILITIES</b>                                    |       | <b>253,199</b>                          | <b>222,320</b>                 | <b>235,179</b>              |
| <b>NET ASSETS/(LIABILITIES)</b>                             |       | <b>874,967</b>                          | <b>816,351</b>                 | <b>831,650</b>              |
| <b>EQUITY</b>                                               |       |                                         |                                |                             |
| <b>TOTAL EQUITY</b>                                         |       | <b>874,967</b>                          | <b>816,351</b>                 | <b>831,650</b>              |

# Reporting entity cash flow statement

| Department of Infrastructure, Local Government and Planning | Notes | 2014-15<br>Adjusted<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|-------|-----------------------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |       |                                         |                                |                             |
| <b>Inflows:</b>                                             |       |                                         |                                |                             |
| Appropriation receipts                                      |       | 191,695                                 | 176,174                        | 302,837                     |
| User charges and fees                                       |       | 92,121                                  | 53,267                         | 135,019                     |
| Royalties and land rent receipts                            |       | ..                                      | ..                             | ..                          |
| Grants and other contributions                              |       | 3,382                                   | 10,231                         | 15,833                      |
| Interest received                                           |       | 907                                     | 2,901                          | 4,379                       |
| Taxes                                                       |       | ..                                      | ..                             | ..                          |
| Other                                                       |       | 614                                     | 559                            | 17                          |
| <b>Outflows:</b>                                            |       |                                         |                                |                             |
| Employee costs                                              |       | (26,704)                                | (24,792)                       | (61,411)                    |
| Supplies and services                                       |       | (89,575)                                | (45,225)                       | (191,176)                   |
| Grants and subsidies                                        |       | (160,441)                               | (138,622)                      | (194,521)                   |
| Borrowing costs                                             |       | (3,009)                                 | (1,247)                        | (3,969)                     |
| Taxation equivalents paid                                   |       | 2                                       | (24,631)                       | (15,472)                    |
| Other                                                       |       | (5,315)                                 | 4,954                          | (14,699)                    |
| <b>Net cash provided by or used in operating activities</b> |       | <b>3,677</b>                            | <b>13,569</b>                  | <b>(23,163)</b>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |       |                                         |                                |                             |
| <b>Inflows:</b>                                             |       |                                         |                                |                             |
| Sales of non financial assets                               |       | (16,423)                                | (22,529)                       | 1,540                       |
| Investments redeemed                                        |       | ..                                      | ..                             | ..                          |
| Loans and advances redeemed                                 |       | 4,416                                   | 840                            | 1,103                       |
| <b>Outflows:</b>                                            |       |                                         |                                |                             |
| Payments for non financial assets                           |       | (42,779)                                | (7,141)                        | (32,987)                    |
| Payments for investments                                    |       | ..                                      | ..                             | ..                          |
| Loans and advances made                                     |       | (8,983)                                 | ..                             | (27,756)                    |
| <b>Net cash provided by or used in investing activities</b> |       | <b>(63,769)</b>                         | <b>(28,830)</b>                | <b>(58,100)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |       |                                         |                                |                             |
| <b>Inflows:</b>                                             |       |                                         |                                |                             |
| Borrowings                                                  |       | 93,566                                  | 18,867                         | 49,117                      |
| Equity injections                                           |       | 56,800                                  | 20,909                         | 38,023                      |
| <b>Outflows:</b>                                            |       |                                         |                                |                             |
| Borrowing redemptions                                       |       | (83,150)                                | (7,101)                        | (28,059)                    |
| Finance lease payments                                      |       | ..                                      | ..                             | ..                          |
| Equity withdrawals                                          |       | (10,435)                                | (27,346)                       | (21,365)                    |
| Dividends paid                                              |       | ..                                      | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |       | <b>56,781</b>                           | <b>5,329</b>                   | <b>37,716</b>               |
| <b>Net increase/(decrease) in cash held</b>                 |       | <b>(3,311)</b>                          | <b>(9,932)</b>                 | <b>(43,547)</b>             |
| <b>Cash at the beginning of financial year</b>              |       | <b>18,203</b>                           | <b>29,478</b>                  | <b>182,753</b>              |
| Cash transfers from restructure                             |       | 112,969                                 | 163,207                        | ..                          |
| <b>Cash at the end of financial year</b>                    |       | <b>127,861</b>                          | <b>182,753</b>                 | <b>139,206</b>              |

# Commercialised business unit

## Economic Development Queensland

### Overview

Economic Development Queensland (EDQ) utilises its planning and development expertise to work with local governments, industry and other stakeholders to fast-track planning, development and delivery of property and infrastructure projects that result in more liveable, prosperous and resilient communities.

EDQ has been tasked with facilitating economic development and development for community purposes and does this by:

- undertaking complex project management and providing high level Government coordination to de-risk sites and stimulate development, including the strategic use of Government land where appropriate
- facilitating innovation and undertaking demonstration projects that address challenges around sustainability, urban infill, transit-oriented development (TOD) and affordable housing
- funding or providing infrastructure that can unlock the development potential of identified areas, and provide increased certainty for private sector investment
- reinvesting profits generated into new projects, such as community development initiatives that deliver a social return on investment.

### Service performance

#### Achievements for 2014-15

- Settled 285 lots across EDQ's eight residential projects in Fitzgibbon Brisbane, Gladstone, Tannum Sands, Roma, Blackwater, Moranbah, Mackay and Townsville earning \$61 million in revenue.
- In consultation with councils, finalised the development schemes for the Maroochydore City Centre and Southport Priority Development Areas (PDAs) and facilitated the declaration of the Townsville Waterfront PDA.
- Reached financial close of the Development Agreement with Grocon for the delivery of the 1,200 dwelling Gold Coast 2018 Commonwealth Games™ athletes' village and completed demolition and early site works.
- Settled almost \$55 million of industrial land in 11 locations across Queensland resulting in an additional \$53.5 million of capital investment and more than 370 jobs generated.

#### Highlights for 2015-16

- Continue development of the Gold Coast 2018 Commonwealth Games™ athletes' village including completion of a Development Management Agreement for the first Health and Knowledge development.
- Commence works within the Yeerongpilly TOD, Toondah Harbour PDA, and Northshore Civic Park, and complete significant upgrades to roads and public realm within Northshore Hamilton and Yeerongpilly.
- Realise sales of up to \$44 million in industrial land, including the Sunshine Coast Industrial Park and Gladstone State Development Areas, and procure \$14 million in development works across a number of industrial estates.
- Investigate the supply of industrial land for regional Queensland to identify and assess future economic development and catalyst infrastructure needs.
- Invest an initial \$13.6 million and oversee the delivery of Priority Development Infrastructure Co-investment projects in Beaudesert, Mt Peter Cairns and the Central Queensland University Rockhampton.
- Establish a Catalyst Infrastructure Program of \$59.4 million over 3 years to invest in urban infrastructure that unlocks development and creates construction and long term employment.
- Progress construction in EDQ's eight residential developments including up to 250 lot settlements.
- Continue the management of 26 PDAs across the state and identify, in conjunction with councils, new sites for declaration as PDAs or Provisional PDAs.
- Develop and implement a strategy that identifies opportunities to facilitate and deliver innovative projects on government owned sites with outcomes to support economic development, employment and liveability.

# Service performance

## Performance statement

### Driving Business and Economic Growth

#### Service area objective

To drive business and economic growth in Queensland.

#### Service area description

This service area is delivering on the department's objective to deliver policies and programs that drive business and economic growth consistent with the Queensland Government's economic development agenda. This service area will drive the expansion of Queensland's economic growth as benchmarked against the global economy and comparable jurisdictions by:

- driving economic, business and community growth through innovative property and infrastructure partnerships to increase the resilience and sustainability of Queensland communities
- supporting and enabling new growth in Queensland communities through fast tracking opportunities for urban, residential, industrial and community development across Queensland
- facilitating the provision of priority development infrastructure that will unlock development opportunities and economic growth for local governments, key industry sectors, the community and the State.

| Economic Development Queensland                                                                                                    | Notes | 2014-15<br>Target/Est. | 2014-15<br>Est. Actual | 2015-16<br>Target/Est. |
|------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------|------------------------|------------------------|
| <b>Service area: Driving Business and Economic Growth</b>                                                                          |       |                        |                        |                        |
| <b>Service standards</b>                                                                                                           |       |                        |                        |                        |
| <i>Effectiveness measures</i>                                                                                                      |       |                        |                        |                        |
| Value of investment enabled through the Priority Development Infrastructure co-investment program                                  | 1     | New measure            | New measure            | \$32.8M                |
| Value of private sector investment generated through land sales                                                                    |       | \$402.6M               | \$420.9M               | \$622M                 |
| Percentage of projects managed, facilitated or delivered which meet committed timeframes and approved budget                       | 2     | 90%                    | 90%                    | 92%                    |
| <i>Efficiency measures</i>                                                                                                         |       |                        |                        |                        |
| Value of investment enabled per dollar invested in the management of the Priority Development Infrastructure co-investment program | 3     | New measure            | New measure            | \$2.20                 |
| Value of private sector investment generated through land sales per dollar spent on sales management                               | 4     | \$6.70                 | \$7.25                 | \$9.85                 |

Notes:

1. This is a new measure in 2015-16. An increase in the value of investment generated through the Priority Development Infrastructure (PDI) co-investment program demonstrates the effectiveness of priority development infrastructure services. Funding of PDI projects will be through co-investment by DILGP (in conjunction with other party/ies), with the state seeking a return on its investment over time. The co-investor may be a local government, water distributor/retailer, developer or state agency. Estimated spend in 2015-16 relates to approvals under the Priority Development Infrastructure co-investment program. The balance of the \$100 million initially made available to the priority Development Infrastructure program will be managed under a new Catalyst Infrastructure Program.

