Department of State Development, Infrastructure and Planning

2012–13 **Annual Report**

Great state. Great opportunity.

Queensland Government

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Department of the Premier and Cabinet will coordinate feedback through the *Get Involved* website www.qld.gov.au/annualreportfeedback

CSS 0396 001

Director-General's letter of compliance

The Honourable Jeff Seeney MP
Deputy Premier, Minister for State Development, Infrastructure and Planning
100 George Street
Brisbane Qld 4000

23 September 2013

Dear Deputy Premier

I am pleased to present the 2012–2013 Annual Report and financial statements for the Department of State Development, Infrastructure and Planning.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*
- detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

This report is prepared on the basis of the current administrative arrangements for this department applying for the whole of the 2012–13 financial year. That is, it reflects the structure, operations and performance of the department as it now exists.

A checklist outlining the annual reporting requirements can be found at page 109 of this annual report or accessed at www.dsdip.qld.gov.au

Yours sincerely

David Edwards
Director-General
Department of State Development, Infrastructure and Planning

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Introduction

Director-General's foreword

I am very pleased to present the 2012–13 Annual Report. It has been a year of notable achievements and I'm proud to report we successfully delivered 100 per cent of our commitments under the government's rolling six-month action plans.

During 2012–13 we continued our significant reform agenda. We focused our efforts and resources on delivering the government's priorities to drive economic development. Reforming the planning sector is well underway, and we continue to cut red tape and costs for the resources sector—a major driver of the Queensland economy benefiting all Queenslanders. We also reinforced our position as the central agency to grow the economy and champion the interests of business and industry.

Successful fast-tracking delivery of major resources and industrial development projects is demonstrated by the Coordinator-General's record 128 statutory decisions in 2012–13.

To assist property and construction industries to grow and flourish we are streamlining planning processes. Our first State Planning Forum, held in March 2013 engaged 65 stakeholders to help shape the reform agenda. We released the draft State Planning Policy, replacing mulitple existing policies with one cohesive document. The new State Assessment and Referral Agency commenced on 1 July 2013 and provides a coordinated, whole-of-government approach to state development assessment. Development of next generation statutory regional plans for the Central Queensland, Darling Downs and Cape York regions also commenced in 2013.

Royalties for the Regions provided over $49 million for projects across five councils in the first round of the program in 2012-13. Projects included a new and improved community medical centre, roads, sewerage and flood mitigation. Further to this, round 2 has now started with a total of 113 applications received. Round 2 road and community infrastructure project expressions of interest closed in August 2013 and 14 successful Round 2 flood mitigation projects have been announced.

The *Regional and Resource Towns Action Plan* deals with community issues, particularly in relation to the mining boom. The plan identifies short-term initiatives and 'on-the-ground' projects that will be implemented in the next 12 to 24 months for 13 regions and resource towns.

We have continued to support the Resources Cabinet Committee as it strives for practical solutions to regulatory issues. High on the list of the Committee's achievements is getting flood-affected mines back into production to generate jobs and economic growth.

With the establishment of Economic Development Queensland in February 2013 we are facilitating the growth of business and industry. A key project is the Commonwealth Games Village at Parklands, the first stage of a master-planned community at Southport. The

Commonwealth Games Infrastructure Authority met for the first time in March 2013 and will assist with the planning and development of venues for the Gold Coast 2018 Commonwealth Games.

In April 2013, we set up the Government Land and Asset Management group to undertake the Property Asset Utilisation Review investigating a whole-of-government approach to the management of the state's property portfolio.

The *Mary Valley Economic Development Strategy* is on track to deliver a range of projects, including the return of land for community use and residential land sales. To date, 65 Mary Valley properties have been sold and nine development leases for land have been secured, which will boost capital investment and full-time and seasonal jobs for the region. We also opened the Mary Valley economic development office in March 2013.

To diversify regional and state economies we established Defence Industries Queensland to drive investment in the local defence industry, build capabilities and connect those within the industry to take advantage of national and international supply chain opportunities.

The Public Sector Renewal Program remains a top priority and we have continued to re-focus our services on government priorities. We are playing our part through undertaking renewal activity in the areas of planning, infrastructure and economic development. Through business alignment, we are ensuring our resources are targeted to our strategic priorities, and also drive savings and productivity. We are continuing to develop an organisational culture focused on outcomes.

There is plenty to be positive about in 2013–14. Queensland is a great state of great opportunity with significant resources and economic growth prospects.

We will continue to strive for economic growth for the benefit of all Queenslanders. The future is indeed exciting.

We are delivering on the government's priorities and, with the support of the Premier, Deputy Premier and Assistant Minister for Planning Reform, we are making a real difference for business, industry and local government in this state.

I look forward to continuing to work with the professional and committed people in our department, who share the vision of a bright future for all Queenslanders.

David Edwards
Director-General
Department of State Development, Infrastructure and Planning

Coordinator-General's statement

I made 128 statutory decisions in the 12 months to 30 June 2013. This represents a decision rate three times greater than previously. Additionally, it exceeds the 2012–13 service standards target of 90 statutory decisions.

The substantial improvement in statutory decision making rates, including material change of use approvals, also reflects the success of the changes that the Office of the Coordinator-General has implemented. This includes the 43-point fast-tracking action plan to provide efficient, streamlined and comprehensive assessments of coordinated projects. Assessment times have reduced by 54 per cent.

The Coordinator-General has wide-ranging powers under the *State Development and Public Works Organisation Act 1971*. These include powers to plan, deliver and coordinate large-scale industry, resource and tourism infrastructure projects while managing potential environmental and social impacts. These projects promote economic development throughout Queensland.

In December 2012, amendments to the SDPWO took effect to clarify and improve the powers of the Coordinator-General. These modifications better reflect state government policies and priorities, and assist in streamlining assessment of major project proposals.

Major projects I approved during the reporting period include the Ella Bay Integrated Resort near Innisfail in North Queensland, the Great Keppel Island resort development off Yeppoon in Central Queensland, and the Kevin's Corner Project in the Galilee Basin. Combined, these projects have the potential to attract $6.19 billion of investment, 2631 construction jobs and 3457 operational jobs.

As at 30 June 2013, a further 32 coordinated projects were in the pipeline under active assessment. These projects have the potential to attract $71 billion of investment, 38 000 construction jobs and 24 000 operational jobs. These are major resource, infrastructure and tourism projects which would contribute significantly to growing Queensland's four pillar economy.

The Coordinator-General also prepares and administers development schemes for each state development area (SDA). The scheme controls land-use and infrastructure planning, and ensures development in the SDA is well planned and managed. There are currently eight SDAs across Queensland, from the south-east to the far north of the state.

These achievements highlight the dedication, skills and expertise of our people and I wish to acknowledge and thank the team in the Office of the Coordinator-General. I look forward to continuing to work in partnership with proponents and key stakeholders to balance social and environmental concerns with the need for economic growth to achieve the best social, environmental and economic outcomes for Queensland.

Barry Broe
Coordinator-General

Department role and functions

Our department is responsible to Parliament through the Deputy Premier and Minister for State Development, Infrastructure and Planning and is constituted under the Administrative Arrangements.

The Department of State Development, Infrastructure and Planning (DSDIP) exists to drive the economic development of Queensland. Our work is principally governed by the following legislation:

- *State Development and Public Works Organisation Act 1971* (SDPWO)—an Act to provide for state planning and development through a coordinated system of public works organisation, environmental coordination and related purposes
- *Sustainable Planning Act 2009* (SPA)—an Act to achieve ecological sustainability through managing the process by which development takes place
- *Economic Development Act 2012*—an Act about economic development and development for community purposes. The Act also establishes the Commonwealth Games Infrastructure Authority. [1]

The department was established in April 2012 with the clear objective of establishing a strong central agency to grow the economy and champion the interests of business and industry for communities across Queensland. It brings together the functions of the Coordinator-General, economic and regional development, major project delivery, government land and asset management, and infrastructure and planning.

We are committed to *Getting Queensland back on track*. Our corporate direction is consistent with the government's five community pledges:

- grow a four pillar economy
- lower the cost of living
- deliver better infrastructure and better planning
- revitalise front-line services
- restore accountability in government.

We deliver innovative and economically responsible outcomes, and get the right balance between economic opportunities, the impacts of development on the environment and improving the Queensland way of life. Our delivery is aligned with the direction and objectives outlined in our *Strategic Plan 2012–16*.

Our vision

Drive the economic development of Queensland.

Our purpose

Deliver major infrastructure, economic development and planning services to communities across Queensland.

Our objectives

- Champion the interests of business and industry in Queensland.
- Fast track delivery of major resource and industrial development projects.
- Diversify and build resilience in regional and state economies.

[1] For other legislation administered by our department view the Administrative Arrangements

- Assist property and construction industries to grow and flourish through streamlined planning processes.
- Re-empower local governments and their communities to plan for their futures.
- Improve service delivery.

Our values

- Lead by example.
- Focus on client service.
- Communicate openly and honestly.
- Take responsibility.
- Recognise and reward.
- Perform and deliver.

Operating environment

DSDIP is successfully delivering the government's priorities to drive economic development; reform the planning system; and cut red tape and costs for the resources sector, a major driver of the Queensland economy benefiting all Queenslanders.

Since July 2012 our department has undertaken a process of renewal and reform, transitioning to a new organisational structure to enable optimal use of our resources. Our efforts have continued to be focused around economic development, infrastructure and planning, regional development and delivering Coordinator-General projects. Diversifying the economic prosperity of the resources sector—a key pillar of the Queensland economy—remains a priority.

While the Queensland economy grew on the strength of business investment in the resources sector in 2011–12, deteriorating external conditions led to a downgrade in economic growth outlook in 2012 that extended well into 2013.

The fall in coal demand resulted in lower coal prices and terms of trade. The weaker global economic outlook saw business remain cautious and business conditions and confidence deteriorated. The high Australian dollar and revenue write-downs limited improvement in the state's bottom line. Queensland again faced the challenge of severe weather conditions in early 2013, with impacts on economic production and gross state product.

However, there are signs of improvement outside the resources sector. Household consumption and dwelling investment are strengthening due to low interest rates, stronger income growth and faster population growth. This reinforces the government's strategy of broadening the economy through focusing on the four pillars of construction, tourism, resources and agriculture.

In the medium to long-term, economic growth is expected to grow to six per cent due to the ramp up in liquefied natural gas (LNG) production driving exports, combined with a stronger domestic sector. The strengthening household sector is also expected to drive recovery in employment growth.

Despite the challenges of ongoing global economic uncertainty, fluctuating commodity prices, rising labour costs and a tightening fiscal environment that will continue to impact on our economy and business competitiveness, we are focused on practical actions to lock in sustainable growth.

Economic development is being driven through a multi-faceted approach including Economic Development Queensland (EDQ), resource sector facilitation, land for industry and residential land for sale.

Coordinator-General projects are being delivered to promote economic and social development in Queensland. Many of these projects stem from rising world demand for Queensland's natural resources, most notably coal and coal seam gas.

We are modernising Queensland's infrastructure and planning system through legislative change, infrastructure planning and delivery, the establishment of the State Assessment and Referral Agency (SARA), local government infrastructure planning and charges reform and industry support.

Our department works closely with Queensland's regions to help build stronger regional economies. We are supporting regional development through initiatives such as the Royalties for the Regions program.

Machinery of government changes

Several changes in departmental arrangements occurred throughout the financial year, including:

- EDQ commenced on 1 February and was established under the *Economic Development Act 2012*. It brings together the two former Queensland Government bodies that handled urban residential and industrial development across the State (the Urban Land Development Authority and the Property Services Group). EDQ will continue a number of the current development activities of these bodies and identify new projects
- Government Land and Asset Management (GLAM) group was established on 1 March 2013 to drive the strategic management of the state's real property portfolio, delivering enhanced economic and social outcomes by identifying, assessing and optimising the management of the state's assets
- a lease granted and management responsibilities transferred for South Bank and Roma Street Parklands to the Brisbane City Council on 1 July 2013
- the GasFields Commission was established as an independent body to manage and improve sustainable co-existence between landholders, regional communities and the onshore gas industry in Queensland. The *GasFields Commission Act 2013* commenced on 1 July 2013
- responsibility for the Queensland Reconstruction Authority was transferred to the Minister for Local Government, Community Recovery and Resilience as a result of the *Administrative Arrangements Amendment Order (No. 1) 2013* dated 4 February 2013, taking effect on 1 March 2013.

Future direction

Our priorities continuing into 2013–14 are:

- implementing the Governing for Growth framework, to focus actions and create conditions for the private sector to invest, innovate, grow and create wealth
- delivering significant planning reforms—in particular the operation of SARA, the single State Planning Policy (SPP) and roll out of regional statutory plans
- driving the next wave of planning reforms through replacement of SPA with the proposed *Planning for Queensland's Development Act* in 2014

- establishing dedicated case managers supporting major resource projects and increasing workload associated with the Resources Cabinet Committee
- responsibility for the delivery of all Commonwealth Games infrastructure
- redevelopment of the Government Precinct, to be integrated with the 1 William Street development
- responsibility for a range of infrastructure planning and delivery projects such as the Queensland Ports Strategy, Strategic Airports Statement and Abbot Point expansion project
- leading the development of the government's future negotiation position on the bilateral agreements and other Commonwealth/state relations regarding assessment and approvals of major projects
- delivering DSDIP's response to the Commission of Audit including a 10 year Infrastructure Plan and the Deputy Premier's Governing for Growth initiative
- launching the second round of the Royalties for the Regions program for infrastructure projects in Queensland's resource communities
- conducting a review of the state's property portfolio
- progressing the Broadwater Marine Project
- implementing regional infrastructure frameworks and supply chain projects for the Galilee and Bowen basins and the North West Minerals Province
- supporting the defence industry to build capabilities, connect to new partners and clients, and position itself to take advantage of national and international supply chain opportunities
- preparing the Great Barrier Reef Strategic Assessment
- progressing the *Mary Valley Economic Development Strategy* including funding to recommission the Mary Valley Railway Line and associated infrastructure, enabling the return of a tourism icon 'The Valley Rattler' to the Mary Valley
- implementing the *Regional and Resource Towns Action Plan*
- supporting catalyst infrastructure to facilitate the delivery of new satellite communities in Ripley Valley and Greater Flagstone
- continuing the planning for a long-term major industrial precinct at Willowbank—the 500ha development near Ipswich will be a catalyst for the expansion of a range of large-scale and general industries
- implementing a DSDIP program of red-tape reduction towards the achievement of a 23 per cent reduction in the requirements count for legislation and guideline documents by March 2018.

With a flexible and agile attitude to resource allocation, during 2013–14 DSDIP will continue to identify efficiencies, implement refined delivery models and focus on delivery of prioritised programs and activities within existing budget.

Non-financial performance

Government's objectives for the community

Our department has a vital role in the government's agenda to grow a four pillar economy, deliver better infrastructure and planning, and lower the cost of living for families by cutting waste. Our job is to increase economic activity and facilitate the projects which drive Queensland's economy by growing the business as well as identifying efficiencies and savings.