2. This service standard was reported in the 2014-15 SDS under the Major Project Assessment, Approval, Facilitation and Delivery service area.
3. This is a new measure in 2015-16. An increase in the value of investment enabled per dollar spent on the management of the PDI co-investment program demonstrates efficiency of priority development infrastructure services. Funding of PDI projects will be through co-investment by DILGP (in conjunction with other party/ies), with the state seeking a return on its investment over time. The co-investor may be a local government, water distributor/retailer, developer or state agency.
4. This service standard compares the operating costs of EDQ associated with land sales with how much private sector investment is generated as a result of those sales. An increase in the value of private sector investment per dollar spent on land sales management demonstrates efficiency of EDQ's land sales process.

## Staffing<sup>1</sup>

| Economic Development Queensland      | Notes | 2014-15<br>Budget | 2014-15<br>Est. Actual | 2015-16<br>Budget |
|--------------------------------------|-------|-------------------|------------------------|-------------------|
| Driving Business and Economic Growth | 2     | 98                | 98                     | 109               |

Notes:

1. FTEs as at 30 June.
2. The increase in 2015-16 Budget is a result of staff in development assessment and project management transferring from the former Department of State Development, Infrastructure and Planning into EDQ.



# Income statement

| Economic Development Queensland      | Notes   | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|--------------------------------------|---------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |         |                             |                                |                             |
| User charges and fees                | 1,7,12  | 166,357                     | 143,241                        | 131,427                     |
| Grants and other contributions       | 2,8,13  | 6,000                       | 13,119                         | 33,112                      |
| Interest                             |         | 5,198                       | 7,101                          | 4,379                       |
| Other revenue                        |         | 62                          | 5                              | 17                          |
| Gains on sale/revaluation of assets  |         | ..                          | ..                             | ..                          |
| <b>Total income</b>                  |         | <b>177,617</b>              | <b>163,466</b>                 | <b>168,935</b>              |
| <b>EXPENSES</b>                      |         |                             |                                |                             |
| Employee expenses                    | 3,9,14  | 12,108                      | 9,719                          | 15,111                      |
| Supplies and services                | 4,10,15 | 108,928                     | 102,112                        | 120,261                     |
| Grants and subsidies                 | 5,11    | 6,000                       | 78                             | ..                          |
| Depreciation and amortisation        |         | 115                         | 55                             | 32                          |
| Finance/borrowing costs              |         | 6,504                       | 4,742                          | 3,969                       |
| Other expenses                       |         | 17,662                      | 15,370                         | 16,113                      |
| Losses on sale/revaluation of assets | 6       | ..                          | 2,930                          | ..                          |
| <b>Total expenses</b>                |         | <b>151,317</b>              | <b>135,006</b>                 | <b>155,486</b>              |
| Income tax expense/revenue           |         | 7,890                       | 8,510                          | 4,035                       |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |         | <b>18,410</b>               | <b>19,950</b>                  | <b>9,414</b>                |

# Balance sheet

| Economic Development Queensland              | Notes    | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|----------------------------------------------|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |          |                             |                                |                             |
| Cash assets                                  | 16,31    | 113,476                     | 153,826                        | 113,866                     |
| Receivables                                  |          | 11,429                      | 12,322                         | 12,183                      |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Inventories                                  | 17,24,32 | 430,141                     | 386,821                        | 409,939                     |
| Other                                        |          | 1,206                       | 1,206                          | 1,206                       |
| Non financial assets held for sale           |          | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |          | <b>556,252</b>              | <b>554,175</b>                 | <b>537,194</b>              |
| <b>NON-CURRENT ASSETS</b>                    |          |                             |                                |                             |
| Receivables                                  | 18,25,33 | 32,413                      | 17,710                         | 45,466                      |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 19,26,34 | 456,548                     | 371,039                        | 393,670                     |
| Deferred tax assets                          |          | 8,882                       | 8,217                          | 8,217                       |
| Intangibles                                  |          | 13                          | ..                             | ..                          |
| Other                                        |          | 1                           | ..                             | ..                          |
| <b>Total non-current assets</b>              |          | <b>497,857</b>              | <b>396,966</b>                 | <b>447,353</b>              |
| <b>TOTAL ASSETS</b>                          |          | <b>1,054,109</b>            | <b>951,141</b>                 | <b>984,547</b>              |
| <b>CURRENT LIABILITIES</b>                   |          |                             |                                |                             |
| Payables                                     | 20,27,35 | 46,320                      | 30,628                         | 33,773                      |
| Current tax liabilities                      |          | 8,611                       | 10,088                         | 4,035                       |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives | 21,28    | 4,438                       | 22,236                         | 21,136                      |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other                                        |          | 21,296                      | 23,094                         | 17,895                      |
| <b>Total current liabilities</b>             |          | <b>80,665</b>               | <b>86,046</b>                  | <b>76,839</b>               |
| <b>NON-CURRENT LIABILITIES</b>               |          |                             |                                |                             |
| Payables                                     |          | 19,524                      | 18,734                         | 18,734                      |
| Deferred tax liabilities                     |          | 81,590                      | 76,753                         | 76,753                      |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives | 22,29,36 | 81,685                      | 38,230                         | 60,388                      |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other                                        |          | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |          | <b>182,799</b>              | <b>133,717</b>                 | <b>155,875</b>              |
| <b>TOTAL LIABILITIES</b>                     |          | <b>263,464</b>              | <b>219,763</b>                 | <b>232,714</b>              |
| <b>NET ASSETS/(LIABILITIES)</b>              |          | <b>790,645</b>              | <b>731,378</b>                 | <b>751,833</b>              |
| <b>EQUITY</b>                                |          |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          | 23,30,37 | <b>790,645</b>              | <b>731,378</b>                 | <b>751,833</b>              |

# Cash flow statement

| Economic Development Queensland                             | Notes    | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| User charges and fees                                       | 38,51,62 | 166,366                     | 140,107                        | 131,566                     |
| Grants and other contributions                              | 39,52,63 | 6,000                       | 13,119                         | 33,112                      |
| Interest received                                           |          | 5,198                       | 7,307                          | 4,379                       |
| Other                                                       |          | 704                         | 623                            | 17                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Employee costs                                              | 40,53,64 | (12,108)                    | (9,792)                        | (15,111)                    |
| Supplies and services                                       | 41,54,65 | (114,126)                   | (55,238)                       | (140,234)                   |
| Grants and subsidies                                        | 42,55    | (6,000)                     | (78)                           | ..                          |
| Borrowing costs                                             |          | (6,504)                     | (4,742)                        | (3,969)                     |
| Taxation equivalents paid                                   | 43,56,66 | (5,170)                     | (68,759)                       | (15,472)                    |
| Other                                                       |          | (10,841)                    | (7,265)                        | (14,428)                    |
| <b>Net cash provided by or used in operating activities</b> |          | <b>23,519</b>               | <b>15,282</b>                  | <b>(20,140)</b>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Sales of non financial assets                               | 44,67    | ..                          | 7,093                          | 1,540                       |
| Investments redeemed                                        |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | 3,313                       | 2,855                          | ..                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Payments for non financial assets                           | 45,57,68 | (52,784)                    | (34,412)                       | (25,703)                    |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     | 46,58,69 | (8,983)                     | ..                             | (27,756)                    |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(58,454)</b>             | <b>(24,464)</b>                | <b>(51,919)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Borrowings                                                  | 47,59,70 | 93,566                      | 39,350                         | 49,117                      |
| Equity injections                                           | 48,60    | 48,373                      | 33,067                         | 30,933                      |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Borrowing redemptions                                       | 49,61,71 | (83,150)                    | (39,224)                       | (28,059)                    |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals                                          | 50,72    | (23,055)                    | (59,120)                       | (19,892)                    |
| Dividends paid                                              |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>35,734</b>               | <b>(25,927)</b>                | <b>32,099</b>               |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>799</b>                  | <b>(35,109)</b>                | <b>(39,960)</b>             |
| <b>Cash at the beginning of financial year</b>              |          | <b>112,677</b>              | <b>188,935</b>                 | <b>153,826</b>              |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>113,476</b>              | <b>153,826</b>                 | <b>113,866</b>              |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. The decrease is mainly due to lower than budgeted land sales as a result of changing market conditions.
2. The increase is mainly due to a transfer of Commonwealth Games Athletes Village funding from contributed equity to grant income.
3. The decrease is due to delays in filling vacant positions.
4. The decrease is mainly due to decreased cost of goods sold as a result of lower than budgeted land sales.
5. The decrease is due to a reclassification of expenses to supplies and services.
6. The increase is mainly due to an impairment of inventory resulting from a leasing arrangement with Gold Coast Waterways Authority.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

7. The decrease is mainly due to a reduced forecast in land sales as a result of current market conditions.
8. The increase is mainly due to a transfer of Commonwealth Games Athletes Village funding from contributed equity to grant income.
9. The increase is due to the transfer of staff for former departmental functions transitioning back to EDQ.
10. The increase is due to the change in accounting treatment for the Commonwealth Games Athletes Village expenditure and the revised construction schedule for the Bundaberg Gas Pipeline.
11. The decrease is due to a reclassification of expenses to supplies and services.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

12. The decrease is mainly due to a reduced forecast in land sales as a result of current market conditions.
13. The increase is due to a higher forecast spend on the Commonwealth Games Athletes Village, in accordance with the construction program and funding for the Bundaberg Gas Pipeline.
14. The increase is due to the transfer of staff for former departmental functions transitioning back to EDQ.
15. The increase is due to the change in accounting treatment for the Commonwealth Games Athletes Village expenditure and the revised construction schedule for the Bundaberg Gas Pipeline.

## Balance sheet

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

16. The increase reflects delayed development activity due to revised scheduling of costs.
17. The decrease is mainly due to decreased development activity as a result of a decrease in land sales.
18. The decrease is mainly due to timing differences in funding catalyst infrastructure.
19. The difference is due to a decrease in asset recognition for the Commonwealth Games Athletes Village as a result of the accounting treatment for the finalised development agreement.
20. The decrease reflects a delay in development activity.
21. The increase is due to reclassification between current and non-current liabilities.
22. The decrease is due to reclassification to current liabilities, and timing and amount of catalyst infrastructure loans.
23. The decrease is mainly due to a change in the funding profile for the Commonwealth Games Athletes Village whereby some contributed equity is being converted to grant funding.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

24. The decrease is mainly due to decreased development activity as a result of a decrease in land sales.
25. The increase is due to forecast spend on catalyst infrastructure.

26. The difference is due to a decrease in asset recognition for the Commonwealth Games Athletes Village as a result of the accounting treatment for the finalised development agreement.
27. The decrease reflects a delay in development activity.
28. The increase is due to reclassification between current and non-current liabilities.
29. The decrease is due to reclassification to current liabilities, and timing and amount of catalyst infrastructure loans.
30. The decrease is mainly due to a change in the funding profile for the Commonwealth Games Athletes Village whereby some contributed equity is being converted to grant funding.

**Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:**

31. The decrease reflects forecast development spend according to current development programs.
32. The increase is due to budgeted development program with land sales occurring in subsequent years.
33. The increase is due to forecast spend on catalyst infrastructure.
34. The increase is due to forecast spend on Commonwealth Games Athletes Village.
35. The decrease reflects a delay in development activity.
36. The increase is due to forecast increase in catalyst infrastructure loans.
37. The increase is due to forecast funding provided for Commonwealth Games Athletes Village development.

## Cash flow statement

**Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:**

38. The decrease is due to lower than budgeted land sales.
39. The increase is due to a change in accounting treatment of funding for Commonwealth Games Athletes Village.
40. The decrease is due to delays in filling vacant positions.
41. The decrease is mainly due to delay of development activity as a result of a decline in sales.
42. The decrease is due to a reclassification of actual expenses as supplies and services.
43. The increase is mainly due to the timing of the payment of tax equivalents.
44. The increase is due to timing of expected conversions to freehold leases.
45. The decrease is due to a change in the accounting treatment of Commonwealth Games Athletes Village development costs.
46. The decrease is due to timing of catalyst infrastructure advances.
47. The decrease is mainly due to delayed development activity resulting from a decline in sales and timing of catalyst infrastructure loans.
48. The decrease is due to a change in the accounting treatment of Commonwealth Games Athletes Village funding.
49. The decrease is due to lower than budgeted land sales and lower loan balances.
50. The increase is mainly due to the timing of payment commitments to the Consolidated Fund.

**Major variations between 2014-15 Budget and 2015-16 Budget include:**

51. The decrease is due to lower land sales budgeted for 2015-16.
52. The increase is due to a change in accounting treatment of funding for Commonwealth Games Athletes Village and funding for the Bundaberg Gas Pipeline.
53. The increase is due to the transfer of staff for former departmental functions transitioning back to EDQ.
54. The increase is due to the change in accounting treatment for the Commonwealth Games Athletes Village expenditure and the revised construction schedule for the Bundaberg Gas Pipeline.
55. The decrease is due to a reclassification of actual expenses as supplies and services.
56. The increase is mainly due to the timing of the payment of tax equivalents.
57. The decrease is due to a change in the accounting treatment of Commonwealth Games Athletes Village development costs.

- 58. The increase is mainly due to advances for catalyst infrastructure funding budgeted in 2015-16.
- 59. The decrease is mainly due to delayed development activity due to a decrease in sales and timing of catalyst infrastructure loans.
- 60. The decrease is due to a change in the accounting treatment of Commonwealth Games Athletes Village funding.
- 61. The decrease is due to lower than budgeted land sales and lower loan balances.

**Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:**

- 62. The decrease is due to lower land sales budgeted for 2015-16.
- 63. The increase is due to a higher forecast spend on the Commonwealth Games Athletes Village, in accordance with the construction program and funding for the Bundaberg Gas Pipeline.
- 64. The increase is due to the transfer of staff for former departmental functions transitioning back to EDQ.
- 65. The increase is due to higher expected Commonwealth Games Village expenditure and the revised construction schedule for the Bundaberg Gas Pipeline.
- 66. The decrease is mainly due to the timing of the payment of tax equivalents.
- 67. The decrease is due to timing of expected conversions to freehold leases.
- 68. The increase is due to budgeted development costs for Commonwealth Games Athletes Village.
- 69. The increase is mainly due to advances for catalyst infrastructure funding budgeted in 2015-16.
- 70. The increase is mainly due to budgeted development activity for 2015-16 and timing of catalyst infrastructure loans.
- 71. The decrease is due to lower than budgeted land sales and lower loan balances.
- 72. The increase is mainly due to additional payments to the Consolidated Fund in 2014-15.

# Statutory body

## Queensland Reconstruction Authority

### Overview

The Queensland Reconstruction Authority (QRA) was established under the *Queensland Reconstruction Authority Act 2011* following the unprecedented natural disasters which impacted Queensland over the summer months of 2010-11. The Authority's role has been subsequently extended to include historical disaster events from 2009 through to current natural disaster activations.

The QRA manages and coordinates the Government's restoration of communities and infrastructure reconstruction within disaster affected communities. The QRA's role focuses on working with state and local government agencies to deliver value for money and accountable expenditure and acquittal of public reconstruction funds. Following a natural disaster event, the QRA also works with disaster-affected local governments to assess and establish the scale of damage.

The QRA's objectives are to:

- demonstrate accountability in the use of natural disaster funding, contributing to the Government's objective of providing integrity and accountability
- coordinate the rapid restoration of communities following natural disasters, contributing to the Government's objectives of creating jobs and a diverse economy, and building safe, caring and connected communities
- actively support local governments and state agencies in their delivery of reconstruction works, contributing to the Government's objective of delivering quality frontline services.

The QRA has been extended as a permanent feature of Queensland's disaster recovery landscape. The QRA will continue to deliver accountable expenditure and acquittal of public reconstruction funds, and build a more resilient Queensland as its permanent functions and strategic objectives are confirmed.

### Service performance

In 2014-15, the QRA's key achievements were:

- managing the close-out and acquittal of Queensland's Natural Disaster Relief and Recovery Arrangements (NDRRA) expenditure for the natural disaster events of 2010-11 and 2012. At approximately \$5.7 billion, this was the largest NDRRA claim in Australian history, and was submitted to the Australian Government within the required timeframe
- continuing to actively manage and resource statewide NDRRA reconstruction works, including works relating to Queensland's natural disaster events of 2013, 2014 and 2015, and publicly report on their progress
- following Tropical Cyclone Marcia and other disaster events in 2014-15, approximately half of QRA's workforce participated in the immediate recovery effort, providing on-ground assistance to councils and undertaking rapid damage assessments of commercial, residential and council infrastructure in the worst hit areas, in conjunction with Queensland Fire and Emergency Services
- continuing to provide active support for local councils through a Regional Liaison Officer network, engaging with delivery agents across the state, assisting with expertise and advice, and providing principal points of contact for each affected region.