The achievement of the department's objectives is actively supported by strategies including:

- a focus on stimulating economic activity by delivering land and economic development solutions
- facilitating and delivering coordinated and complex projects
- facilitating business and industry locating and growing in Queensland
- reducing costs to business
- building stronger regions based on competitive advantages
- working with local governments to declare new priority development areas (PDAs)
- working to remove regulatory and other impediments
- continuously reviewing and focusing departmental activities on government priorities.

In particular, our department is fast tracking delivery of major infrastructure and planning projects. Streamlined delivery of private and government funded infrastructure projects is being assisted through departmental support for local suppliers, small businesses and industry.

The **Office of the Coordinator-General** is coordinating and delivering large-scale industry, resource and tourism infrastructure projects of state and regional significance, including private-sector and resources infrastructure, contributing to driving Queensland's economic and social development. In line with the government's community objective to deliver better infrastructure and planning, the Coordinator-General is continuing to identify delivery efficiencies via a range of strategies and innovations, including:

- the implementation of the 43-point fast tracking action plan to provide efficiencies in the environmental impact statement (EIS) assessment process
- the development of streamlined generic terms of reference for coordinated projects requiring an EIS under the SDPWO
- the streamlining of the social impact assessment guidelines to help proponents assess the social aspects of their project, promote a risk-based approach and focus on outcomes to encourage innovative solutions to capitalise on opportunities and mitigate detrimental impacts which are directly related to the project
- the streamlining of a number of SDA development schemes to promote assessment efficiencies, as well as other

initiatives aimed at providing certainty to proponents.

Supporting the government's community objective to build a four pillar economy, the **State Development Group** is working to drive Queensland's economic growth and contribute to creating and sustaining Queensland jobs through:

- leading economic and infrastructure policy development for the state
- providing a case management service to assist the development of coal seam gas (CSG)/LNG and major resource projects
- developing policy changes to reduce red tape impacting on the resources sector
- reforming local industry policy
- undertaking industry and supply chain development to grow the economy and jobs (e.g. defence)
- providing practical facilitation to a number of industry projects that has resulted in $226 million of capital investment and 1000 jobs in Queensland
- developing industry and supply chain sectors
- focusing on investment attraction and business assistance to secure domestic and international business investment in Queensland
- delivering the Royalties for the Regions program, which is providing funding of $49 million in 2012–13 for new and improved community infrastructure, roads and floodplain security projects that benefit those who live, work and invest in resource regions
- producing regional economic strategies for regional industry development.

The **Major Projects Office** is also assisting delivery of the government's community objective to build a four pillar economy (strengthening the tourism, agriculture, resources and construction sectors) by:

- providing timely assistance for the delivery of infrastructure to industry and the community
- focusing on complex and high profile projects to maximise state development benefits
- facilitating the redevelopment of the Government Precinct in Brisbane to encourage investment in the construction sector and tourism, and revitalise this part of the central business district
- attracting major tourism development to Queensland, including facilitation of the Gold Coast Broadwater Marine Project
- revitalising the Mary Valley region and restoring community stability through implementing the *Mary Valley Economic Development Strategy.*

Government Land and Asset Management contributes to the government's community objectives by driving the strategic management of the state's real property portfolio to deliver enhanced economic and social outcomes. Land will be made available to support government priorities ensuring:

- better use of government land assets by identifying surplus assets and establishing plans for divestment including implementing key land transactions and managing key properties
- fast tracking the delivery of significant and/or complex land transactions including social housing and not-for-profit projects.

Our **Planning Group** is reforming the state's planning and development assessment system to deliver a new planning framework for Queensland that meets the government's community objective to deliver better infrastructure and planning. This comprehensive reform streamlines processes, provides greater certainty and delivers cultural and attitudinal change to realise the government's vision of having the best planning system in Australia. Key planning reform initiatives are:

- substantial amendments to SPA removing outdated provisions, expediting state assessment of development and revising the appeals framework
- development of SARA to provide a coordinated whole-of-government approach to state assessment of development by creating a central point for development applications, resulting in one application and one response, saving industry time and money. DSDIP will coordinate assessment and referrals across government, minimising delays and unnecessary costs for applicants
- development of a single SPP signalling a new approach to state planning policy making which simplifies and clarifies the state's interests. The new cohesive policy will replace multiple existing policies about various state interests in the planning and development assessment system. It will allow the state to provide clarity to local governments on how to make and amend their local planning instruments and assess development applications
- review of the local infrastructure planning and charges framework to introduce a more balanced infrastructure framework that is equitable, transparent and certain.

The new planning system will foster economic growth, prioritise infrastructure, remove development blockages, manage environmental impacts and empower local governments to plan for their communities.

Economic Development Queensland (EDQ) is facilitating economic development and development for community purposes. It plays a key role in streamlining and fast-tracking development throughout the state, including identifying new residential, urban and industrial development projects.

EDQ is delivering a range of planning and development activities aimed at facilitating residential and mixed use development, and the expansion of industry in Queensland. These activities support the government's objective to deliver better infrastructure and planning for Queensland with a core theme of attracting industry and creating and retaining jobs across the state.

Regional Services is a regional network of staff delivering regional development, planning, business, industry and services on behalf of state government agencies with an economic development focus across Queensland. Regional Services is the Queensland Government's first point of contact for people looking to invest in Queensland, or grow a business, industry or a regional economy. Key services delivered for clients including Queensland Government departments, local government, industry organisations, chambers of commerce, businesses, developers and tourism operators include:

- regional and statutory planning as a tool to support economic development and diversification
- business and supply chain development to support growth of a four pillar economy and other key industry sectors
- regional intelligence and stakeholder engagement to provide an effective

exchange to inform policy/program development and service delivery responses

- regional development to support leadership and capacity building to deliver on economic priorities of regional communities
- project facilitation and investment attraction to pursue and provide case management of opportunities that deliver on the competitive and comparative advantages of regional Queensland.

Whole-of-government plans and specific initiatives

In addition to the government's objectives for the community, additional priorities for the department are:

- **Bilateral agreements**—in June 2012, the Queensland and Australian governments signed an updated assessment bilateral agreement under the *Environment Protection and Biodiversity Conservation Act 1999*. The purpose of the agreement is to minimise duplication in assessment when a project also requires an approval from the Commonwealth Environment Minister. The agreement covers the environmental impact assessment processes in three pieces of Queensland legislation, namely the SDPWO, the *Environmental Protection Act 1994* and SPA.
- **Royalties for the Regions (Head and Sub-Agreements)**—a Queensland government initiative investing in new and improved community infrastructure, roads and floodplain security projects which benefit those who live, work and invest in our resource regions; over $49 million invested in projects in the pilot round in 2012–13.
- **Regional Development Australia (RDA)**—is a joint Commonwealth and state initiative aimed at developing and strengthening regional communities. There are 12 RDA committees in Queensland. The department entered into bilateral agreements with the majority of these to provide ongoing support including cash and in-kind support through to 31 December 2013. Under the agreement, RDA committees work closely with the department on jointly aligned projects and provide advice on local development issues and opportunities.
- **National Partnership Agreements**—the department has lead reporting responsibility for two National Partnership Agreements:
    - o Regional Infrastructure Fund Stream 2 – Economic Infrastructure
        - North Queensland Resources Supply Chain ($1.25 million). The two components to be delivered under this plan are:

          - operationalising the 50 year Infrastructure Plan for North Queensland

          - developing a comprehensive demand model to enable prioritisation of projects, policy and investment decisions.

          The North Queensland Resources Supply Chain Steering Committee is providing oversight and guidance for the following work streams—demand analysis model, infrastructure capacity audit and supply chain coordination study. Regional stakeholder consultation is currently underway for these work streams.

- Central Queensland Resources Supply Chain ($1.2 million). The plan will be developed to:

  - sustainably manage regional growth in the Central Queensland Resource Supply Chain (including both Galilee and Bowen basins) by setting directions and principles to facilitate economic and social infrastructure to support the development of the Galilee and Bowen basins' resources

  - provide certainty for the coal and agricultural industries and the community and financial institutions in regard to the Queensland Government's preferred infrastructure outcomes.

  The development of a water supply strategy and transport study are underway as part of the Central Queensland Resources Supply Chain project. Economic modelling is also being progressed, which will underpin future analysis on regional growth, business opportunities and industrial land needs.

- Mission Beach Safe Boating Infrastructure project (formerly known as the construction of safe anchorage at Mission Beach) to aid the development of proposals for community consideration, and if supported, the subsequent construction of a safe anchorage at Mission Beach.

  A workshop was conducted in late November 2012 to assess concepts and viable options for improving boating operations in Boat Bay, Mission Beach. The outcomes from the workshop were presented to key stakeholders at Mission Beach in March 2013. Feedback from community and interest groups was provided during site inspections in late March 2013. Tender documentation to procure design services for developing preliminary designs, preparing cost estimates and identifying a preferred solution is being finalised for release to the market.

- **Great Barrier Reef strategic assessment**—the department has lead responsibility for the completion of the strategic assessment of the Great Barrier Reef Coastal Zone under the Australian Government's *Environment Protection and Biodiversity Conservation Act 1999*. The strategic assessment is being conducted in response to the United Nations Educational, Scientific and Cultural Organisation (UNESCO) World Heritage Committee request for Australia to undertake a comprehensive strategic assessment of the Great Barrier Reef World Heritage property to ensure that its 'Outstanding Universal Value' is protected.

  In addition to addressing UNESCO's request, the strategic assessment can also lay the foundations for streamlining development approval processes between the Australian and Queensland governments.

  The terms of reference governing the strategic assessment were endorsed in August 2012 following a public consultation process. The strategic assessment will describe and assess the way in which Queensland's coastal management, planning and development processes identify and protect matters of national environmental significance, including the 'Outstanding Universal Value' of the Great Barrier Reef coastal zone.

It is expected that the draft strategic assessment reports will be released for public consultation in the latter part of 2013 so that the draft reports can inform the 38th session of the UNESCO World Heritage Committee in 2014.

- **Intergovernmental Agreements**
  - Fitzgibbon Stormwater Harvesting—A joint state and Commonwealth Government funded stormwater recycling project in Fitzgibbon Chase. The aim of the project is to capture stormwater runoff from a 290 hectare catchment. The water is then to be treated in a purpose built water treatment plant and reticulated to properties within the estate for non-potable uses. The system is expected to supply 89 megalitres (ML) per year. The project is 90 per cent complete and is expected to be handed over to Queensland Urban Utilities within the next 12 months. The final report is due to the Australian Government Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) in February 2014.
  - Fitzgibbon Rainwater Harvesting to Potable Reuse Scheme (PotaRoo)—A state government initiative jointly funded by the Commonwealth Government and the Japanese Government. PotaRoo will capture roof rainwater runoff from the majority of dwellings at Fitzgibbon Chase, ultimately for the supply of potable water to the town water network. The runoff will be collected in a number of large underground tanks and pumped to the central storage tank and water treatment plant.

    The system is expected to supply 44ML per year. The project is close to completion and is expected to be handed over to Queensland Urban Utilities within the next 12 months. The final report is due to SEWPaC in February 2014.

Agency objectives and performance indicators

Our department's objectives and strategies, consistent with our *Strategic Plan 2012–16*, are outlined in the following table. Progress toward achieving our objectives and outcomes during the 2012–13 year is also described.

Performance against the *Strategic Plan 2012–16*

Objective	Strategy
Champion the interests of business and industry	• Remove regulatory and other bottlenecks and impediments to investments. • Facilitate the growth of business and industry.

Key performance indicators

- Legislation reviewed and key systemic blockages identified and, where appropriate, changed to meet the needs of business and industry.
- Increased uptake across Queensland of targeted industry support programs in key export and non-export based industries to improve growth, competitiveness and employment.

Our progress

- Supported the RCC to identify and address impediments to resource industry operations and growth; RCC outcomes include a pilot mine water discharge strategy; new administrative arrangements to remove unnecessary assessment of resource activities; a revised Coal Seam Gas (CSG) water management policy; extended the timeframe for refit of regulated dams from three to five years; and successfully negotiated conduct and compensation agreements with the gas industry to access state forests.
- Restored the Coordinator-General's power and authority through amendments to the SDPWO to properly coordinate and facilitate major projects important to the State's development by streamlining assessment and approval processes, increasing the rate of statutory decision-making.
- Appointed a facilitator for the expansion of the Abbot Point Coal Terminal project and called for expressions of interest (EOI) for the first stage.
- Developed legislation to establish the independent GasFields Commission to better oversee the relationship between Queensland landholders, regional communities and the CSG industry.
- Established Defence Industries Queensland and appointed the new Defence Industries Envoy to grow the local defence sector and attract more investment to Queensland.
- Worked on finalising the Governing for Growth framework; setting out priority areas for economic reform to create conditions for private sector investment, innovation and growth.
- Continued to develop the Queensland Ports Strategy outlining the government's approach to port planning and development to 2040.
- Lead the Great Barrier Reef Strategic Assessment; a comprehensive assessment to ensure we achieve best practice in managing a balance between growth and protection of the environment.
- Supported the Property and Construction Cabinet Committee to provide whole-of-government leadership to the property and construction industry, with the initial focus on resolving resourcing and cross agency matters prior to 'go live' of SARA on 1 July 2013.