With the extension of QRA's operations as a permanent feature of Queensland Government, significant planning is being undertaken to ensure a focus on ongoing key priorities and deliverables as determined by Queensland Government. QRA is subject to review, which may impact the key priorities for 2015-16.

Key priorities for the QRA for 2015-16 include:

- ensure the ongoing delivery of statewide NDRRA reconstruction works, and report on their progress
- manage close-out, acquittal and Australian Government reimbursement processes related to Queensland's natural disaster events for the relevant financial year/s
- continue damage assessment operations to capture and monitor progress of reconstruction in natural disaster affected areas across the state

- continue to operate a Regional Liaison Officer network to engage and consult with reconstruction delivery agents across the state, providing principal points of contact for each effected region.

The QRA will also contribute to the Queensland Government's response to the Australian Government's review of NDRRA following the release of the Productivity Commission report into natural disaster funding, which recommended substantial changes to the way NDRRA funding is distributed and managed. The QRA will work with the Australian Government to minimise the impact of natural disaster funding reform on Queensland communities.



# Service performance

## Performance statement

### Administration of Natural Disaster Relief and Recovery Arrangements funding

#### Service area objective

To demonstrate accountability in the use of natural disaster funding and support the Queensland economy and jobs growth by coordinating the rapid restoration of communities following natural disasters.

#### Service area description

This service area:

- actively manages and resources statewide NDRRA reconstruction works, including works relating to Queensland's natural disaster events of 2014 and 2015, and publicly reports on their progress
- manages the close-out and acquittal of NDRRA expenditure to obtain an unqualified audit opinion from the Queensland Audit Office in relation to claims for Australian Government reimbursement of eligible NDRRA expenditure.

In relation to future natural disaster events, the service area will assist with disaster recovery operations and support local governments in their recovery processes, and undertake rapid damage assessments of commercial, residential (in conjunction with Queensland Fire and Emergency Services) and council infrastructure in the worst hit areas.

| Queensland Reconstruction Authority                                                                                                                                                 | Notes | 2014-15<br>Target/Est. | 2014-15<br>Est. Actual | 2015-16<br>Target/Est. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------|------------------------|------------------------|
| <b>Service area: Administration of Natural Disaster Relief and Recovery Arrangements funding</b>                                                                                    |       |                        |                        |                        |
| <b>Service standards</b>                                                                                                                                                            |       |                        |                        |                        |
| <i>Effectiveness measures</i>                                                                                                                                                       |       |                        |                        |                        |
| Percentage of NDRRA reconstruction works completed within timeframes required by the Commonwealth Government within budget                                                          | 1     | 100%                   | 100%                   | 100%                   |
| Prepare and submit NDRRA claims for the relevant financial year supported by unqualified independent audit opinion in order to maximise reimbursement for the Queensland Government | 2     | June 2015              | March 2015             | March 2016             |
| <i>Efficiency measure</i>                                                                                                                                                           |       |                        |                        |                        |
| Immediate disaster recovery operating costs per dollar of new disaster event damage                                                                                                 | 3     | New measure            | 0.25%                  | 0.25%                  |

Notes:

- Deadlines for completion of works eligible for reimbursement under NDRRA are set by the Australian Government. The wording of this measure has been amended to increase clarity; the calculation methodology remains the same.
- An unqualified audit opinion is required in order for works to be eligible for reimbursement from the Australian Government. The wording of this measure has been amended to increase clarity; the calculation methodology remains the same.
- This is a new measure aimed at measuring the efficiency of resource allocation in immediate disaster response and recovery operations. Maintaining or reducing this measure will indicate efficient resource allocation.

## Staffing<sup>1</sup>

| Queensland Reconstruction Authority | Notes | 2014-15<br>Budget | 2014-15<br>Est. Actual | 2015-16<br>Budget |
|-------------------------------------|-------|-------------------|------------------------|-------------------|
| Queensland Reconstruction Authority | 1     | 98                | 98                     | 98                |

Note:

1. FTEs as at 30 June.

## Discontinued measures

Performance measures included in the 2014-15 service delivery statements that have been discontinued or replaced are reported in the following table with estimated actual results. For those measures which are being discontinued from the service delivery statement because they do not demonstrate the effectiveness or efficiency of services, please refer to the Notes below for further information about where these measures will continue to be reported.

| Queensland Reconstruction Authority                                                              | Notes | 2014-15<br>Target/Est. | 2014-15<br>Est. Actual | 2015-16<br>Target/Est. |
|--------------------------------------------------------------------------------------------------|-------|------------------------|------------------------|------------------------|
| <b>Service area: Administration of Natural Disaster Relief and Recovery Arrangements funding</b> |       |                        |                        |                        |
| Compliance with legislated requirements to report the Authority's function and performance       | 1     | 100%                   | 100%                   | Discontinued measure   |

Note:

1. This measure is being discontinued as it demonstrates compliance rather than efficiency or effectiveness. It will continue to be reported on the QRA's website at [www.qldreconstruction.org.au](http://www.qldreconstruction.org.au).

# Income statement

| Queensland Reconstruction Authority  | Notes | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|--------------------------------------|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |       |                             |                                |                             |
| Taxes                                |       | ..                          | ..                             | ..                          |
| User charges and fees                |       | ..                          | ..                             | ..                          |
| Grants and other contributions       | 1,5,7 | 1,851,828                   | 1,017,521                      | 644,426                     |
| Interest                             |       | ..                          | ..                             | ..                          |
| Other revenue                        |       | ..                          | 13                             | ..                          |
| Gains on sale/revaluation of assets  |       | ..                          | ..                             | ..                          |
| <b>Total income</b>                  |       | <b>1,851,828</b>            | <b>1,017,534</b>               | <b>644,426</b>              |
| <b>EXPENSES</b>                      |       |                             |                                |                             |
| Employee expenses                    | 2     | 11,633                      | 12,056                         | 12,597                      |
| Supplies and services                | 2,8   | 17,862                      | 19,437                         | 16,523                      |
| Grants and subsidies                 | 3,6,9 | 1,821,453                   | 1,194,431                      | 614,426                     |
| Depreciation and amortisation        |       | ..                          | ..                             | ..                          |
| Finance/borrowing costs              |       | ..                          | ..                             | ..                          |
| Other expenses                       | 4,10  | 880                         | 1,217                          | 880                         |
| Losses on sale/revaluation of assets |       | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |       | <b>1,851,828</b>            | <b>1,227,141</b>               | <b>644,426</b>              |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |       | <b>..</b>                   | <b>(209,607)</b>               | <b>..</b>                   |

# Balance sheet

| Queensland Reconstruction Authority          | Notes    | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|----------------------------------------------|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |          |                             |                                |                             |
| Cash assets                                  |          | 165,471                     | 169,766                        | 169,766                     |
| Receivables                                  | 11,14    | 49,467                      | 12,627                         | 12,627                      |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Inventories                                  |          | ..                          | ..                             | ..                          |
| Other                                        |          | ..                          | ..                             | ..                          |
| Non financial assets held for sale           |          | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |          | <b>214,938</b>              | <b>182,393</b>                 | <b>182,393</b>              |
| <b>NON-CURRENT ASSETS</b>                    |          |                             |                                |                             |
| Receivables                                  |          | ..                          | ..                             | ..                          |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Property, plant and equipment                |          | ..                          | ..                             | ..                          |
| Intangibles                                  |          | ..                          | ..                             | ..                          |
| Other                                        |          | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL ASSETS</b>                          |          | <b>214,938</b>              | <b>182,393</b>                 | <b>182,393</b>              |
| <b>CURRENT LIABILITIES</b>                   |          |                             |                                |                             |
| Payables                                     | 12,15    | 10,339                      | 2,400                          | 2,400                       |
| Accrued employee benefits                    |          | 1,327                       | 1,064                          | 1,064                       |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other                                        |          | ..                          | ..                             | ..                          |
| <b>Total current liabilities</b>             |          | <b>11,666</b>               | <b>3,464</b>                   | <b>3,464</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |          |                             |                                |                             |
| Payables                                     |          | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |          | 30                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other                                        |          | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |          | <b>30</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |          | <b>11,696</b>               | <b>3,464</b>                   | <b>3,464</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |          | <b>203,242</b>              | <b>178,929</b>                 | <b>178,929</b>              |
| <b>EQUITY</b>                                |          |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          | 13,16,17 | <b>203,242</b>              | <b>178,929</b>                 | <b>178,929</b>              |