<table>
<tr><th>Objective</th><th>Strategy</th></tr>
<tr><td>Fast track delivery of major resource and industrial development projects</td><td>• Deliver and facilitate significant and complex projects.
• Prepare infrastructure coordination plans.
• Ensure land is available for industrial development, infrastructure and major public infrastructure projects in SDAs.</td></tr>
<tr><td colspan="2">Key performance indicators
• EIS assessment and approval times reduced.
• Infrastructure coordination plans (for priority areas) completed on time.
• Timely completion of SDA development schemes to meet industrial development, infrastructure and major public infrastructure needs.</td></tr>
<tr><td colspan="2">Our progress
• Parliament's passing of the Economic Development Act 2012 and the establishment of EDQ—the department's commercialised business unit to deal in land and property; coordinate infrastructure provision; and plan, develop and manage land in PDAs.
• Declared four PDAs in the Gold Coast, Redlands and Central Queensland to fast-track planning and development.
• Lead the implementation of the Regional and Resource Towns Action Plan, released in March 2013, which aims to assist Queensland regional towns impacted by the mining boom. Highlights include the declaration of the Blackwater East PDA, gazettal of the Central Queensland University Rockhampton PDA and Toolooa PDA development schemes.
• Established Infrastructure Queensland to advise on long-term infrastructure planning, prioritisation and ongoing management and maintenance. IQ has considered several infrastructure policies and strategies, providing valuable industry grounding and insight.
• Completed the Galilee Basin and Bowen Basin Infrastructure Frameworks.
• Established case managers to support key resource sector companies.
• Streamlined the EIS assessment process to reduce overall delivery times by 60 per cent for the total environmental impact assessment processes required under the SDPWO.
• Reviewed and amended the Townsville SDA and supporting development scheme to facilitate improved development opportunities.
• Reduced SDA material change of use assessment times by 25 per cent.
• Began to deliver the 2018 Commonwealth Games infrastructure including commencing works on the Gold Coast Aquatic Centre.
• Completed the EOI phase for the Broadwater Marine Project on 5 March 2013 as part of a two stage competitive procurement process with shortlisted proponents to submit detailed proposals in late 2013.</td></tr>
<tr><th>Objective</th><th>Strategy</th></tr>
<tr><td>Diversify and build resilience in regional and State economies</td><td>• Enhance access to global supply chains.
• Address strategic infrastructure needs.
• Build stronger regions based on competitive advantages.
• Increase private sector investment by facilitating business and industry locating and growing in Queensland.</td></tr>
<tr><td colspan="2">Key performance indicators
• Increasing the number of firms accessing major supply chain opportunities.
• Uptake of Royalties for the Regions funding.
• The Bruce Highway crisis group is supported.
• Preliminary evaluation studies completed and progressed to Projects Queensland on time.
• All new and revised regional plans are based on economic and infrastructure strategies.
• Affordable land and housing available in mining communities.
• New business and industry opportunities secured through market analysis, facilitation and support.</td></tr>
</table>

Our progress

- Established the Royalties for the Regions program to benefit communities in resource regions: delivering more than $49 million in Round 1's successful projects and preparing for Round 2.
- Released the *Bruce Highway Action Plan* in October 2012 to deliver an engineering-based 10 year Crisis Action Plan to upgrade the Bruce Highway, giving priority to safety and flood immunity initiatives.
- Continued delivery of the *Mary Valley Economic Development Strategy* to maximise economic development opportunities in the valley and return government-owned assets to private ownership. Four development leases have been signed, a combined valued of over $5 million with potential to create up to 62 full time and seasonal jobs.
- Developed a pilot capability program in partnership with major resources companies to respond to the lack of connectivity between resource proponents and regional supply chains and capability of regional businesses.
- Accelerated delivery of residential land in Moranbah and Blackwater and continued delivery of residential land in Roma, Gladstone, Mackay and Townsville, contributing to land supply and normalisation of prices for land and housing.
- Facilitated sales of industrial land throughout Queensland generating $79.9 million in private sector investment and 235 jobs.

Objective	Strategy
Assist property and construction industries to grow and flourish through streamlined planning processes	• Streamline planning, assessment and approval processes.

Key performance indicators

- Industry satisfied with simplified planning system.
- SPA reviewed and reformed on time.

Our progress

- Introduced the first round of SPA amendments, including provisions for the establishment of SARA to provide a single point of contact to government in relation to the assessment of development applications and a coordinated state government response to applicants.
- Commenced the temporary SPP and released the draft single SPP, identifying the state's interests in planning and development and how to deal with these in planning instruments, council development assessment processes and designating land for community infrastructure.
- Released the infrastructure planning and charging framework review discussion paper with a view to introducing reforms that enhance clarity, equity and consistency of the system.
- Removed approximately 2 500 to 2 700 unnecessary referral 'triggers' for state assessment under SPA as part of an ongoing referral reduction program aimed at reducing both the number of referral triggers and the number of development applications required to be referred.
- Prepared to roll-out the 'Planning Healthcheck' pilot project to Redlands, Gold Coast, Rockhampton, Mackay and Central Highlands councils to assess the 'health' of their planning and development systems.
- Held the first Queensland Planning Forum for industry stakeholders and local government participants on future opportunities to reform the planning and development assessment system.
- Provided more streamlined planning and development assessment processes in four new PDAs.
- Amended the SDPWO; implemented a 43-point fast-tracking action plan; developed generic terms of reference and streamlined social impact assessment guidelines to provide efficient and comprehensive project assessments; and amended SDA development schemes to promote efficiencies and provide certainty to proponents about development expectations.

<table>
<tr><th>Objective</th><th>Strategy</th></tr>
<tr><td>Re-empower local governments and their communities to plan for their futures</td><td>• Work with local governments to optimise sustainable growth.
• Assist growth in key industry sectors through regional service delivery partnerships with local governments and stakeholders.</td></tr>
<tr><td colspan="2">Key performance indicators
• Local planning devolved to local government.
• Regional statutory plans completed on time.</td></tr>
<tr><td colspan="2">Our progress
• Released the draft Darling Downs and Central Queensland regional plans for public consultation—plans to protect the regions priority agricultural land uses and the future of towns from incompatible resource development.
• Continued to prepare the draft Cape York Regional Plan to deliver land use certainty by balancing appropriate economic development with the protection of Cape York’s natural areas and areas of high conservation value.
• Amended the South Bank Corporation Act 1989 to transfer the majority of South Bank Corporation’s statutory planning powers to Brisbane City Council, with the balance of powers to be transferred to the council following amendment of its own planning scheme.
• Delegated planning and development assessment powers within SDAs to local governments under the Economic Development Act 2012.
• Consulted with local governments about strategic planning initiatives for SDAs within their local government areas.</td></tr>
<tr><th>Objective</th><th>Strategy</th></tr>
<tr><td>Improve service delivery</td><td>• Continuously reviewing and focusing departmental activities on government priorities.</td></tr>
<tr><td colspan="2">Key performance indicators
• Organisational structure and resourcing aligns with business requirements to deliver government priorities.
• Absenteeism within acceptable levels.
• Local government, industry and business satisfied with regional service delivery.
• Services are delivered within appropriate budget.</td></tr>
<tr><td colspan="2">Our progress
• Continuously reviewed business and resource alignment to focus departmental activities on government priorities.
• Ensured our service delivery models are efficient and effective.
• Delivered integrated and valued departmental and other government services across regional Queensland by joining the economic development investment attraction and planning arms together to provide customers with one point of contact for economic development activities.
• Completed 11 service profiles and validated the volumes of those services in preparation for the commencement of mapping of DSDIP services as part of the One Stop Shop agenda.
• Public Sector Renewal Program: implemented planning reform, established EDQ and increased Coordinator-General statutory decision/approval rate.</td></tr>
</table>

Agency service areas, service standards and other measures

Performance measures

Our department's performance information is presented in the following tables, which are consistent with the performance statement in the 2012–13 Service Delivery Statements. To improve accountability for performance, only measures that relate to efficiency and or effectiveness of services delivered are presented. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of services, are reported in the discontinued measures. As DSDIP has over 90 per cent new or amended measures and a high proportion of discontinued measures, the review of results over previous years including trend data and analysis has not been included.

	Note	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Coordinator-General				
Service standards				
The number of statutory decisions made by the Coordinator-General	1	90	135	128
Average percentage reduction in the assessment timeframes for coordinated projects	2	New measure	50%	54%
State Development				
Service standards				
Percentage of businesses engaged in the department's targeted industry support programs reporting positive outcomes	3	Amended measure	70%	97%
Percentage of stakeholders indicating they are satisfied with the quality of facilitation services for industry development and Invest Queensland services	4	New measure	New measure	New measure
Value of private sector capital investment leveraged through industry facilitation	5	New measure	New measure	New measure
Gross jobs generated or safeguarded as a result of project facilitation	6	New measure	New measure	New measure
Value of infrastructure investment enabled through the Royalties for the Regions program	7	New measure	New measure	New measure

	Note	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Major Projects				
Service standards				
Percentage of industry proponents indicating they are satisfied with services provided for the management, delivery or facilitation of projects	8	New measure	100%	100%
Percentage of projects being managed, delivered or facilitated, which meet committed timeframes and approved budgets	9	New measure	87.5%	87.5%
Percentage of land transactions being delivered, which meet committed timeframes and approved revenue targets		New measure	New measure	New measure
Planning				
Service standards				
Percentage of stakeholders indicating they are satisfied with Queensland's simplified planning system	10	Amended measure	63.8%	63.8%
Percentage improvement in time taken for referral agency responses	11	New measure	New measure	New measure
Percentage improvement in time taken for State assessment manager decisions issued	12	New measure	New measure	New measure

Notes:

1. This service standard is a continuing measure that demonstrates the efficiency of the Coordinator-General service in making statutory decisions. Statutory decisions are those made under the SDPWO. The variance between the 2012–13 target estimate and the 2012–13 actual is due to a catch-up and backlog in 2012–13.
2. This is a new service standard that demonstrates the effectiveness of the Coordinator-General in reducing assessment timeframes across the seven coordinated project stages compared to pre-April 2012. The 2013–14 target estimate will be compared to pre-April 2012. These timeframes reflect the performance of the previous and current governments.
3. This measure demonstrates the effectiveness of the department's targeted industry support programs, including the Major Projects Supplier Program and Tendering for Government Business Workshops. Positive outcomes can include firms reporting benefits such as new markets accessed, additional business won and resulting employment growth. This measure was previously worded as 'Proportion of assisted firms reporting improved performance following the department's funded innovation and capacity development activities.' The performance result reported is collected through an annual survey of manufacturing firms across the state run by Queensland Manufacturing Institute (QMI) Solutions. Variance – Outcome equals percentage of assisted companies that responded to client surveys and reported positive outcomes as a result of engaging in a support program.
4. This is a new service standard that measures stakeholder satisfaction with the effectiveness of the State Development service area in the facilitation of industry development and services of Invest Queensland (which transfer to Queensland Treasury and Trade later in 2013).
5. This is a new service standard that measures the effectiveness of project facilitation services provided by the State Development group to assist Queensland investment. Program to commence in 2013–14.
6. This is a new service standard that measures the effectiveness of the State Development group in facilitating projects, leading to jobs generation and safeguarding. Program to commence in 2013–14.
7. This is a new service standard that measures the effectiveness of the Royalties for the Regions program in facilitating infrastructure investment. Program to commence in 2013–14.
8. This is a new service standard that measures the level of industry satisfaction with the effectiveness of service delivery provided by the Major Projects Office. The 2012–13 estimated actual is based on percentage of survey respondents indicating that they are 'very satisfied'. The survey was provided to 10 recipients, of which three responded.
9. The achievement of project milestones within scheduled timeframes can be expected to be partly attributable to timely services provided by the Major Projects Office and Government Land and Asset Management groups, which deliver the Major Projects service. Of the eight projects relevant to the 2012–13 estimated actual, seven met committed timeframes and

approved budgets. The Surat Basin Rail project fulfilled state government commitments, however due to market conditions beyond state government control, Surat Basin Rail Joint Venture did not provide the estimated security and the take bid did not proceed.

10. This measure was previously worded as 'Degree of stakeholder satisfaction with training and capacity building initiatives delivered to support the implementation of reforms to improve the state's planning and development framework'. The 2012–13 estimated actual is an average percentage of stakeholders indicating satisfaction with 10 different planning reforms. Higher levels of satisfaction can be expected to indicate effectiveness of Queensland's simplified planning system. The percentage of stakeholders indicating satisfaction with specific reforms ranged from 100 per cent in relation to 'Giving assessment managers discretion to accept development applications as properly made, despite non-compliance with the provision of mandatory supporting information' to 37.5 per cent in relation to 'Starting the next-generation statutory regional plans'.
11. This is a new measure that demonstrates the efficiency of SARA in coordinating referral agency responses. SARA commences operations on 1 July 2013.
12. This is a new measure that demonstrates the efficiency of SARA in issuing assessment manager decisions. SARA commences operations on 1 July 2013.

Discontinued measures

Performance measures included in the 2012–13 Service Delivery Statement, which have been discontinued or replaced by better measures are reported in the following table.

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Coordinator-General				
Other measure				
Integrated development assessment scheme responses completed within statutory timeframes: (a) Local Government Planning Schemes	1,2,3	12	18	14
Major Projects Office				
Service standards				
Percentage of Queensland population receiving fluoridated drinking water outside SEQ (excluding Indigenous local authorities)	4,5	92%	41%	27%
Percentage of Queensland population receiving fluoridated drinking water within Indigenous local authorities	4,6	100%	66%	8%
Other measures				
Number of industrial land solutions implemented during the year across the state for proposed major project developments	7,8	250	135	99
Percentage of total number of private sector and government projects being coordinated or implemented, which met committed timeframes and milestones	9	90%	88.75%	97%

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
State Development				
Service standards				
Estimated value of efficiency savings or new business generated by businesses assisted by the department	10,11	$25 M	$25 M	$40.9 M
Estimated value of additional capital attracted to Queensland as a result of the department's investment and business development assistance	12	$100 M	$100 M	$226,500 M
Value of new exports generated by businesses assisted by the department	1,13	-	-	-
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of the department's funded innovation and capacity development activities	10,14	80%	80%	94%
Other measures				
Achievement of major project milestones on strategic projects	1,3,15	7	11	36
Consultative and engagement forums with industry and community stakeholders	1,3	100	81	379
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	3,7,16	315	320	627
The number of business participants in structured development activities	3,7,17	5900	6270	11342
Significant one-on-one business consultations undertaken	3,7,18	4400	5118	8832
Number of businesses involved in the department's facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	1,3,19	1400	1681	1863
Planning				
Other measures				
Percentage of milestones completed on priority projects identified in regional plan implementation programs	1,20	80%	n/a	n/a
Number of regional plans reviewed in accordance with statutory timeframes	1,20	2	n/a	n/a

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Percentage of statutory concurrence responses provided to councils, development industry and community within statutory timeframes	21,22	100%	100%	100%
Percentage of state interest checks performed within agreed timeframes	21,23	80%	78%	78%

Notes:

1. These measures have been discontinued for Service Delivery Statement reporting purposes as they are not an indication of the efficiency or effectiveness of the service areas (they measure activity).
2. The 2012–13 estimated actual reflects a higher than expected number of applications received.
3. These measures include a component that the department's Regional Services group is responsible for. In measuring the 2012–13 estimated actual performance for those components, data from 1 July 2012 to 28 February 2013 was used due to limitations of the reporting system. This resulted in less than accurate targets.
4. These measures are no longer applicable as amendments to the *Water Fluoridation Act 2008* (the Act) in December 2012 repealed the mandatory requirement for fluoridation of water supplies. The Act allows a local government to decide whether or not to add fluoride to a water supply. These measures have been replaced by new service standards to better reflect the core services provided under the Major Projects Office.
5. The 2012–13 estimated actual is based on the population estimated to be receiving fluoridated drinking water from operating fluoridation schemes outside South East Queensland (excluding Indigenous local authorities). The baseline population remains as only those local authorities previously listed in Schedule 1 of the *Water Fluoridation Regulation 2008*. The decrease from the 2012–13 target estimate reflects that some local governments have either postponed the installation of fluoride equipment due to the program date being extended to June 2014; decided not to install fluoridation equipment; or decided to cease fluoridation of a water supply. The difference between the estimated actual and the actual reflects a number of councils' recent decisions to cease fluoridation and/or not to proceed with the installation of fluoridation equipment. Additionally a number of Public Potable Water Suppliers have failed to meet original projected implementation timelines.
6. The 2012–13 estimated actual is based on the population estimated to be receiving fluoridated drinking water from operating fluoridation schemes for Indigenous local authorities. The baseline population remains as only those Indigenous local authorities previously nominated to receive fluoridated water. The decrease from the 2012–13 target estimate reflects that some Indigenous local authorities have either postponed the installation of fluoride equipment due to the program date being extended to June 2014; decided not to install fluoridation equipment; or decided to cease fluoridation of a water supply. The difference between the estimated actual and the actual reflects Indigenous local authorities fluoridation schemes not being operational within original projected timelines and Indigenous local authorities still to decide whether to commission their respective schemes.
7. This measure has been discontinued for Service Delivery Statement reporting purposes only and continues to be collected and reported either in the annual report or for internal management purposes.
8. The estimated number of parcels of land to be acquired, granted or purchased was not met as a result of ongoing negotiations with landowners in finalising easements terms.
9. This measure has been discontinued for Service Delivery Statement reporting purposes as it is not an indication of the efficiency or effectiveness of the service area (it measures timeliness). The 2012–13 estimated actual reflects the combined result of performance achieved by the Major Projects Office and the Office of the Coordinator-General. The change from 90 per cent (Mar 2013) to 97 per cent (Jun 2013) is due to three projects forecast to have potential delays in March 2013, however only one project had potential delays in June 2013.
10. These measures have been replaced by a new service standard—'Percentage of businesses engaged in the department's targeted industry support programs reporting positive outcomes' to better reflect outcomes being experienced by businesses as a result of engagement with departmental services. Variance: Companies assisted through technology diffusion services delivered by QMI Solutions reported greater than anticipated outcomes resulting from the adoption of these services.
11. The performance data informing this measure is provided by QMI Solutions, which conducts an independent annual survey of manufacturing firms that have been assisted through government-funded services delivered by QMI Solutions. Variance: Companies assisted through technology diffusion services delivered by QMI Solutions reported greater than anticipated outcomes resulting from the adoption of these services.
12. This measure provides an indication of the effectiveness of State Development group project facilitation in assisting Queensland investment. This measure has been replaced by the new service standard—'Value of private sector capital investment leveraged through industry facilitation' to better reflect the efficiency of the State Development group. Variance: Increase due to 2 large successful investment projects.
13. This measure related to the World Class Rail Solutions – Rail Growth Strategy, which concluded in 2010. No related activities were undertaken during 2012–13.
14. The performance data informing this measure is provided by QMI Solutions, which conducts an annual independent survey of manufacturing firms which have been assisted through government-funded services delivered by QMI Solutions. Companies assisted through technology diffusion services delivered by QMI Solutions reported a greater level of implementation of new or improved practices, processes, systems, products or technologies than anticipated.

15. The 2012–13 target estimate of seven consists of a 2012–13 target estimate of two from the State Development group and a 2012–13 target estimate of five from the Regional Services group, which was in relation to DSDIP's previous role as a referral agency on 'S242' applications. The State Development group actual is three. Additional Strategic Project—establishment of Defence Industries Qld. Regional Services achieved an actual of 33, which relates to residual applications submitted prior to the decision that DSDIP would no long be a referral agency.
16. The 2012–13 target estimate of 315 consists of a 2012–13 target estimate of 160 from the State Development group and a 2012–13 target estimate of 155 from the Regional Services group. State Development group actual is 239. Increase is due to additional workshops held by QMI Solutions, including ICN Qld. Regional services achieved an actual of 388, due to the finalisation of residual program and floods support activities.
17. The 2012–13 target estimate of 5900 consists of a 2012–13 target estimate of 3400 from the State Development group and a 2012–13 target estimate of 2500 from the Regional Services group. State Development's actual is 6189 which reflects additional attendees at various sectoral and ICN Qld workshops. Regional Services achieved an actual of 5153, which is the result of realignment of the Regional Services' business model with focus shifting from structured development activities. The increase was a result of an increased number of companies being matched with major project opportunities.
18. The 2012–13 target estimate of 4400 consists of a 2012–13 target estimate of 3540 from the State Development group and a 2012–13 target estimate of 860 from the Regional Services group. State Development's actual is 5043 which reflects an increasing number of companies being matched with major project opportunities as part of ICN Qld business matching services. Regional Services achieved an actual of 3,789. This shift in focus has led to an increased number of companies taking advantage of the opportunity to engage in significant regional developments and connect into the supply chains.
19. The 2012–13 target estimate of 1400 consists of a 2012–13 target estimate of 75 from the State Development group and a 2012–13 target estimate of 1,325 from the Regional Services group. State Development's actual is seven. This measure is a legacy measure relating to industry membership of Life Sciences Queensland, a group now funded by DSITIA. Regional Services achieved an actual of 1856, which is due to concentrating efforts in developing and facilitating supply chains in line with the department's new business model.
20. An estimated actual is not available due to a change in government policy related to regional planning and re-positioning of the forward program.
21. These measures have been discontinued for Service Delivery Statement reporting purposes as they are not an indication of the efficiency or effectiveness of the service area (they measure quality).
22. This measure relates to the department's role in providing concurrence agency responses within its jurisdiction on development applications. This measure will now be replaced by new measures relating to the operation of SARA.
23. The variance between the 2012–13 target estimate and the 2012-13 estimated actual is due to a change in government approach and the repositioning of the state interest review process.

Commercialised business unit (CBU)

CBU performance information is presented in the following tables, which are consistent with the performance statement in the 2012–13 Service Delivery Statement.

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Economic Development Queensland (1 Feb–30 Jun 2013)				
Service standards				
Percentage increase in private sector investment generated through successful land sales	1	New measure	New measure	New measure
Estimated number of jobs generated	2,3,4	New measure	420	557
Percentage of projects managed, facilitated or delivered that meet committed timeframes and approved budgets	5	New measure	New measure	85%

Notes:

1. This measure demonstrates the effectiveness of EDQ in generating private sector investment through land sales.
2. This measure demonstrates the effectiveness of EDQ in facilitating projects that result in jobs generation.
3. While EDQ was established on 1 February 2013, estimated actuals for the 2012–13 financial year include some data also reported in the discontinued measures for the Property Services Group.

4. The variance between estimated and actual jobs generated indicates that investment on EDQ land was higher than forecast.
5. This measure demonstrates the efficiency of EDQ in delivering projects as the achievement of project timeframes and budgets can be expected to be partly attributable to timely and efficient services provided by EDQ.

Discontinued measures

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Property Services Group (1 Jul 2012 – 31 Jan 2013)				
Service standards				
Value of land sale settlements	1,2	$83 M	$30 M	$30.1 M
Estimated value of capital investment created through successful land sales applications	1,3	$65 M	$77 M	$76.5 M
Percentage of total number of land sales in Regional Queensland	1, 4	73%	71%	74%
Other measures				
Number of new land lots developed and buildings constructed	1, 5	22	12	12
Number of land leases administered	1,6	100	96	96
Number of properties acquired	1,7	-	-	Nil
Estimated number of jobs generated through successful land sale applications	1,8	160	220	220
	Notes	**2012–13 Target/Est**	**2012–13 Est Actual**	**2012–13 Actual**
Urban Land Development Authority (1 Jul – 31 Jan 2013)				
Service standards				
Average number of days to process a development application	9,10	31	37	37
Percentage of completed dwellings that are affordable for households on low to moderate incomes	9	15%	29%	42%

Notes:

1. These service standards and other measures were performance measures of the Property Services Group (PSG) and are being discontinued as the PSG was discontinued during 2012–13, with its continuing services being delivered through EDQ.
2. The 2012–13 actual sales data has been calculated until 31 January 2013 when PSG ceased and reflects softer than forecast contract settlements over December/January.
3. 2012–13 actual capital investment was bolstered by strong capital investment within the South Mackay Industrial Estate.
4. The 2012–13 actual percentage is indicative of the continued strong sales activity within Gladstone and the regions, compared to a moderation in South East Queensland sales.
5. The actual 2012–13 results comprise 11 lots developed at South Mackay and one lot at Mica Creek and are lower than the 2012–13 target estimate due to a proposed subdivision at Clinton, Gladstone not proceeding and a delay in Bundaberg development.
6. Lease numbers reflect the natural attrition of Department of Natural Resources and Mines administered operating leases over time, as the leases lapse or are forfeited.

7. There were no forecast acquisitions for PSG during the period.
8. The 2012–13 actual benefited from strong investment within the Clinton Industrial estate.
9. These service standards were performance measures of the ULDA and are being discontinued as the ULDA was replaced by EDQ during 2012–13.
10. The decision time is taken from when all information required to assess the application and make a determination is received and does not include time taken by the applicant to respond to an information request or any required statutory public notification period. The estimated actual reflects the assessment of a number of complex applications approved during this period. The average time remained less than the statutory period of 40 business days under the *Urban Land Development Authority Act 2007*.

South Bank Corporation discontinued measures

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
South Bank Corporation				
Service standards				
Assess South Bank's visitor experience by:	1			
South Bank visitors rating their experience as being 3 or more (based on a scale of 1–5 (lowest to highest))	2	95%	95%	Not available
Number of repeat visits	2	90%	89%	Not available
Other measures				
Number of Brisbane Convention and Exhibition Centre events per year	3,	1,180	1,150	1,241
Lead sustainability practice in the dimensions of:				
Potable water consumption	3, 4	52% reduction on base year	51% reduction on base year	53% reduction on base year
Electrical energy consumption	3, 5	25% reduction on base year	24% reduction on base year	25% reduction on base year
Assess customer and stakeholder satisfaction by:				
Days of collaborative events and activities completed with partners	3, 6	260 days	220 days	240 days
Turnover percentage of tenancies	3	4%	8%	3%

Notes:

1. This measure is being discontinued as services of the South Bank Corporation relating to parklands management are being devolved to local government.
2. Visitor experience ratings based on visitor surveys. This research was not undertaken in the 2012–13 year. The Corporation, however, has no reason to believe that prior year standards have changed.
3. Other measures are being discontinued from reporting in the Service Delivery Statements.
4. Percentage reduction in use of potable water compared to the base year of 2005–06, mainly through the use of recycled water.
5. Percentage reduction in use of electricity compared to the base year of 2005–06, through the use of new technology.
6. Days of events and activation reduced as a result of economic conditions impacting on event partners.

Financial performance

Summary of financial performance

This section provides an overview of the financial statements of DSDIP for the 2012–13 financial year, which are provided in detail at Appendix 1 Financial statements.

Understanding the financial statements

The 2012–13 financial statements reflect the impact of significant changes to DSDIP operations. Factors to be considered when reviewing the statements include:

- machinery of government (MOG) changes in 2012 that resulted in the transfer of services to other departments offset by the return of the planning function to DSDIP. These changes impact on reducing revenue and expenses in the Statement of Comprehensive Income during 2012–13
- inclusion of EDQ transactions and balances since 1 February 2013 and the previous seven months of the former PSG
- transfer of the Queensland Reconstruction Authority from DSDIP in early 2013. For departmental administered financial statement purposes this is deemed to have occurred from 1 March 2013.

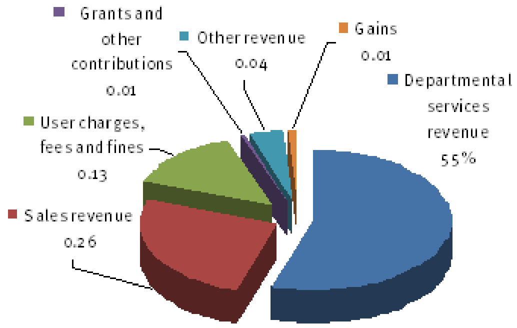
The following comparison of the 2012–13 results with the 2011–12 results was considered and accepted by the DSDIP Audit and Risk Management committee at the August 2013 meeting.

Statement of comprehensive income

	2012–13 $'000	2011–12 $'000	Variance $'000
Total income from continuing operations	327 059	1 073 825	(746 766)
Total expenses from continuing operations	336 733	1 076 573	(739 840)
Operating result from continuing operations before income tax equivalent expense	**(9674)**	**(2748)**	**(6926)**
Income tax equivalent (expense)	(1580)	(3545)	1965
Operating result from continuing operations after income tax equivalent expense	**(11 254)**	**(6293)**	**(4961)**
Increase/(decrease) in asset revaluation surplus	7 975	(2821)	10 796
Total comprehensive income	**(3279)**	**(9114)**	**5835**

Income

Income by category for the year ended 30 June 2013

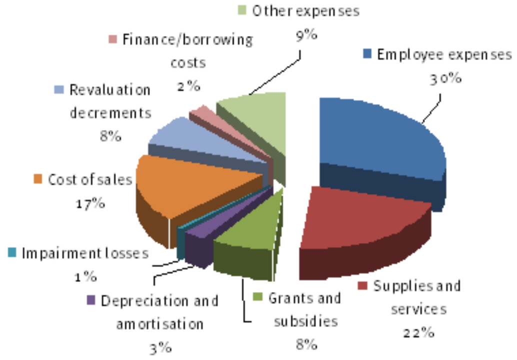


The department's main categories of income are departmental services and sales revenue. Total income of $327.1 million is $746.8 million less than 2011–12 due to the part year inclusion of many functions which transferred to other departments in May 2012. More specifically:

- $180.3 million for department services revenue in 2012–13, a decrease of $562.3 million from 2011–12
- grants and other contributions reduced by $103 million and user charges by $43 million from 2011–12
- $84.4 million received in sales revenue in 2012–13, a decrease of $26.4 million from 2011–12. The 2011–12 year included a one-off high value sale of industrial property not expected to be repeated.

Expenses

Expenses by category for the year ended 30 June 2013



The department's significant categories of expenditure are employee expenses, supplies and services and cost of sales. Total expenses are $336.7 million and have decreased by $739.8 million from 2011–12. As with reduction in income, most of the variance is due to MOG changes, particularly:

- $99.7 million spent on employee expenses in 2012–13, a decrease of $340.1 million from 2011–12
- $73.5 million incurred on supplies and services in 2012–13, a reduction of $171.8 million from 2011–12 largely related to MOG changes, offset by additional expenditure associated with the Gold Coast Aquatic Centre and introduction of EDQ from 1 February 2013
- $27 million in grants and subsidies in 2012–13, a decrease of $186.7 million from 2011–12. In addition to the function transfers, there was a reduction in 2012–13 payments for the Queensland Fluoride Assistance Scheme.

Total comprehensive income

For 2012–13 the total comprehensive result is a deficit of $3.3 million. However, this includes an asset revaluation reserve surplus of $8 million. Therefore the operating result from continuing operation is a $11.3 million deficit mostly relating to the transfer for nil consideration of an asset to Whitsunday Regional Council, net decrement on revalued land and buildings, losses and write-offs of property, plant and equipment. This is offset by licence revenue received.

Statement of financial position—assets and liabilities

	2012–13 $000	2011–12 $000	Variance $000
Total current assets	609 207	691 906	(82 699)
Total non-current assets	914 496	850 100	(64 396)
Total assets	**1 523 703**	**1 542 006**	**(18 303)**
Total current liabilities	150 028	160 873	(10 845)
Total non-current liabilities	239 725	158 272	81 453
Total liabilities	**389 753**	**319 145**	**70 608**
Total equity	**1 133 950**	**1 222 861**	**(88 911)**

Total assets at 30 June 2013 are $1523.7 million representing a decrease of $18.3 million from 2011–12. The relatively small movement includes a reduction in current cash and cash equivalents as EDQ made equity withdrawal contributions to Queensland Treasury and Trade, largely offset by increases in inventories and investment properties due to recognition of EDQ from 1 February 2013.