# Cash flow statement

| Queensland Reconstruction Authority                         | Notes    | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| User charges and fees                                       |          | ..                          | ..                             | ..                          |
| Grants and other contributions                              | 18,22,26 | 1,851,828                   | 1,017,521                      | 644,426                     |
| Interest received                                           |          | ..                          | ..                             | ..                          |
| Taxes                                                       |          | ..                          | ..                             | ..                          |
| Other                                                       | 19,23    | 168,348                     | 203,874                        | 68,008                      |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Employee costs                                              |          | (11,633)                    | (12,359)                       | (12,597)                    |
| Supplies and services                                       | 20,24,27 | (186,210)                   | (141,280)                      | (84,531)                    |
| Grants and subsidies                                        | 21,25,28 | (1,821,453)                 | (1,194,431)                    | (614,426)                   |
| Borrowing costs                                             |          | ..                          | ..                             | ..                          |
| Other                                                       |          | (880)                       | (1,209)                        | (880)                       |
| <b>Net cash provided by or used in operating activities</b> |          | ..                          | <b>(127,884)</b>               | ..                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Sales of non financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed                                        |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Payments for non financial assets                           |          | ..                          | ..                             | ..                          |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | ..                          | ..                             | ..                          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Borrowings                                                  |          | ..                          | ..                             | ..                          |
| Equity injections                                           |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals                                          |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | ..                          | ..                             | ..                          |
| <b>Net increase/(decrease) in cash held</b>                 |          | ..                          | <b>(127,884)</b>               | ..                          |
| <b>Cash at the beginning of financial year</b>              |          | <b>165,471</b>              | <b>297,650</b>                 | <b>169,766</b>              |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>165,471</b>              | <b>169,766</b>                 | <b>169,766</b>              |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. Grants and other contributions income 2014-15 estimated actual is below 2014-15 budget due to a reduction in funding required to reimburse agencies for completed NDRRA works (see note 3).
2. Employee expenses and Supplies and Services expenses 2014-15 estimated actual is greater than 2014-15 budget due to additional expenditure approved relating to work required to acquit prior year NDRRA grant expenditure.
3. Grants and subsidies expenses 2014-15 estimated actual is below 2014-2015 budget due to a reduction in the final cost of eligible reconstruction works claimed and completed by State Departments and Agencies (SDAs) and Local Government Authorities (LGAs).
4. Other expenses 2014-15 estimated actual is greater than 2014-15 budget due to the return of unexpended grant funding to Queensland Treasury for a completed Non-NDRRA program.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

5. Grants and other contributions income 2015-16 budget is below 2014-15 budget due to a reduction in funding required to reimburse agencies for completed NDRRA works (see note 6).
6. Grants and subsidies expenses 2015-16 budget is below 2014-2015 budget due to reduced NDRRA works by SDAs and LGAs.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

7. Grants and other contributions income 2015-16 budget is below 2014-15 estimated actual due to a reduction in funding required to reimburse agencies for completed NDRRA works (see note 9).
8. Supplies and Services expenses 2015-16 budget is less than 2014-15 estimated actual due to additional expenditure approved for 2014-15 relating to work required to acquit prior year NDRRA grant expenditure.
9. Grants and subsidies expenses 2015-16 budget is below 2014-2015 estimated actual due to reduced NDRRA works by SDAs and LGAs.
10. Other expenses 2015-16 budget is less than 2014-15 estimated actual due to the return of unexpended grant funding to Queensland Treasury for a completed Non-NDRRA program in 2014-15.

## Balance sheet

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

11. Receivables 2014-15 estimated actual is less than 2014-15 budget due to a forecast reduction in GST receivable at the end of the financial year.
12. Payables 2014-15 estimated actual is less than 2014-15 budget due to a forecast reduction in payables at the end of the financial year.
13. Accumulated surplus 2014-15 estimated actual is less than 2014-15 budget due to the utilisation of prior year advance funding received by the Authority to reimburse delivery agents for NDRRA expenditure in 2014-15.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

14. Receivables 2014-15 budget is greater than 2015-16 budget due to a forecast reduction in GST receivable at the end of the 2015-16 financial year.
15. Payables 2014-15 budget is greater than 2015-16 budget due to a forecast reduction in payables at the end of the 2015-16 financial year.
16. Accumulated surplus 2014-15 budget is greater than 2015-16 budget due to the utilisation of prior year advance funding received by the Authority to reimburse delivery agents for NDRRA expenditure in 2014-15.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

17. There are no variations forecast between the 2014-15 estimated actual and the 2015-16 budget.

# Cash flow statement

## Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

18. Grants and other contributions inflows 2014-15 estimated actual is below 2014-15 budget due to a reduction in funding required to reimburse agencies for completed NDRRA works (see note 21).
19. Other inflows 2014-15 estimated actual is above 2014-15 budget due to the timing of GST receipts from the ATO.
20. Supplies and services outflows 2014-15 estimated actual is below 2014-15 budget predominately due to a reduction in the payment of GST on Grants and subsidies during 2014-15.
21. Grants and subsidies outflows 2014-15 estimated actual is below 2014-2015 budget due to a reduction in the final cost of eligible reconstruction works claimed and completed by State Departments and Agencies (SDAs) and Local Government Authorities (LGAs).

## Major variations between 2014-15 Budget and 2015-16 Budget include:

22. Grants and other contributions inflows 2015-16 budget is below 2014-15 budget due to a reduction in funding required to reimburse agencies for completed NDRRA works (see note 25).
23. Other inflows 2015-16 budget is below 2014-15 budget due to a forecast overall reduction in GST receipts from the ATO.
24. Supplies and services 2015-16 budget is below 2014-15 budget due to forecast reduced overall GST outflows on Grants and subsidies during 2015-16.
25. Grants and subsidies outflows 2015-16 budget is below 2014-2015 budget due to reduced NDRRA works by SDAs and LGAs.

## Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

26. Grants and other contributions inflows 2015-16 budget is below 2014-15 estimated actual due to a reduction in funding required to reimburse agencies for completed NDRRA works (see note 28).
27. Supplies and Services outflows 2015-16 budget is below 2014-15 estimated actual due to forecast reduced overall GST outflows on Grants and subsidies during 2015-16.
28. Grants and subsidies outflows 2015-16 budget is below 2014-2015 estimated actual due to reduced NDRRA works by SDAs and LGAs.



# Statutory body

## South Bank Corporation

### Overview

On 1 July 2013, the Corporation's management responsibilities for the South Bank Parklands transferred to the Brisbane City Council (BCC). In addition, the Corporation's planning assessment powers for the majority of the Corporation area were transferred to BCC from 1 February 2013.

In 2012 the Corporation was directed to refrain from capital expenditure and to exercise financial prudence to ensure that any cash reserves were able to be applied to its long term debt obligations.

South Bank Corporation retains responsibility for, amongst other matters:

- administration of the planning instrument for the Corporation area and planning assessment for the Southpoint development
- the Brisbane Convention and Exhibition Centre
- the Parklands carpark
- retail and short term commercial leasing and retail marketing
- road and footpath ownership and management.

The objects of the Corporation (as outlined in the *South Bank Corporation Act 1989*) are to:

- promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation area
- achieve an appropriate balance between the Corporation's commercial and non-commercial functions
- ensure the Corporation area complements, rather than duplicates, other public use sites in the inner-city Brisbane area
- provide for a diverse range of recreational, cultural and educational pursuits for local, regional and international visitors
- accommodate public events and entertainment that benefit the general community
- achieve excellence and innovation in the management of open space and park areas.

### Service performance

Recent achievements that contribute to the Government's objectives for the community include:

- an outstanding and incident free G20 Leaders Summit at the Brisbane Convention and Exhibition Centre
- retirement of the Corporation's long term debt, ahead of schedule, in accordance with the Government's direction to work towards reduction in long term debt obligations
- facilitating the developer's commencement of two of the three stages of the \$500-\$600 million Southpoint development in the Corporation area
- grant of a long term lease of the Plough Inn hotel
- increasing and improving the retail activation and public offering across the precinct with the attraction of flagship tenants
- continuing to manage and enhance, with BCC, the distinct elements of the precinct that make South Bank Brisbane's favourite place to live, work and play.