Total liabilities at 30 June 2013 are $389.8 million representing an increase of $70.6 million from 2011–12 due to the recognition of additional loans and deferred tax equivalent liabilities with the recognition of EDQ liabilities from February 2013. The borrowings are used to fund residential projects which are subject to tax equivalents expense within the commercialised business unit.

Comparison of financial result with budget

Comprehensive Income for the year ended 30 June 2013

Controlled items*	Notes	2012–13 Actual $'ooo	2012–13 Budget $'ooo	Variance $'ooo
Income				
Departmental services revenue	1	180 279	370 409	(190 130)
User charges	2	128 456	157 646	(29 190)
Grants and other contributions		2 316	4 381	(2 065)
Other revenue	3	12 696	23 068	(10 372)
Gains		3 312	-	3 312
Total income		**327 059**	**555 504**	**228 445**
Expenses				
Employee expenses		99 646	98 090	1 556
Supplies and services	4	131 299	192 350	(61 051)
Grants and subsidies	5	26 986	141 172	(114 186)
Depreciation and amortisation		10 654	10 969	(315)
Losses on sale/revaluation of property, plant and equipment and investments	6	29 059	19 882	7 647
Finance/borrowing costs		7 796	6 585	1 211
Other expenses	7	31 293	25 903	5 390
Total expenses		**336 733**	**494 951**	**(158 218)**
Surplus or deficit before related income tax		**(9 674)**	**60 553**	**(70 227)**
Income tax expenses	8	(1 580)	(7 989)	6 409
Operating surplus/deficit after related income tax		**(11 254)**	**52 564**	**(63 818)**
Increase in asset revaluation surplus	6	7 975	15 120	(7 145)
Total comprehensive income		**(3 279)**	**67 684**	**(70 963)**

Notes:
* 2012–13 Actual results have been presented using the same income and expense categories as the 2012–13 SDS income statement.
The variances for these controlled items can be explained as follows:

1. Reduced departmental services revenue aligns with a reduction in expenditure, particularly supplies and services and grants and subsidies.
2. Reduced sales revenue is due to a high one-off industrial sale in 2011–12.
3. Reduced other revenue is due to the 2011–12 restatement of licence fee revenue and a reclassification of licence fees from other revenue (where it was budgeted) to user charges (where it was recorded).
4. The reduction in supplies and services relates to a number of projects or infrastructure corridor acquisition funding deferred to a later year to align with revised project plans or compensation processes.
5. The decrease in grants and subsidies from budget is due to the transfer of projects to other departments, lapsing of projects and deferring of the remaining 2012–13 funding to 2013–14 or beyond to align with milestones of grant recipient.
6. The increase in revaluation decrements is due to higher than projected land decrements within EDQ for land and land inventory holdings.
7. The increase in other expenses was due to higher than anticipated land taxes, rates and stamp duty across EDQ and also losses on disposal of property, plant and equipment during 2012–13.
8. The reduction in income tax equivalent expense is due to EDQ recording a lower than expected surplus in 2012–13.

Chief Finance Officer's statement

In overseeing the financial activities of the Department of State Development, Infrastructure and Planning, I assert that I have fulfilled the responsibilities of the *Financial Accountability Act 2009* including:

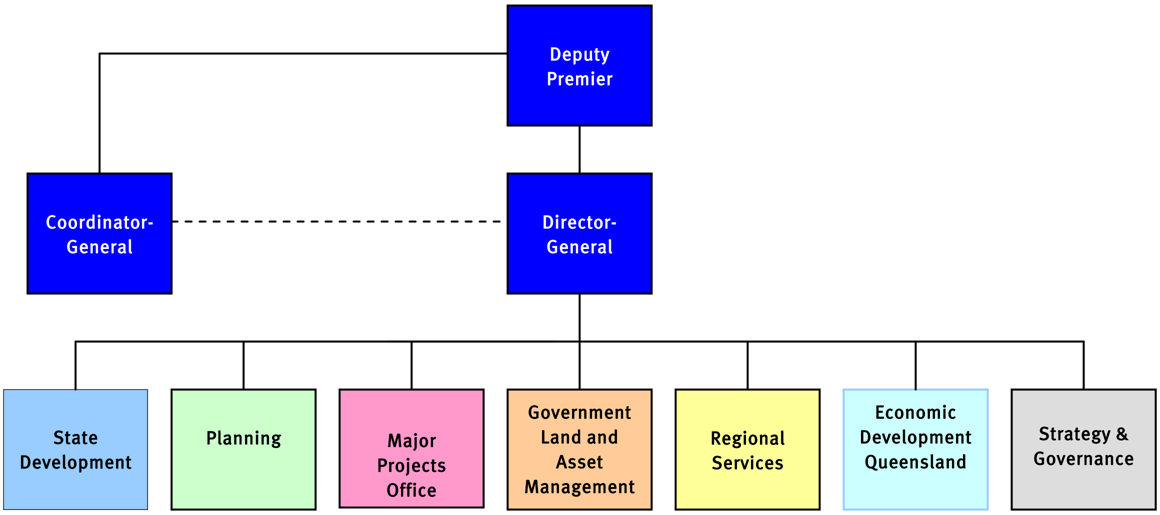
- financial resource management including the establishment, maintenance and review of financial internal controls
- budget management
- preparation of financial information including annual financial statements to facilitate the discharge of the department's statutory reporting obligations
- provision of advice on the effectiveness of accounting and financial management information systems and financial controls in meeting the department's requirements
- provision of advice concerning the financial implications of, and financial risks to, the department's current and projected services
- development of strategic options for the department's future financial management and capability.

I have provided a statement to the accountable officer confirming that the financial internal controls of the department are operating efficiently, effectively and economically in accordance with Section 57 of the *Financial and Performance Management Standard 2009*. The statement has been endorsed by the DSDIP Audit and Risk Management Committee.

Michael McKee
Chief Finance Officer

Governance – management and structure

Organisational structure



Our organisational structure ensures our efforts and resources are focused on implementing our strategies to drive Queensland's economic development by removing duplication, streamlining decision making and consolidating regional service delivery. As part of the department's continual business and resource alignment program a number of organisational refinements were made to more effectively align our resources to meet the challenges that lie ahead.

The Office of the Coordinator-General—plans, coordinates and delivers large scale industry, resource and tourism infrastructure projects under the SDWPO Act. It:

- facilitates major development projects
- determines if complex and important private and public projects require whole-of-government management, and the conditions under which these projects may proceed
- plans, delivers and coordinates large scale industry and infrastructure projects that drive economic growth, while maintaining Queensland's environment and way of life
- plans, establishes and undertakes the ongoing management of SDAs
- acquires land for critical infrastructure projects and facilities.

State Development—brings together our industry development, regional economic development, infrastructure policy and planning, and economic research capability into one group focused on growing, developing and diversifying the state's economy. It:

- facilitates development of the resources industries

- delivers the Royalties for the Regions program to help local government and communities manage the impacts of rapid growth in the resource sector
- undertakes industry and supply chain development to grow the economy and jobs
- facilitate strategic industry investment and expansion projects
- identifies systemic regulatory blockages that impact business costs which have a flow-on effect through the economy to families
- improves planning and prioritisation of infrastructure to support the economy.

Planning Group—delivers a new planning framework for Queensland, which includes streamlined processes, provides greater certainty and delivers cultural and attitudinal change. It:

- provides leadership in planning practices and processes
- assists and supports local government
- finds solutions to blockages in the system
- streamlines processes
- delivers responsive regional planning.

Major Projects Office—provides facilitation and project management expertise for the management and delivery of the infrastructure and property projects DSDIP is involved in, on behalf of other agencies, through:

- timely facilitation, project management and delivery of high priority and complex infrastructure and property projects with a state development benefit for Queensland
- collaboration with the private sector to deliver government objectives through private sector investment and development
- management of the *Mary Valley Economic Development Strategy*, the Government Precinct Development project and the Gold Coast Cruise Ship Terminal project.

Government Land and Asset Management—established in February 2013, provides strategic management of the government's property portfolio to deliver enhanced economic and social outcomes. GLAM:

- provides extensive facilitation, land solutions and policy expertise, including policy leadership of the *Economic Development Act 2012*
- provides a centralised function to facilitate the effective identification, assessment and management of the state's property-based assets to their fullest potential
- conducts the Property Asset Utilisation Review to investigate a whole-of-government approach to the management of the state's property portfolio, identify surplus assets and a plan for their divestment as part of a longer term strategy to ensure agencies sustainably plan for, and manage their land-based assets
- leads key property transactions on behalf of the Queensland Government.

Regional Services—through a network of regionally based offices, provides an integrated suite of business, industry, regional development and planning services on behalf of the department, and in partnership with a range of Queensland Government departments that support economic development. It provides:

- regional and statutory planning
- business and supply chain development
- regional intelligence and stakeholder engagement
- regional development
- project facilitation and investment attraction.

Economic Development Queensland—operates as the department's commercialised business unit for streamlined planning development. Its primary focus is to facilitate economic development throughout Queensland. It:

- undertakes a strategic planning function for PDAs
- works closely with local governments to undertake planning
- facilitates and delivers projects that accelerate economic growth and investment
- fast-tracks planning and acts as a catalyst for development.

Strategy and Governance—ensures coordination of policy and legislative outcomes and provides corporate services to DSDIP and the Department of Local Government, Community Recovery and Resilience (through a Service Level Agreement).

Executive management

Director-General

David Edwards' professional background is in economics, infrastructure, project management and public policy. Prior to being appointed Director-General of the Department of State Development, Infrastructure and Planning in April 2012, David worked in senior roles in the private sector and several government agencies including the Department of State Development and the Department of Premier and Cabinet. In addition to his role as Director-General, David is Chair of the Economic Development Board, deputy Chair of the Commonwealth Games Infrastructure Authority, a director of South Bank Corporation and a member of Infrastructure Queensland.

Coordinator-General

Barry Broe's professional background is in infrastructure, major projects and transport across all aspects of planning, design, funding, procurement, construction, operations and maintenance. He holds a Bachelor of Civil Engineering degree and a Master of Engineering and Technology Management degree. His work history includes executive leadership roles in local and state government where he has been responsible for the planning and delivery of major infrastructure projects.

Deputy Director-General State Development

Prior to being appointed Deputy Director-General, Jamie Merrick held a number of senior economic development roles in the United Kingdom. His work has included leading strategy development for the UK's most research intensive regional economy, innovative approaches to infrastructure prioritisation and delivery of major regeneration projects. Jamie has also worked for the UK Government on industrial policy and the future of business support arrangements, and in the private sector for a high growth technology company.

Deputy Director-General Planning

Greg Chemello has 30 years experience in the property and development sectors and has held senior professional, management and leadership roles with both public and private sector property asset owners and private sector advisory/consulting businesses. With qualifications in town planning, environmental science and business management, Greg has managed an extensive range of private and public sector development projects across the sport, leisure, entertainment, residential, retail, commercial and industrial sectors. In addition to delivery of development projects, Greg has extensive business management experience.

Deputy Director-General Major Projects Office

Stuart Pickering has over 30 years experience in capital development, strategic asset management and facilities operational management across state based and national organisations. In addition to asset and capital development projects, Stuart has extensive business management experience at executive and director level for both private and government organisations. With qualifications in architecture and commerce, Stuart has managed an extensive range of projects across retail, commercial, education, residential, health and industrial sectors.

Deputy Director-General Government Land and Asset Management

Damien Walker has significant experience in infrastructure planning, procurement and delivery, and leading complex and challenging major projects in conjunction with key partners such as local government and the private sector. Damien holds academic qualifications in planning, property and public policy. He has held senior executive roles within state governments including leading delivery of major infrastructure projects.

Deputy Director-General Regional Services

Kathy Schaefer has diverse leadership experience, having worked in three states in two tiers of government across local, regional and state settings. Kathy's professional experience includes leading major cultural and structural reform processes. Kathy holds academic qualifications in education and business administration.

General Manager Economic Development Queensland

Chris Mills has a background in tourism, property and infrastructure, and has held senior roles in private and public sector businesses. He has facilitated property and infrastructure transactions across the state and managed a range of development, financial, retail and other operating responsibilities. Chris was admitted to the Institute of Chartered Accountants in Australia in 1992.

Deputy Director-General Strategy and Governance

Colin Cassidy has over 30 years experience in local and state government in a range of senior technical, policy and leadership roles. Colin's professional experience includes leading major structural and cultural reforms, legislation and policy and improved service delivery.

Governance committees

Executive Management Group (EMG)	
Committee	**Responsibilities**
• Director-General (Chair) • Coordinator-General • Deputy Directors-General • Director, Office of the Director-General (Secretariat) The Director-General approves recommendations made by the EMG and the EMG sub-committees The Executive Management Group meets weekly.	The EMG supports the Director-General to comply with his corporate governance responsibilities by: • advising the Director-General (as accountable officer) on strategy, goals and performance • reviewing and managing strategic risks • acting as a forum to discuss and resolve strategic issues • reviewing and considering recommendations made by EMG subcommittees • monitoring the department's performance and progress against significant projects • providing leadership in corporate governance improvement • considering and acting upon recommendations of the Audit and Risk Management Committee.

Finance and Asset Management Committee (FAMC)	
Committee	**Responsibilities**
All members of EMG are also members of the FAMC. It meets every second month.	The FAMC provides the Director-General with ongoing assurance in all aspects of financial administration, reporting and control.

Audit and Risk Management Committee (ARMC)	
Committee	**Responsibilities**
• Deputy Director-General, Strategy and Governance • General Manager, EDQ • Executive Director, Industry Development, State Development • Two external members • The committee Chair is an external member The committee meets at least four times each year.	The ARMC (as required by the *Financial and Performance Management Standard 2009*) provides independent assurance and assistance to the Director-General on: • the risk, control and compliance frameworks • the department's external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, Financial and Performance Management Standard 2009, and the *Auditor-General Act 2009* • the operations of the internal audit function.

Information Steering Committee (ISC)	
Committee	**Responsibilities**
• Deputy Director-General, State Development (Chair) • Deputy Director-General, DLGCRR • Deputy Director-General, Strategy and Governance • Deputy Director-General, Regional Services • Executive Director, Communication Services • Executive Director, Land Acquisition and Delivery, Office of the Coordinator-General • Director, Regional Economic Programs, State Development The ISC meets quarterly or as otherwise determined by the Chair.	The ISC provides the Director-General with advice and recommendations regarding the strategic direction and use of information and communications technologies (ICT) and provides assurance regarding ongoing IT asset management and replacement. The ISC is supported by the Information Management Subcommittee which provides advice and recommendations on the management of records, information, communications and technology assets as well as investment proposals for the operation of ICT activities.

Consultative Committee (CC)	
Committee	**Responsibilities**
• Deputy Director-General, Strategy and Governance (Chair, alternating with Queensland Public Sector Union (QPSU) representative) • Executive Director, Corporate Services • Director, Human Resources • Together Union Representative • Principal Project Officer, State Development • Project Manager, State Development The CC meets quarterly or as otherwise agreed.	The CC is the principal consultative body for unions and management within each agency and is created pursuant to Part 9 of the Certified Agreement 2009 (Core EB). The CC considers: • organisational change and restructuring • workload management • training • balancing work, life and family • climate change and workplace sustainability • union encouragement • workforce data • organisational matters such as review of, changes to or introduction of new workforce management policies.

Ethics and integrity

Departmental officers uphold the values and ethical standards set out in the *Public Sector Ethics Act 1994* and the Code of Conduct for the Queensland Public Service 2011 (the code).

Our department supports managers and staff to implement the code throughout their work by providing:

- access to the code on our department's intranet and internet websites
- supplementary face-to-face training in the code and ethics and integrity topics for a number of targeted business areas
- access to external training on ethics and integrity related matters including 'Your Ethical Compass' training from the Queensland Ombudsman's Office
- managers' workshops on a range of ethics and integrity related corporate governance topics
- policies and procedures with practical guidance
- responses to requests for advice on ethics matters by telephone and email
- online tools, resources and support networks
- management of complaints and allegations of alleged breaches of the code
- maintaining close cooperation and liaison with the Crime and Misconduct Commission
- monitoring of trends and issues and implementation of improvements as a result of lessons learned from cases and complaints
- encouragement to managers to raise ethics and integrity matters for regular discussion, which assists in highlighting employees' individual responsibilities.

The department's framework of integrity policies was enhanced and revised during 2012–13. Policies and procedures for making public interest disclosures and complaints management were reviewed and new policies developed for contact with lobbyists and managing official misconduct. The *Fraud and Corruption Prevention Plan* was also developed and implemented.

Performance and learning plan templates were also enhanced to incorporate adherence to the requirements of the code.

Governance – risk management and accountability

Risk management

The department's risk management approach is conducted in line with Australian Standards and Queensland Treasury and Trade guidelines. It is focused on integrating risk management into business decision-making.

The conduct of risk management processes including objective risk identification, analysis, assessment, evaluation, treatment, monitoring, ownership and review provides assurance that:

- all departmental activities are linked to DSDIP strategies and objectives
- trends and patterns are identified and appropriate actions taken to enhance positive outcomes and limit undesirable outcomes
- the department's overall risk profile and tolerance is evident, practical and considered without being unnecessarily risk averse.

In 2012–13 risk management activities included:

- development and endorsement of a new risk management framework tailored to meet the specific needs of the department and the risk attitude, approach and reporting/discussion preferences of the EMG
- risk identification and consideration as part of business planning
- trend analysis including changes in the ratings of specific risks and the effectiveness of mitigations
- implementation of a regular risk status report
- progress in the development of an online risk register tool to enable staff to quickly and accurately assess, classify and document risks that could affect the department on a strategic, business, operational or project level and determine timely and appropriate mitigation measures and treatment strategies.

DSDIP's established ARMC provides independent assurance and assistance to the Director-General on the department's:

- risks, control and compliance frameworks
- external accountability responsibilities as prescribed in legislation and standards.

Current members of the ARMC are:

- Eric Muir—external member and Chair
- Joshua Chalmers, Partner, PwC—external member
- Colin Cassidy, Deputy Director-General, Strategy and Governance
- Chris Mills, General Manager, Economic Development Queensland
- Stephen Evill, Executive Director, GLAM.

Eric Muir was remunerated $8,580 for his services as Chair and external member of the ARMC. PwC was remunerated $1,800 for Joshua Chalmer's services as an external member of the ARMC.

The ARMC charter establishes its authority and responsibilities and was prepared with reference to:

- relevant provisions of the Financial and Performance Management Standard 2009 and the *Financial Accountability Act 2009*
- Queensland Treasury and Trade Audit Committee Guidelines—Improving Accountability and Performance
- better practice guidance issued by the Australian National Audit Office
- legislative, regulatory and other requirements—promoting a culture of lawful and ethical behaviour.

Key achievements for the ARMC during 2012–13 include:

- reviewed and endorsed the department's financial statements for the year ended 30 June 2012
- reviewed and endorsed the department's *Internal Audit Strategic Plan 2012–2015*, *Annual Audit Plan 2012–13*; and *Internal Audit Strategic Plan 2013–2016* and *Annual Audit Plan 2013–14*
- endorsed the ARMC Charter and the Internal Audit Charter for 2012–13 and 2013–14
- received regular reports on internal audit activities including audits and reviews completed as part of the *Annual Audit Plan 2012–13*
- reviewed and considered the QAO Strategic Audit Plan and QAO Client Strategy for the department
- considered the scheduling, status and findings of QAO financial and assurance audits
- oversaw the implementation status of internal and external audit recommendations
- endorsed the department's *Risk Management Framework 2012* and received regular reports on the department's risk status
- endorsed the department's *Fraud and Corruption Control Plan 2012*.

The ARMC met on three occasions during 2012–13. The ARMC considers that it has observed the terms of its charter and has had due regard to Queensland Treasury and Trade Audit Committee Guidelines.

External security

The Auditor-General's *Report 8: 2012-13, Online Service Delivery* was tabled in the Queensland Parliament in March 2013. The report notes that strong and growing demand exists for online public sector services, with the benefits of online services including reduced transaction time, with customers being able to conduct activities any time, any place and on any device. The audit examined the use of online services by the public sector and whether the public sector is optimising information technology for these services.

The report stated that the public sector is not meeting the increased customer expectations of more online services, and that public services cost more to deliver than they need to and that the public incur higher transaction costs when dealing with the public sector. There is no central strategy at the state level to guide departments to align their channel capabilities with services and customer expectations. Generally, departments lack systems to accurately record and monitor the cost of service delivery across different channels. The One Stop Shop program is intended to create a customer-centric service delivery model, across the public sector focusing on the customers' perspective.

The department supports the whole-of-government One Stop Shop agenda and is working with Shared Services Queensland, on their creation of an agency roadmap to ensure consistency. We have completed 11 service profiles and validated the volumes of those services in preparation for the commencement of mapping.

The Auditor-General's *Report 9: 2012-13, Fraud risk management* was also tabled in the Queensland Parliament in March 2013. The audit examined whether agencies are effectively managing fraud risks and assessed the control measures for preventing, detecting and responding to fraud. Whilst the department was not part of the audit assessment, recommendations are directed to all agencies to help improve fraud resistance.

The department has undertaken a review of its fraud and corruption controls concluding that the department has a sound internal control framework and appropriate policies, procedures and internal control processes in place. The department has a current *Fraud and Corruption Prevention Plan* in place, with the annual review of this plan underway. We have also commenced action in regard to a self-assessment of fraud risk and Corporate Services have commenced development of a data analytics capability.

On occasion our department is also the subject of review by other external accountability mechanisms including:

- right to information and the Information Commissioner
- judicial review of administrative decisions
- the Queensland Ombudsman's Office
- the Crime and Misconduct Commission
- Queensland Parliamentary Committees such as Estimates Committees and the Public Accounts and Public Works Committee
- the Queensland Integrity Commissioner
- the Coroner.

Internal audit

Internal Audit provides independent and objective advice directly to the Director-General. Through its assurance activities, Internal Audit aids the Director-General in the discharge of his statutory functions and duties as accountable officer.

The scope of internal audit coverage is set out in the *Strategic Internal Audit Plan 2012–15*. This plan follows a risk-based methodology, balancing emerging issues against reviews of core business and transactional processes.

Following the MOG changes in mid 2012, the Internal Audit Charter and Strategic Audit Plan/Internal Audit Plan were repositioned for the department for 2012–13. During 2012–13:

- Internal Audit operated under an ARMC-endorsed and Director-General approved charter consistent with accepted auditing and ethical

standards, including the International Professional Practices Framework approved by the Institute of Internal Auditors and better practice guidance provided by the Australian National Audit Office
- systems were in place to ensure the effective, efficient and economical operation of the function, including the oversight role of the ARMC and regular performance reporting of progress
- the internal audit function was independent of management and the authorised auditors, with direct responsibility to the Director-General on all audit related matters
- the approach taken to identifying any significant operational and financial risk and mitigation strategies was via periodic review of the department's risk register, conversations with management, results of audits and participation in ARMC discussions regarding the department's management of risk
- Internal Audit has followed Queensland Treasury and Trade Audit Committee Guidelines.

Ms Jo Buckley CA B.Com has been the Head of Internal Audit since late September 2012.

Achievements of Internal Audit during 2012–13 include:

- providing advisory services to the department in order to improve risk management, control and governance, and improve business operations
- completing audits and reviews as per the approved annual audit plan, resulting in appropriate management recommendations for improving governance processes and business operations
- proactive follow-up with management regarding their timely implementation of internal and external audit recommendations
- providing of secretariat services as outlined in the ARMC Charter
- adopting a co-sourced service delivery model for the provision of an effective internal audit function.

Information systems and recordkeeping

Good recordkeeping practices assist the department to efficiently capitalise on departmental knowledge and experience. It also supports consistency, continuity, efficiency and productivity in customer service and in program delivery, management and administration.

DSDIP maintains best practice records management policy, procedures and systems including an electronic document records management system (eDRMS) to capture, maintain and protect the accuracy and reliability of its records for as long as they are required to support business, regulatory, social and cultural needs.

Our department is committed to meeting our responsibilities under the *Public Records Act 2002*. Our record keeping policy protects the department's information assets and ensures that departmental records are the basis for organisational accountability, current and future policy formation and management decision-making. It supports compliance with legislative and regulatory requirements and documentation of departmental activities, developments and achievements. Records protect the interest of the department and the rights of employees and customers. Records kept as archives also form part of the department's information assets and the state's cultural heritage.

Our records management approach includes:

- implementing and maintaining a records management framework that includes clear and concise policy, procedures and work instructions
- managing programs and recordkeeping systems that comply with legislation and government directives including collaboration and sharing of tools
- implementing paper-light approaches to records management including digitisation and electronic processing of information
- establishing realistic performance goals and effective monitoring programs
- leading cultural reform across the department by creating supportive recordkeeping awareness resources and system training to proactively provide staff with assistance, guidance and awareness of legislative responsibilities
- retaining and disposing of public records in accordance with the *Public Records Act 2002* and the General Retention and Disposal Schedule for Administrative Records.

The department uses TRIM as an eDRMS that provides secure, effective and efficient management of correspondence, documents and records.

The department also uses the whole-of-government SAP system for financial management and the Aurion system for human resource management.

Governance – human resources

Workforce planning, attraction and retention, and performance

As at 30 June 2013, our department had 831 full-time equivalent staff with a head count of 868. The average age of our male employees is 46 years and our female average age is 40. Full-time and part-time staff make up 76 per cent of the department's permanent staff.

The annual retention and permanent separation rates for the 2012–13 financial year are 61.5 per cent and 20.6 per cent respectively. This is due largely to voluntary redundancies.

Figure 1 Staff annual earnings, showing the proportion of male and female staff in earnings ranges for 2012–13

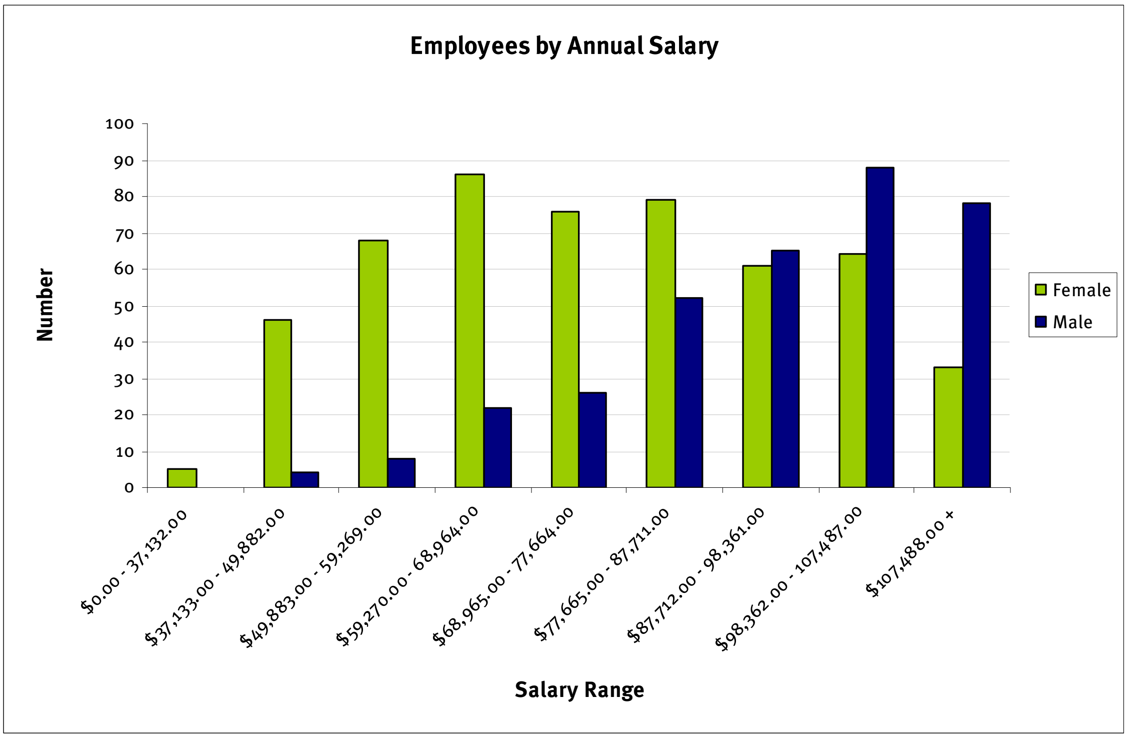


Figure 2 Representation of workforce target groups as at 30 June 2013

Key groups	Head count	Percentage of workforce 2012–13
Men	343	39.8%
Women	518	60.2%
Non-English speaking background	56	6.5%
Aboriginal and Torres Strait Islander people	20	2.3%
People with a disability	22	2.6%

Workforce planning

Our department recognises the importance of building and sustaining an agile and flexible workforce to meet current and future service delivery needs.

During 2012–13, DSDIP continued with its business alignment strategies, which resulted in efficiencies being gained via structural and functional realignments. DSDIP implemented human resource policies, strategies and programs that enabled the attraction, development and retention of a range of highly skilled employees focused on service delivery. Closer scrutiny of staff appointments was managed via an Establishment Management Program.

We continued to build a culture that values and embraces health and safety, leadership and management capability, performance management, diversity, and encourages work-life balance.

Attraction, recruitment and retention

Across DSDIP we work to identify business critical roles and to embed workforce planning into business plans. Business units critically review workforce needs and skills and align workforce planning with business and government priorities to ensure a flexible workforce and efficient service delivery. Succession strategies for critical roles include building internal talent through capability development, relieving opportunities and mobility programs.