## Staffing<sup>1</sup>

| South Bank Corporation | Notes | 2014-15<br>Budget | 2014-15<br>Est. Actual | 2015-16<br>Budget |
|------------------------|-------|-------------------|------------------------|-------------------|
| South Bank Corporation |       | 24                | 22                     | 22                |

Note:

1. FTEs as at 30 June.

# Income statement

| South Bank Corporation               | Notes  | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|--------------------------------------|--------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |        |                             |                                |                             |
| Taxes                                |        | ..                          | ..                             | ..                          |
| User charges and fees                | 1,7,11 | 83,011                      | 86,379                         | 82,071                      |
| Grants and other contributions       |        | ..                          | ..                             | ..                          |
| Interest                             | 2,8    | 150                         | 565                            | 550                         |
| Other revenue                        |        | ..                          | 108                            | ..                          |
| Gains on sale/revaluation of assets  | 3,12   | 2,800                       | 9,000                          | 5,000                       |
| <b>Total income</b>                  |        | <b>85,961</b>               | <b>96,052</b>                  | <b>87,621</b>               |
| <b>EXPENSES</b>                      |        |                             |                                |                             |
| Employee expenses                    | 4,9    | 3,285                       | 2,816                          | 2,815                       |
| Supplies and services                |        | 60,374                      | 59,868                         | 61,338                      |
| Grants and subsidies                 |        | ..                          | ..                             | ..                          |
| Depreciation and amortisation        |        | 24,400                      | 25,000                         | 25,000                      |
| Finance/borrowing costs              | 5,10   | 1,700                       | 53                             | ..                          |
| Other expenses                       | 6      | 10,803                      | 8,303                          | 7,156                       |
| Losses on sale/revaluation of assets |        | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |        | <b>100,562</b>              | <b>96,040</b>                  | <b>96,309</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |        | <b>(14,601)</b>             | <b>12</b>                      | <b>(8,688)</b>              |

# Balance sheet

| South Bank Corporation                       | Notes    | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|----------------------------------------------|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |          |                             |                                |                             |
| Cash assets                                  | 13,17    | 10,171                      | 32,181                         | 35,145                      |
| Receivables                                  |          | 2,698                       | 1,834                          | 1,834                       |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Inventories                                  |          | 365                         | 313                            | 313                         |
| Other                                        |          | 302                         | 430                            | 430                         |
| Non financial assets held for sale           |          | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |          | <b>13,536</b>               | <b>34,758</b>                  | <b>37,722</b>               |
| <b>NON-CURRENT ASSETS</b>                    |          |                             |                                |                             |
| Receivables                                  |          | ..                          | ..                             | ..                          |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 14,18    | 674,241                     | 688,588                        | 698,361                     |
| Intangibles                                  |          | ..                          | ..                             | ..                          |
| Other                                        |          | 5,329                       | 6,167                          | 6,167                       |
| <b>Total non-current assets</b>              |          | <b>679,570</b>              | <b>694,755</b>                 | <b>704,528</b>              |
| <b>TOTAL ASSETS</b>                          |          | <b>693,106</b>              | <b>729,513</b>                 | <b>742,250</b>              |
| <b>CURRENT LIABILITIES</b>                   |          |                             |                                |                             |
| Payables                                     |          | 9,013                       | 9,452                          | 9,452                       |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | 110                         | 239                            | 239                         |
| Other                                        | 15,19,20 | 18,977                      | 22,910                         | 29,335                      |
| <b>Total current liabilities</b>             |          | <b>28,100</b>               | <b>32,601</b>                  | <b>39,026</b>               |
| <b>NON-CURRENT LIABILITIES</b>               |          |                             |                                |                             |
| Payables                                     |          | 696                         | 645                            | 645                         |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives | 16       | 622                         | ..                             | ..                          |
| Provisions                                   |          | 85                          | 89                             | 89                          |
| Other                                        |          | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |          | <b>1,403</b>                | <b>734</b>                     | <b>734</b>                  |
| <b>TOTAL LIABILITIES</b>                     |          | <b>29,503</b>               | <b>33,335</b>                  | <b>39,760</b>               |
| <b>NET ASSETS/(LIABILITIES)</b>              |          | <b>663,603</b>              | <b>696,178</b>                 | <b>702,490</b>              |
| <b>EQUITY</b>                                |          |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |          | <b>663,603</b>              | <b>696,178</b>                 | <b>702,490</b>              |

# Cash flow statement

| South Bank Corporation                                      | Notes    | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| User charges and fees                                       |          | 87,011                      | 92,629                         | 92,496                      |
| Grants and other contributions                              |          | ..                          | ..                             | ..                          |
| Interest received                                           |          | 150                         | 565                            | 550                         |
| Taxes                                                       |          | ..                          | ..                             | ..                          |
| Other                                                       |          | 4,000                       | 4,108                          | 4,000                       |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Employee costs                                              |          | (3,285)                     | (2,816)                        | (2,815)                     |
| Supplies and services                                       |          | (64,374)                    | (63,868)                       | (65,338)                    |
| Grants and subsidies                                        |          | ..                          | ..                             | ..                          |
| Borrowing costs                                             | 21,24    | (1,700)                     | (53)                           | ..                          |
| Other                                                       |          | (14,803)                    | (14,303)                       | (11,156)                    |
| <b>Net cash provided by or used in operating activities</b> |          | <b>6,999</b>                | <b>16,262</b>                  | <b>17,737</b>               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Sales of non financial assets                               | 22,25,27 | 8,500                       | 11,810                         | ..                          |
| Investments redeemed                                        |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Payments for non financial assets                           | 23,28    | (13,286)                    | (7,824)                        | (14,773)                    |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(4,786)</b>              | <b>3,986</b>                   | <b>(14,773)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Borrowings                                                  |          | ..                          | ..                             | ..                          |
| Equity injections                                           |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Borrowing redemptions                                       | 26,29    | (13,000)                    | (13,673)                       | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals                                          |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>(13,000)</b>             | <b>(13,673)</b>                | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>(10,787)</b>             | <b>6,575</b>                   | <b>2,964</b>                |
| <b>Cash at the beginning of financial year</b>              |          | <b>20,958</b>               | <b>25,606</b>                  | <b>32,181</b>               |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>10,171</b>               | <b>32,181</b>                  | <b>35,145</b>               |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. The increase is due to higher turnover experienced by the Brisbane Convention and Exhibition Centre (BCEC).
2. The increase is due to higher cash at bank than anticipated.
3. The increase is due to higher than anticipated gains on revaluation of investment properties driven by capital investments by the Corporation.
4. The decrease is due to provision for project appointments and temporary staff, not required with reduced capital works projects and low staff turnover.
5. The decrease is due to the Corporation's early repayment of its loan with Queensland Treasury Corporation.
6. The decrease is due to the recognition of expenditure as capital works.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

7. The decrease is due to lower activity at the BCEC following its record financial result in 2014-15 with the G20 Summit.
8. The increase is due to forecast higher cash at bank.
9. The decrease is due to a provision in the 2014-15 year for project appointments not required due to reduced capital works.
10. The decrease is due to the Corporation's early repayment of its loan with Queensland Treasury Corporation.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

11. The decrease is due to the BCEC's record financial result in 2014-15 with the G20 Summit.
12. The decrease is due to higher than anticipated gains on revaluation of investment properties in the 2014-15 year, driven by capital investments by the Corporation.

## Balance sheet

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

13. The increase is due to better than budgeted operating result, deferred capital expenditure, higher than budgeted receipt of funds on sale of an investment property and receipt of funds on future sale of development land.
14. The increase is mainly due to revaluation of the Parklands and BCEC land.
15. The increase is due to the receipt of future development land sales recognised as unearned income.
16. The decrease is due to the early repayment of the Queensland Treasury Corporation loan.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

17. The increase is due to better than budgeted operating result, deferred capital expenditure, higher than budgeted receipt of funds on sale of an investment property and receipt of funds on future sale of development land.
18. The increase is mainly due to the revaluation of the Parklands and BCEC land.
19. The increase is due to receipt of premiums in advance of development land sales.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

20. The increase is due to receipt of premiums in advance of development land sales.

## Cash flow statement

### **Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:**

- 21. The decrease is due to the early repayment of the loan with Queensland Treasury Corporation.
- 22. The increase is due to higher than anticipated funds received on sale of an investment property.
- 23. The decrease is due to the deferral of planned capital works.

### **Major variations between 2014-15 Budget and 2015-16 Budget include:**

- 24. The decrease is due to the early repayment of the loan with Queensland Treasury Corporation.
- 25. The decrease is due to the sale of the investment property being completed in the 2014-15 year.
- 26. The decrease is due to the loan with Queensland Treasury Corporation being fully repaid in the 2014-15 year.

### **Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:**

- 27. The decrease is due to the sale of the investment property being completed in the 2014-15 year.
- 28. The increase is due to the deferral of capital expenditure from the 2014-15 year.
- 29. The decrease is due to the loan with Queensland Treasury Corporation being fully repaid in the 2014-15 year.

# Statutory body

## Trade and Investment Queensland

### Overview

Trade and Investment Queensland (TIQ) is the Queensland Government's principal export promotion and investment attraction agency. TIQ delivers a range of services to Queensland businesses across metropolitan and regional Queensland to develop sustainable export markets, improve export capabilities and to promote investment ready opportunities to international investors.

TIQ contributes to the Queensland Government's objective for the community of creating jobs and a diverse economy by:

- facilitating, promoting, identifying, attracting and developing trade and investment opportunities
- conducting research into and analysing trade and investment opportunities
- partnering with governments, industry organisations and international networks to promote Queensland business and international trade and investment opportunities.

As part of TIQ's business and strategic planning process, the agency moved to a sector-focused structure where clients liaise directly with Priority Sector Teams established to promote Queensland's capability in the following areas: Food and Agribusiness; Mining and Resources; International Education and Training; and Urban Infrastructure and Knowledge Industries.