Employee performance management framework including induction and development

The induction process for all new employees and their managers provides broad information about DSDIP and explains expected behaviours and performance. It includes links to the department's intranet, which provides all required information on our department's structure and key personnel, conditions of employment, behaviour at work, safety at work and keeping information secure.

Managers are required to utilise the induction kit guidelines to conduct local business unit level induction over a three month period, which includes procedures, policies and any specific needs of the business area. Managers and supervisors are encouraged at this point to develop a performance and capability plan for the new employee outlining roles, responsibilities, performance expectations and professional development goals. Where required, customised in-house induction workshops are also delivered.

DSDIP is adopting a more practical and timely approach to the management of performance for the benefit of both the department and its employees. Our Human Resources branch is currently reviewing the Performance Management Framework to ensure it is consistent with the Public Service Commission (PSC) direction to streamline performance management processes. The refreshed performance framework will contain a range of practices which appropriately support effective performance management and will be embedded into our core business.

Industrial and employee relations framework

As well as maintaining existing policies, our department reviewed its policy framework to ensure policies are relevant and consistent with industrial implements and government policy. The department's consultative committee met on a number of occasions in 2012–13, in particular to discuss the implementation of a new organisational structure for the department and its potential impact on staff.

The department was a party to two industrial disputes lodged with the Queensland Industrial Relations Commission. These were in relation to a whole of sector dispute regarding the entitlements of temporary employees on termination and a dispute seeking more detailed consultation about an intended change to the department's organisational structure.

During 2012–13 there were no disciplinary actions taken by the department and no employees were suspended. There were three employee complaints lodged—two were found to be unsubstantiated; one was substantiated and resolved by management action.

Developing our workforce

In 2012–13 our department provided access to a suite of sector-wide and in-house development programs and activities aligned to the PSC's capability and leadership framework. Specific areas addressed included business planning, complaints management, culture-wise practice, ethical and good decision-making, financial management essentials, governance and risk management, recordkeeping awareness, panel and recruitment selection, performance management, parliament, team building, and writing skills.

Study and research assistance was accessed by a number of staff to gain or improve qualifications in role-related capabilities including masters and bachelor degrees.

Injury and claims management

DSDIP works to continuously improve our rehabilitation, return to work and injury management systems. Early intervention strategies and the provision of best practice rehabilitation case management also continues to ensure a high level of injury management for all staff, thus reducing worker's compensation costs. The systems in place include:

- timely incident reporting and implementation of appropriate preventative actions
- prompt intervention when issues are reported
- emergency management training and effective communications and information awareness strategies.

Health and wellness initiatives

Our department provides an environment that protects the health and safety of everyone in our workplace.

In 2012–13, health and wellness initiatives included:

- corporate games participation
- ergonomic and posture care assessments
- flu vaccination program.

Safer and healthier workplaces audit

We conducted an analysis of the department's compliance with workplace health and safety statutory requirements. Following this audit a revised *Workplace Health and Safety Plan* was developed with attention on compliance related activities. A full review of emergency management arrangements, including emergency teams and training, was undertaken. Revised policy, procedures and forms have also been published on the department's intranet.

Work and life balance initiatives

The department provides work and life balance options to assist employees. Employees can access flexible hours of work arrangements and various leave types for a range of reasons such as study, travel, parental, care for immediate family or household members during illness or unexpected emergencies, personal and professional development, cultural leave to attend an Aboriginal or Torres Strait Island ceremonies, career break or on emergency or compassionate grounds.

Other options available to address employee work and life balance needs include: compressed working week, part-time arrangements, job sharing and telecommuting.

The department provides employees with access to facility space that can be used for carers and breastfeeding.

Early retirement, redundancy and retrenchment

A program of redundancies was implemented during 2012–13 and 134 employees received redundancy packages at a cost of $8 904 779. The 16 employees who did not accept an offer of a redundancy were offered case management for a set period of time, where reasonable attempts were made to find alternative employment placements. Twelve employees were permanently placed, two employees have secured long-term temporary engagement, and two are yet to be placed. At the conclusion of this period, and where it is deemed that continued attempts of ongoing placement are no longer appropriate, employees yet to be placed will be terminated and paid a retrenchment package. During the period, no employees received retrenchment packages.

Voluntary Separation Program

A Voluntary Separation Program was implemented during 2011–12. The program ceased during 2011–12. No employees received a voluntary separation package during 2012–13.

Appendix 1. Financial statements

For the year ended 30 June 2013

Contents

General information

These financial statements cover the Department of State Development, Infrastructure and Planning (the department).

The Department of State Development, Infrastructure and Planning is a Queensland Government department established under the *Public Service Act 2008*.

The department is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the department is:

Level 12

100 George Street

Brisbane Queensland 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

For information in relation to the department's financial statements please call +61 7 3224 6737, email finaccount@dsdip.qld.gov.au or visit the department's website www.dsdip.qld.gov.au

Department of State Development, Infrastructure and Planning
Statement of comprehensive income
for the year ended 30 June 2013

	Note	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Income from continuing operations				
Departmental services revenue	4	180,279	742,563	742,563
Sales revenue	5	84,371	110,753	110,753
User charges, fees and fines	6	44,085	87,113	85,658
Grants and other contributions	7	2,316	105,349	105,349
Royalties and other territorial revenue		-	2,684	2,684
Other revenue	8	12,696	23,703	24,445
Total revenue		323,747	1,072,165	1,071,452
Gains	9	3,312	1,660	1,660
Total income from continuing operations		**327,059**	**1,073,825**	**1,073,112**
Expenses from continuing operations				
Employee expenses	10	99,646	439,725	439,102
Supplies and services	12	73,539	245,361	245,663
Grants and subsidies	13	26,986	213,687	212,923
Depreciation and amortisation	14	10,654	29,459	29,459
Impairment losses	15	1,530	4,924	4,924
Cost of sales	5	57,760	25,054	25,054
Revaluation decrements	16	27,529	67,509	67,509
Finance/borrowing costs	17	7,796	6,651	34,531
Other expenses	18	31,293	44,203	48,884
Total expenses from continuing operations		**336,733**	**1,076,573**	**1,108,049**
Operating result from continuing operations before income tax equivalent expense		**(9,674)**	**(2,748)**	**(34,937)**
Income tax equivalent expense	27	(1,580)	(3,545)	(3,407)
Operating result from continuing operations after income tax equivalent expense		**(11,254)**	**(6,293)**	**(38,344)**
Other comprehensive income				
Items that will not be reclassified subsequently to operating result				
Increase/(decrease) in asset revaluation surplus	34	7,975	(2,821)	(2,821)
Total other comprehensive income		**7,975**	**(2,821)**	**(2,821)**
Total comprehensive income		**(3,279)**	**(9,114)**	**(41,165)**

The accompanying notes form part of these statements.

Department of State Development, Infrastructure and Planning
Statement of financial position
as at 30 June 2013

	Note	Parent 2013 $'000	Parent Restated 2012 $'000	Consolidated Restated 2012 $'000	Parent As at 1 July 2011 $'000	Consolidated As at 1 July 2011 $'000
Current assets						
Cash and cash equivalents	19	60,226	281,203	281,203	225,269	267,279
Receivables	20	72,469	74,280	74,280	147,454	173,313
Inventories	21	454,417	310,961	310,961	239,968	242,374
Other assets	22	1,941	7,964	7,964	12,815	13,957
Property, plant and equipment	25	-	-	-	-	376,257
Deferred tax equivalent asset	27	-	-	-	-	4,735
		589,053	674,408	674,408	625,506	1,077,915
Non-current assets classified as held for sale	23	20,154	17,498	17,498	11,507	498,782
Total current assets		**609,207**	**691,906**	**691,906**	**637,013**	**1,576,698**
Non-current assets						
Receivables	20	28,359	27,040	27,040	63,965	63,965
Other financial assets	-	-	-	-	21,156	19
Intangible assets	24	6,814	11,202	11,202	9,408	10,580
Property, plant and equipment	25	745,518	796,297	796,297	1,431,421	1,431,422
Investment property	26	112,771	-	-	-	-
Deferred tax equivalent asset	27	8,999	2,774	2,774	4,412	4,412
Other assets	22	12,035	12,787	12,787	25,351	25,351
Total non-current assets		**914,496**	**850,100**	**850,100**	**1,555,713**	**1,535,749**
Biological assets						
Biological assets	28	-	-	-	2,344	2,344
Total biological assets		**-**	**-**	**-**	**2,344**	**2,344**
Total assets		**1,523,703**	**1,542,006**	**1,542,006**	**2,195,070**	**3,114,791**
Current liabilities						
Payables	29	63,413	41,005	41,005	84,569	120,444
Other financial liabilities	30	15,371	9,250	9,250	10,931	844,132
Accrued employee benefits	31	2,028	2,094	2,094	15,742	16,086
Income tax payable	27	10,305	18,844	18,844	-	-
Deferred tax equivalent liability		-	-	-	-	4,780
Other liabilities	32	16,091	39,640	39,640	62,354	175,872
Provisions	33	42,820	50,040	50,040	34,582	39,607
Total current liabilities		**150,028**	**160,873**	**160,873**	**208,178**	**1,200,921**
Non-current liabilities						
Other financial liabilities	30	151,823	96,719	96,719	107,499	107,499
Deferred tax equivalent liability	27	82,312	61,553	61,553	80,906	80,906
Other liabilities		-	-	-	24,718	24,718
Provisions	33	5,590	-	-	13,229	13,229
Total non-current liabilities		**239,725**	**158,272**	**158,272**	**226,352**	**226,352**
Total liabilities		**389,753**	**319,145**	**319,145**	**434,530**	**1,427,273**
Net assets		**1,133,950**	**1,222,861**	**1,222,861**	**1,760,540**	**1,687,518**
Equity						
Contributed equity		1,510,433	1,599,598	1,599,598	2,128,165	2,068,466
Accumulated deficit		(406,270)	(398,553)	(398,553)	(392,260)	(405,583)
Asset revaluation surplus	34	29,789	21,814	21,814	24,635	24,635
Total equity		**1,133,950**	**1,222,861**	**1,222,861**	**1,760,540**	**1,687,518**

The accompanying notes form part of these statements.

Department of State Development, Infrastructure and Planning
Statement of changes in equity
for the year ended 30 June 2013

	Note	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Contributed equity				
Balance as at 1 July		1,599,598	2,128,165	2,068,466
Transactions with owners as owners:				
Appropriated equity injections		22,989	60,057	60,057
Appropriated equity withdrawals		(32,146)	(12,587)	(12,587)
Net appropriated equity injections	4	(9,157)	47,470	47,470
Non appropriated equity injections		37,019	17,936	17,936
Non-appropriated equity withdrawals		(276,992)	(27,154)	(27,154)
Balance transferred through machinery-of-Government change		-	-	59,699
Balance transferred to contributed equity on transfer of ULDA operations	37	162,893	-	-
Net assets transferred to other departments	37	1,114	(545,682)	(545,682)
Net assets transferred from other departments		(506)	-	-
Transferred from accumulated deficit on transfer of PSG operations		(3,536)	-	-
Transfer to South Regional Water Pipeline Company Pty Ltd	36	-	(21,137)	(21,137)
Balance as at 30 June		**1,510,433**	**1,599,598**	**1,599,598**
Accumulated surplus/(deficit)				
Balance as at 1 July		(398,553)	(392,260)	(405,583)
Balance received through machinery-of-Government change		-	-	45,374
Balance transferred to contributed equity on transfer of PSG operations		3,536	-	-
Operating result from continuing operations after income tax equivalent expense		(11,254)	(6,293)	(38,344)
Balance as at 30 June		**(406,270)**	**(398,553)**	**(398,553)**
Asset revaluation surplus				
Balance as at 1 July		21,814	24,635	24,635
Balance transferred through MOG change		-	(2,821)	(2,821)
Increase/(decrease) in asset revaluation surplus		7,975	-	-
Balance as at 30 June		**29,789**	**21,814**	**21,814**

The accompanying notes form part of these statements.

Department of State Development, Infrastructure and Planning
Statement of cash flows
for the year ended 30 June 2013

	Note	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Cash flows from operating activities				
Inflows:				
Departmental services receipts		168,030	786,231	786,231
User charges		137,364	210,751	229,905
Grants and other contributions		2,623	103,408	104,820
GST input tax credits received from Australian Taxation Office		17,748	51,356	51,468
GST collected from customers		6,999	25,285	37,033
Interest receipts		9,661	14,116	15,078
Other inflows		1,385	7,962	10,088
Outflows:				
Employee expenses		(98,946)	(446,823)	(447,954)
Supplies and services		(139,710)	(307,401)	(319,707)
Grants and subsidies		(27,512)	(220,950)	(220,950)
GST paid on purchases		(16,223)	(63,933)	(73,886)
GST remitted to Australian Taxation Office		(5,361)	(13,921)	(15,429)
Finance/borrowing costs		(7,796)	(6,651)	(6,651)
Other outflows		(43,931)	(13,179)	(13,172)
Net cash provided by (used in) operating activities	38	**4,332**	**126,251**	**136,874**
Cash flows from investing activities				
Inflows:				
Sales of property, plant and equipment		31,397	13,046	448,877
Loans and advances redeemed		10,430	3,347	3,847
Outflows:				
Payments for property, plant and equipment		(9,717)	(30,898)	(30,898)
Payments for intangible assets		(750)	(9,852)	(9,852)
Payments for work in progress - PPE		(1,680)	-	(96,859)
Loans and advances provided		-	(42,930)	(42,930)
Net cash provided by (used in) investing activities		**29,680**	**(67,287)**	**272,185**
Cash flows from financing activities				
Inflows:				
Receipt of monies held on behalf of third parties		-	6,141	77,838
Borrowings		3,512	-	-
Equity injections		61,140	60,057	60,057
Outflows:				
Equity withdrawals		(304,582)	(12,587)	(42,716)
Borrowing redemptions		(13,343)	(10,761)	(444,434)
Net cash provided by (used in) financing activities		**(253,273)**	**42,850**	**(349,255)**
Net increase/(decrease) in cash and cash equivalents		(219,260)	101,814	59,804
Cash and cash equivalents at beginning of financial year		281,203	225,269	267,279
Net cash and cash equivalents transferred under machinery-of-Government change		(1,716)	(45,880)	(45,880)
Cash and cash equivalents at end of financial year	19	**60,226**	**281,203**	**281,203**

For non-cash financing and investing activities refer note 39.

The accompanying notes form part of these statements.