2015-16 will present TIQ's clients both challenges and opportunities. From a macro-economic perspective, economic growth in Queensland's major trading partners is forecast at 3.75% in 2015. However, fiscal consolidation in some major economies, the unwinding of quantitative easing in the USA, and rebalancing of growth in China are likely to see Queensland major trading partner growth remain below trend in coming years. Recently concluded Free Trade Agreements with Japan, the Republic of Korea and China suggest greater export opportunities for Queensland companies in these markets.

### Service performance

Internal factors contributing to results from February 2014 onwards include a new senior management team, an organisational restructure in Queensland to refocus on industries and changes to key performance indicators and work practices reflecting TIQ's Strategic Plan and business plans.

The Trade and Investment Queensland Review 2013 highlighted 86 recommendations across all facets of the organisation, of which one was for TIQ to be transitioned to a statutory body. Seventy-five recommendations have been implemented, with the remaining 11 subject to further consideration by the TIQ management.

TIQ will continue to deliver both Ministerial and TIQ-led trade and investment missions in 2015-16. These missions provide a platform to showcase Queensland exporters and investment opportunities to potential investors.

### Performance statement

#### Trade

#### Service area objective

To facilitate Queensland companies to win export business.

#### Service area description

To achieve its objective, the trade service area:

- creates awareness within the Queensland business community of export opportunities
- identifies Queensland companies with an internationally competitive export offering



- promotes Queensland exporters to potential customers through TIQ's global network
- identifies international export opportunities through TIQ's global network
- works with Australian branches of multinationals to nominate existing Queensland-based suppliers for projects offshore.

## Services

- Export Leads
- Export Deals

| Trade and Investment Queensland                       | Notes | 2014-15<br>Target/Est. | 2014-15<br>Est. Actual | 2015-16<br>Target/Est. |
|-------------------------------------------------------|-------|------------------------|------------------------|------------------------|
| <b>Service area: Trade</b>                            |       |                        |                        |                        |
| <b>Service: Export leads</b>                          |       |                        |                        |                        |
| <b>Service standards</b><br><i>Efficiency measure</i> |       |                        |                        |                        |
| Cost per export lead                                  | 1     | New measure            | New measure            | \$5,500                |
| <b>Service: Export deals</b>                          |       |                        |                        |                        |
| <b>Service standards</b><br><i>Efficiency measure</i> |       |                        |                        |                        |
| Cost per export deal                                  | 2     | New measure            | New measure            | \$42,000               |

Notes:

1. Cost of an export lead includes the FTE costs of Queensland and internationally-based FTE staff involved in servicing business clients plus their discretionary budgets divided by the number of deals.
2. Cost of an export deal includes the FTE costs of Queensland and internationally-based FTE staff involved in servicing business clients plus their discretionary budgets divided by the number of deals.

## Investment

### Service area objective

To facilitate investment into a Queensland company or project.

### Service area description

To achieve its objective the Investment service area:

- develops value propositions for investment at a state and sector level
- works with local councils, economic development agencies and private sector service providers to identify Queensland investment ready projects for promotion internationally
- pursues opportunities for reinvestment from current international investors in Queensland
- promotes Queensland investment propositions
- identifies international investors through TIQ's global network.

### Services

- Investment Leads
- Investment Deals

| Trade and Investment Queensland                                                    | Notes | 2014-15<br>Target/Est. | 2014-15<br>Est. Actual | 2015-16<br>Target/Est. |
|------------------------------------------------------------------------------------|-------|------------------------|------------------------|------------------------|
| <b>Service area: Investment</b>                                                    |       |                        |                        |                        |
| <b>Service: Investment Leads</b>                                                   |       |                        |                        |                        |
| <b>Service standards</b><br><i>Efficiency measures</i><br>Cost per investment lead | 1     | New measure            | New measure            | \$19,000               |
| <b>Service: Investment deals</b>                                                   |       |                        |                        |                        |
| <b>Service standards</b><br><i>Efficiency measures</i><br>Cost per investment deal | 2     | New measure            | New measure            | \$150,000              |

Notes:

1. Cost of an investment lead includes the FTE costs of Queensland and Internationally-based FTE staff involved in servicing business clients plus their discretionary budgets divided by the number of deals.
2. Cost of an investment deal includes the FTE costs of Queensland and internationally-based FTE staff involved in servicing business clients plus their discretionary budgets divided by the number of deals.

## Business and Skilled Migration Queensland

### Service area objective

To promote Queensland as a preferred destination in Australia for business and skilled migrants.

### Service area description

This service area nominates businesses and skilled migrants to the Australian Government's Migration Program and processes state nominated applications through the Australian Government's SkillSelect program.

| Trade and Investment Queensland                                                                                        | Notes | 2014-15<br>Target/Est. | 2014-15<br>Est. Actual | 2015-16<br>Target/Est. |
|------------------------------------------------------------------------------------------------------------------------|-------|------------------------|------------------------|------------------------|
| <b>Service area: Business and Skilled Migration Queensland</b>                                                         |       |                        |                        |                        |
| <b>Service standards</b><br><i>Efficiency measures</i><br>Cost to process a business and skilled migration nomination. | 1     | New measure            | New measure            | \$1,300                |

Note:

1. Cost includes FTE costs of 8 staff.

## Staffing<sup>1</sup>

| Trade and Investment Queensland | Notes | 2014-15<br>Budget | 2014-15<br>Est. Actual | 2015-16<br>Budget |
|---------------------------------|-------|-------------------|------------------------|-------------------|
| Trade and Investment Queensland | 2, 3  | 125               | 109                    | 125               |

Notes:

1. FTEs as at 30 June.
2. TIQ have had a freeze on recruitment as a result of the TIQ realignment and the machinery-of-government changes. It is expected these positions will be required in order for TIQ to achieve its 2015-16 targets.
3. TIQ FTE numbers are not able to be split between the various service areas as staff work across trade and investment areas.

## Discontinued measures

Performance measures included in the 2014-15 Service Delivery Statements that have been discontinued or replaced are reported in the following table with estimated actual results. For those measures which are being discontinued from the Service Delivery Statement because they do not demonstrate the effectiveness or efficiency of services, please refer to the Notes below for further information about where these measures will continue to be reported.

| Trade and Investment Queensland                                                                                                                                                                | Notes | 2014-15<br>Target/Est. | 2014-15<br>Est. Actual | 2015-16<br>Target/Est. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------|------------------------|------------------------|
| Number of targeted and qualified leads for Queensland businesses generated through Trade and Investment Queensland's overseas trade missions and other trade and export development activities | 1, 2  | 420                    | 580                    | Discontinued measure   |

Notes:

1. This measure is being discontinued as it is a measure of activity and does not report on the effectiveness or efficiency of the services delivered.
2. The variance between 2014-15 target and 2014-15 actual is as a result of the implementation of better reporting tools and an organisational realignment in 2014-15.

# Income statement

| Trade and Investment Queensland      | Notes | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|--------------------------------------|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |       |                             |                                |                             |
| Taxes                                |       | ..                          | ..                             | ..                          |
| User charges and fees                | 1,5   | 389                         | 539                            | 648                         |
| Grants and other contributions       | 2,6,8 | 28,492                      | 32,024                         | 29,871                      |
| Interest                             |       | ..                          | 150                            | 75                          |
| Other revenue                        | 7,9   | 504                         | 481                            | 300                         |
| Gains on sale/revaluation of assets  |       | ..                          | 4                              | ..                          |
| <b>Total income</b>                  |       | <b>29,385</b>               | <b>33,198</b>                  | <b>30,894</b>               |
| <b>EXPENSES</b>                      |       |                             |                                |                             |
| Employee expenses                    | 3,10  | 19,497                      | 18,921                         | 20,245                      |
| Supplies and services                | 4,11  | 9,468                       | 13,880                         | 10,306                      |
| Grants and subsidies                 |       | ..                          | ..                             | ..                          |
| Depreciation and amortisation        |       | 130                         | 200                            | 196                         |
| Finance/borrowing costs              |       | ..                          | ..                             | ..                          |
| Other expenses                       |       | 150                         | 197                            | 147                         |
| Losses on sale/revaluation of assets |       | 140                         | ..                             | ..                          |
| <b>Total expenses</b>                |       | <b>29,385</b>               | <b>33,198</b>                  | <b>30,894</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |       | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |

# Balance sheet

| Trade and Investment Queensland              | Notes | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|----------------------------------------------|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |       |                             |                                |                             |
| Cash assets                                  | 12,18 | 5,557                       | 1,965                          | 2,161                       |
| Receivables                                  |       | 897                         | 1,055                          | 1,055                       |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Inventories                                  |       | ..                          | ..                             | ..                          |
| Other                                        | 13,19 | 195                         | 554                            | 554                         |
| Non financial assets held for sale           |       | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |       | <b>6,649</b>                | <b>3,574</b>                   | <b>3,770</b>                |
| <b>NON-CURRENT ASSETS</b>                    |       |                             |                                |                             |
| Receivables                                  | 14,20 | ..                          | 313                            | 313                         |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Property, plant and equipment                |       | 421                         | 468                            | 352                         |
| Intangibles                                  |       | ..                          | 321                            | 241                         |
| Other                                        |       | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |       | <b>421</b>                  | <b>1,102</b>                   | <b>906</b>                  |
| <b>TOTAL ASSETS</b>                          |       | <b>7,070</b>                | <b>4,676</b>                   | <b>4,676</b>                |
| <b>CURRENT LIABILITIES</b>                   |       |                             |                                |                             |
| Payables                                     | 15,21 | 4,247                       | 828                            | 828                         |
| Accrued employee benefits                    |       | 634                         | 657                            | 657                         |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other                                        | 16,22 | ..                          | 541                            | 541                         |
| <b>Total current liabilities</b>             |       | <b>4,881</b>                | <b>2,026</b>                   | <b>2,026</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |       |                             |                                |                             |
| Payables                                     |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                    | 17,23 | ..                          | 464                            | 464                         |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other                                        |       | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |       | <b>..</b>                   | <b>464</b>                     | <b>464</b>                  |
| <b>TOTAL LIABILITIES</b>                     |       | <b>4,881</b>                | <b>2,490</b>                   | <b>2,490</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |       | <b>2,189</b>                | <b>2,186</b>                   | <b>2,186</b>                |
| <b>EQUITY</b>                                |       |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |       | <b>2,189</b>                | <b>2,186</b>                   | <b>2,186</b>                |

# Cash flow statement

| Trade and Investment Queensland                             | Notes    | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Est. Act.<br>\$'000 | 2015-16<br>Budget<br>\$'000 |
|-------------------------------------------------------------|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| User charges and fees                                       | 24,27    | 389                         | 539                            | 648                         |
| Grants and other contributions                              | 25,28,30 | 28,492                      | 32,024                         | 29,871                      |
| Interest received                                           |          | ..                          | 150                            | 75                          |
| Taxes                                                       |          | ..                          | ..                             | ..                          |
| Other                                                       | 29,31    | 504                         | 481                            | 300                         |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Employee costs                                              | 32       | (19,497)                    | (18,921)                       | (20,245)                    |
| Supplies and services                                       | 26,33    | (9,972)                     | (13,880)                       | (10,306)                    |
| Grants and subsidies                                        |          | ..                          | ..                             | ..                          |
| Borrowing costs                                             |          | ..                          | ..                             | ..                          |
| Other                                                       |          | (150)                       | (197)                          | (147)                       |
| <b>Net cash provided by or used in operating activities</b> |          | <b>(234)</b>                | <b>196</b>                     | <b>196</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Sales of non financial assets                               |          | ..                          | 4                              | ..                          |
| Investments redeemed                                        |          | (140)                       | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Payments for non financial assets                           |          | ..                          | ..                             | ..                          |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(140)</b>                | <b>4</b>                       | <b>..</b>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>                                             |          |                             |                                |                             |
| Borrowings                                                  |          | ..                          | ..                             | ..                          |
| Equity injections                                           |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>                                            |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals                                          |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>(374)</b>                | <b>200</b>                     | <b>196</b>                  |
| <b>Cash at the beginning of financial year</b>              |          | <b>5,931</b>                | <b>1,765</b>                   | <b>1,965</b>                |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>5,557</b>                | <b>1,965</b>                   | <b>2,161</b>                |



# Explanation of variances in the financial statements

## Income statement

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. The increase relates to income for rental reimbursement in TIQ's international offices impacted by the foreign exchange movements compared with market assumption at the beginning of the budget process.
2. The increase relates to additional funding received for the Brand Queensland (an initiative delivered as part of the whole of government promotion of Queensland during the November 2014 G20 Summit), extension to International Education and Training unit and deferred funding from 2013-14.
3. The decrease is mainly contributed to vacant positions held during TIQ's organisation realignment. This was offset by a foreign exchange cost increase for international staff costs compared with market assumption at the beginning of the budget process.
4. The increase relates to additional expenditure incurred as a result of the Brand Queensland initiative, extension for International Education and Training initiatives, deferment of funding from 2013-14 and the impact of the cost increases due to foreign exchange movements compared with market assumptions at the beginning of the budget process.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

5. The increase relates to income for rental reimbursement in TIQ's international offices impacted by the foreign exchange movements compared with market assumption at the beginning of the budget process.
6. The increase relates to the continuation of the International, Education and Training unit.
7. The decrease relates to the targeted number of visa applications processed.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

8. The decrease relates to the one off funding received in 2014-15 for the Brand Queensland initiative and the deferred funding from 2013-14.
9. The decrease relates to the targeted number of visa applications processed.
10. The increase is due to the implementation of TIQ realigned structure and the finalisation of a number of recruitment processes where the roles were previously held vacant.
11. The decrease relates to additional expenditure incurred as a result of the Brand Queensland initiative, extension for International Education and Training initiatives and the deferral of funding from 2013-14.

## Balance sheet

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

12. The decrease reflects the movements in operating receipts and payments from the cashflow statement.
13. The increase relates to security deposits held on rental properties.
14. The increase relates to security deposits held on rental properties.
15. The movement reflects the timing and amount of operating payments as a result of Machinery of Government from the establishment of Trade and Investment Queensland as a Statutory Body and the settlement from the Department of Treasury and Trade.
16. The movement reflects the timing and amount of operating payments as a result of Machinery of Government from the establishment of Trade and Investment Queensland as a Statutory Body and the settlement from the Department of Treasury and Trade.
17. Increase is due to the recognition of local labour law severance provisions for overseas based employees.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

18. The decrease reflects the movements in operating receipts and payments from the cashflow statement.
19. The increase relates to security deposits held on rental properties.
20. The increase relates to security deposits held on rental properties.

21. The movement reflects the timing and amount of operating payments as a result of Machinery of Government from the establishment of Trade and Investment Queensland as a Statutory Body and the settlement from the Department of Treasury and Trade.
22. Increase is a result of unearned revenue not being included within budget but formed part of the Machinery of Government for the establishment of Trade and Investment Queensland which was previously included as payables.
23. Increase is due to the recognition of local labour law severance provisions for overseas based employees.

## Cash flow statement

### Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

24. The increase relates to income for rental reimbursement in TIQ's international offices impacted by the foreign exchange movements compared with market assumption at the beginning of the budget process.
25. The increase relates to additional funding received for the Brand Queensland (an initiative delivered as part of the whole of government promotion of Queensland during the November 2014 G20 Summit), extension to International Education and Training unit and deferred funding from 2013-14.
26. The increase relates to additional expenditure incurred as a result of the Brand Queensland initiative, extension for International Education and Training initiatives, deferment of funding from 2013-14 and the impact of the cost increases due to foreign exchange movements compared with market assumptions at the beginning of the budget process.

### Major variations between 2014-15 Budget and 2015-16 Budget include:

27. The increase relates to income for rental reimbursement in TIQ's international offices impacted by the foreign exchange movements compared with market assumption at the beginning of the budget process.
28. The increase relates to the continuation of the International, Education and Training unit.
29. The decrease relates to the targeted number of visa applications processed.

### Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

30. The decrease relates to the one off funding received in 2014-15 for the Brand Queensland initiative and the deferred funding from 2013-14.
31. The decrease relates to the targeted number of visa applications processed.
32. The increase is due to the implementation of TIQ realigned structure and the finalisation of a number of recruitment processes where the roles were previously held vacant.
33. The decrease relates to additional expenditure incurred as a result of the Brand Queensland initiative, extension for International Education and Training initiatives and the deferral of funding from 2013-14.

# Glossary of terms

|                             |                                                                                                                                                                                                                                                                                               |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accrual accounting</b>   | Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.                                   |
| <b>Administered items</b>   | Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.                                                                                                                                                                            |
| <b>Agency/entity</b>        | Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision. |
| <b>Appropriation</b>        | Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for:<br>delivery of agreed services<br>administered items<br>adjustment of the Government's equity in agencies, including acquiring of capital.                                             |
| <b>Balance sheet</b>        | A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.                                                                                                                                                                                   |
| <b>Capital</b>              | A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.                                      |
| <b>Cash Flow Statement</b>  | A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.                                                                                                                                           |
| <b>Controlled Items</b>     | Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.                                                                                 |
| <b>Depreciation</b>         | The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.                                                                                                                                                                |
| <b>Equity</b>               | Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.                                                                                          |
| <b>Equity injection</b>     | An increase in the investment of the Government in a public sector agency.                                                                                                                                                                                                                    |
| <b>Financial statements</b> | Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.                                                                                                                                         |

|                                |                                                                                                                                                                                                                                                |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Income statement</b>        | A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation. |
| <b>Machinery-of-government</b> | The redistribution of the public business of one government agency to another government agency. Also referred to as MoG.                                                                                                                      |
| <b>Outcomes</b>                | Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.                             |
| <b>Own-source revenue</b>      | Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.                                                                                                   |
| <b>Priorities</b>              | Key policy areas that will be the focus of Government activity.                                                                                                                                                                                |
| <b>Services</b>                | The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.                                                                                                          |

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)