Department of State Development, Infrastructure and Planning
Statement of comprehensive income by major departmental services and commercial business unit
for the year ended 30 June 2013

	State Development [1]		Planning [1]		Major Projects Office [1]		Co-ordinator General [1]		Economic Development Queensland [1] [3]	
	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Income from continuing operations [2]										
Departmental services revenue	66,545	12,142	28,170	9,202	51,026	24,682	34,538	4,552	-	-
Sales revenue	-	-	-	3,000	-	-	-	-	54,614	-
User charges, fees and fines	1,695	158	720	90	10,241	951	9,157	7,962	17,461	-
Grants and other contributions	850	81	587	135	90	2,611	81	1,925	1,234	-
Royalties and other territorial revenue	-	-		-	-	-	-	-	-	-
Other revenue	83	1	30	7	3,103	-	782	39	3,787	-
Total revenue	**69,173**	**12,382**	**29,507**	**12,434**	**64,460**	**28,244**	**44,558**	**14,479**	**77,096**	**-**
Gains	-	-	-	-	703	218	158	-	2,450	-
Total income from continuing operations	**69,173**	**12,382**	**29,507**	**12,434**	**65,163**	**28,462**	**44,716**	**14,479**	**79,546**	**-**
Expenses from continuing operations [2]										
Employee expenses	42,941	5,468	20,808	5,944	12,539	3,204	19,774	4,954	2,462	-
Supplies and services	14,367	3,285	7,555	2,275	29,955	4,711	11,431	1,787	8,624	-
Grants and subsidies	10,831	4,281	315	1,157	6,943	3,667	9,747	370	-	-
Depreciation and amortisation	788	(766)	675	32	8,090	1,829	690	41	263	-
Impairment losses	-	-	-	-	-	-	-	-	293	-
Cost of sales	-	-	-	3,968	-	-	-	-	44,121	-
Revaluation decrements	-	75	-	192	2,664	17,826	963	8	15,834	-
Finance/borrowing costs	-	-	-	-	5,862	1,580	-	-	1,933	-
Other expenses	706	39	1,153	26	9,648	18,553	475	22	9,867	-
Total expenses from continuing operations	**69,633**	**12,382**	**30,506**	**13,594**	**75,701**	**51,371**	**43,080**	**7,182**	**83,404**	**-**
Operating result from continuing operations before income tax equivalent	**(460)**	**-**	**(999)**	**(1,160)**	**(10,538)**	**(22,909)**	**1,636**	**7,297**	**(3,858)**	**-**
Income tax equivalent (expense)/benefit	-	-	-	-	-	-	-	-	1,214	-
Operating result from continuing operations after income tax equivalent	**(460)**	**-**	**(999)**	**(1,160)**	**(10,538)**	**(22,909)**	**1,636**	**7,297**	**(2,642)**	**-**
Other comprehensive income										
Increase/(decrease) in asset revaluation reserve	-	-	-	-	7,975	(2,821)	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**7,975**	**(2,821)**	**-**	**-**	**-**	**-**
Total comprehensive income	**(460)**	**-**	**(999)**	**(1,160)**	**(2,563)**	**(25,730)**	**1,636**	**7,297**	**(2,642)**	**-**

[1] *Refer to Note 3 for a description of major departmental services.*

[2] *Corporate services income and expenses have been allocated to respective departmental services (disclosure only, figures are included above):*

Income	21,928	1,919	9,534	1,134	6,197	567	10,011	741	-	-
Expenses	22,389	5,036	9,734	2,976	6,327	1,488	10,221	1,946	-	-

[3] *For the period from 1 February 2013 to 30 June 2013. Economic Development Queensland formed via the amalgamation of Property Services Group and Urban Land Development Authority.*

Department of State Development, Infrastructure and Planning
Statement of comprehensive income by major departmental services and commercial business unit (continued)
for the year ended 30 June 2013

	Employment and Economic Development [1]		Mines, Energy and Manufacturing [1]		Agriculture, Food, Tourism and Regional Services [1]		Infrastructure, Land and Project Development [1]	
	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Income from continuing operations [2]								
Departmental services revenue	-	215,168	-	142,655	-	293,099	-	41,063
Sales revenue	-	-	-	-	-	-	-	-
User charges, fees and fines	-	3,456	-	12,336	-	38,285	-	10,955
Grants and other contributions	-	36,114	-	1,667	-	67,681	-	22,495
Royalties and other territorial revenue	-	-	-	-	-	2,684	-	-
Other revenue	-	903	-	397	-	6,866	-	352
Total revenue	-	**255,641**	**-**	**157,055**	**-**	**408,616**	**-**	**74,865**
Gains	-	106	-	142	-	983	-	53
Total income from continuing operations	**-**	**255,747**	**-**	**157,197**	**-**	**409,599**	**-**	**74,918**
Expenses from continuing operations [2]								
Employee expenses	-	70,380	-	79,055	-	239,763	-	28,363
Supplies and services	-	25,993	-	58,682	-	112,879	-	31,189
Grants and subsidies	-	138,250	-	15,934	-	39,803	-	7,284
Depreciation and amortisation	-	6,075	-	2,917	-	16,206	-	2,823
Impairment losses	-	-	-	-	-	683	-	-
Cost of sales	-	-	-	-	-	-	-	-
Revaluation decrements	-	294	-	781	-	1,612	-	155
Finance/borrowing costs	-	4,965	-	-	-	106	-	-
Other expenses	-	6,826	-	191	-	919	-	71
Total expenses from continuing operations	-	**252,783**	-	**157,561**	-	**411,971**	-	**69,885**
Operating result from continuing operations before income tax equivalent	**-**	2,964	**-**	**(364)**	**-**	**(2,372)**	**-**	**5,034**
Income tax equivalent (expense)/benefit	-	-	-	-	-	-	-	-
Operating result from continuing operations after income tax equivalent	**-**	**2,964**	**-**	**(364)**	**-**	**(2,372)**	**-**	**5,034**
Other comprehensive income								
Increase/(decrease) in asset revaluation reserve	-	-	-	-	-	-	-	-
Total other comprehensive income	-	**-**	-	**-**	-	**-**	-	**-**
Total comprehensive income	**-**	**2,964**	**-**	**(364)**	**-**	**(2,372)**	**-**	**5,034**

[1] *Refer to Note 3 for a description of major departmental services.*
[2] *Corporate services income and expenses have been allocated to respective departmental services (disclosure only, figures are included above):*

	Employment and Economic Development	Mines, Energy and Manufacturing	Agriculture, Food, Tourism and Regional Services	Infrastructure, Land and Project Development
Income	28,452	27,481	104,606	9,774
Expenses	28,735	27,845	105,859	9,896

Department of State Development, Infrastructure and Planning
Statement of comprehensive income by major departmental services and commercial business unit (continued)
for the year ended 30 June 2013

	Property Services Group [1] [4]		Eliminations between Property Services Group,[4] Economic Development Queensland[3] and DSDIP		General N-A [5]	General N-A	Total	
	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Income from continuing operations [2]								
Departmental services revenue	-	-	-	-	-	-	180,279	742,563
Sales revenue	30,076	107,753	(319)	-	-	-	84,371	110,753
User charges, fees and fines	9,023	15,118	(4,212)	(2,200)	-	-	44,085	87,113
Grants and other contributions	-	-	(526)	(27,360)	-	-	2,316	105,350
Royalties and other territorial revenue	-	-	-	-	-	-	-	2,684
Other revenue	4,994	15,138	(83)	-	-	-	12,696	23,703
Total revenue	**44,093**	**138,009**	**(5,140)**	**(29,560)**	**-**	**-**	**323,747**	**1,072,165**
Gains	-	157	-	-	-	-	3,312	1,659
Total income from continuing operations	**44,093**	**138,166**	**(5,140)**	**(29,560)**	**-**	**-**	**327,059**	**1,073,825**
Expenses from continuing operations [2]								
Employee expenses	1,122	2,594	-	-	-	-	99,646	439,725
Supplies and services	2,734	5,933	(1,127)	(1,374)	-	-	73,539	245,361
Grants and subsidies	(325)	31,127	(525)	(28,186)	-	-	26,986	213,687
Depreciation and amortisation	142	303	6	-	-	-	10,654	29,459
Impairment losses	(368)	4,240	-	-	1,605	-	1,530	4,924
Cost of sales	13,646	21,086	(7)	-	-	-	57,760	25,054
Revaluation decrements	8,382	46,565	(314)	-	-	-	27,529	67,509
Finance/borrowing costs	-	-	-	-	-	-	7,796	6,651
Other expenses	9,445	17,555	-	-	-	-	31,293	44,203
Total expenses from continuing operations	**34,778**	**129,402**	**(1,967)**	**(29,560)**	**1,605**	**-**	**336,733**	**1,076,573**
Operating result from continuing operations before income tax equivalent	**9,315**	**8,764**	**(3,173)**	**-**	**(1,605)**	**-**	**(9,674)**	**(2,748)**
Income tax equivalent (expense)/benefit	(2,794)	(3,545)	-	-	-	-	(1,580)	(3,545)
Operating result from continuing operations after income tax equivalent	**6,521**	**5,219**	**(3,173)**	**-**	**(1,605)**	**-**	**(11,254)**	**(6,293)**
Other comprehensive income								
Increase/(decrease) in asset revaluation surplus	-	-	-	-		-	7,975	(2,821)
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**7,975**	**(2,821)**
Total comprehensive income	**6,521**	**5,219**	**(3,173)**	**-**	**(1,605)**	**-**	**(3,279)**	**(9,114)**

[1] *Refer to Note 3 for a description of major departmental services.*
[2] *Corporate services income and expenses have been allocated to respective departmental services (disclosure only, figures are included above):*

Income	-	-	-	-	-	-	47,670	174,674
Expenses	-	-	-	-	-	-	48,672	183,781

[3] *For the period from 1 February 2013 to 30 June 2013. Economic Development Queensland formed via the amalgamation of Property Services Group and Urban Land Development Authority.*
[4] *For the period 1 July 2012 to 31 January 2013. Transferred to Economic Development Queensland 1 February 2013.*
[5] *General non-attributed relates to an Impairment Loss for services that transferred from DSDIP as result of the 2012 machinery-of-Government changes.*

Department of State Development, Infrastructure and Planning
Statement of assets and liabilities by major departmental service and commercialised business unit
as at 30 June 2013

	State Development [1]		Planning [1]		Major Projects Office [1]		Co-ordinator General [1]		Property Services Group [1] [2]	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**	**2013 $'000**	**2012 $'000**	**2013 $'000**	**2012 $'000**	**2013 $'000**	**2012 $'000**
Current assets										
Cash and cash equivalents	5	-	2	-	-	-	-	20,568	-	274,662
Receivables	2,344	3,287	473	(1,736)	517	2,775	7,585	3,738	-	15,609
Inventories	-	-	1,851	19,123	16,883	-	-	-	-	291,839
Other assets	6	-	3	174	604	602	3	5,995	-	1,193
	2,355	3,287	2,329	17,561	18,004	3,377	7,588	30,300	-	583,302
Non-current assets classified as held for sale	-	-	-	-	3,660	-	16,494	17,498	-	-
Total current assets	**2,355**	**3,287**	**2,329**	**17,561**	**21,664**	**3,377**	**24,082**	**47,799**	**-**	**583,302**
Non-current assets										
Receivables	-	-	-	-	-	-	-	-	-	27,040
Intangible assets	221	-	2,144	8,012	17	-	4,412	3,142	-	48
Property, plant and equipment	2,914	448	3,902	7,469	409,265	423,408	112,114	121,599	-	243,373
Investment property	-	-	-	-	-	-	-	-	-	-
Deferred tax equivalent asset	-	-	-	-	-	-	-	-	-	2,774
Other assets	-	-	-	-	12,035	12,636	-	-	-	150
Total non-current assets	**3,135**	**448**	**6,046**	**15,481**	**421,317**	**436,044**	**116,526**	**124,741**	**-**	**273,385**
Biological assets										
Livestock	-	-	-	-	-	-	-	-	-	-
Total biological assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**5,490**	**3,735**	**8,375**	**33,042**	**442,981**	**439,421**	**140,608**	**172,540**	**-**	**856,687**
Current liabilities										
Payables	4,185	(2,600)	2,200	14,006	8,254	14,609	5,048	4,544	-	11,483
Other financial liabilities	-	-	-	-	8,109	9,250	-	-	-	-
Accrued employee benefits	777	255	324	358	221	604	380	834	-	40
Income tax payable	-	-	-	-	-	-	-	-	-	18,844
Other liabilities	70	10,751	-	3,155	9	(555)	2,070	23,517	-	2,772
Provisions	-	-	-	-	-	-	21,455	33,860	-	16,180
Total current liabilities	**5,032**	8,406	**2,524**	17,519	**16,593**	23,909	**28,953**	**62,756**	**-**	**49,319**
Non-current liabilities										
Other financial liabilities	-	-	-	-	88,536	96,719	-	-	-	-
Deferred tax equivalent liability	-	-	-	-	-	-	-	-	-	61,553
Provisions	-	-	-	-	-	-	5,590	-	-	-
Total non-current liabilities	**-**	**-**	**-**	**-**	**88,536**	**96,719**	**5,590**	**-**	**-**	**61,553**
Total liabilities	**5,032**	**8,406**	**2,524**	**17,519**	**105,129**	**120,628**	**34,543**	**62,756**	**-**	**110,872**
Net assets	**458**	**(4,671)**	**5,851**	**15,523**	**337,852**	**318,793**	**106,065**	**109,784**	**-**	**745,815**

[1] *Refer to Note 3 for a description of major departmental services.*
[2] *Property Services Group transferred to Economic Development Queensland effective 1 February 2013.*

The accompanying notes form part of these statements.

Department of State Development, Infrastructure and Planning
Statement of assets and liabilities by major departmental service and commercialised business unit (continued)
as at 30 June 2013

	Economic Development Queensland [1] [2]		General-non-attributable [3]		Eliminations between former Property Services Group/Economic Development Queensland and DSDIP		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current assets								
Cash and cash equivalents	96,221	-	(36,004)	(14,026)	-	-	60,226	281,203
Receivables	17,930	-	48,102	54,866	(4,484)	(4,259)	72,469	74,279
Inventories	435,683	-	-	-	-	-	454,417	310,961
Other assets	1,325	-	-	-	-	-	1,941	7,964
	551,159	-	12,098	40,840	(4,484)	(4,259)	589,053	674,408
Non-current assets classified as held for sale	-	-					20,154	17,498
Total current assets	**551,159**	**-**	**12,098**	**40,840**	**(4,484)**	**(4,259)**	**609,207**	**691,906**
Non-current assets								
Receivables	28,359	-	-	-	-	-	28,359	27,040
Intangible assets	20	-	-	-	-	-	6,814	11,202
Property, plant and equipment	217,323	-	-	-	-	-	745,518	796,297
Investment property	112,771	-	-	-	-	-	112,771	-
Deferred tax equivalent asset	8,999	-	-	-	-	-	8,999	2,774
Other assets	1	-	-	-	-	-	12,035	12,787
Total non-current assets	**367,473**	**-**	**-**	**-**	**-**	**-**	**914,496**	**850,099**
Total assets	**918,632**	**-**	**12,098**	**40,840**	**(4,484)**	**(4,259)**	**1,523,703**	**1,542,006**
Current liabilities								
Payables	43,906	-	4,308	3,223	(4,484)	(4,260)	63,413	41,005
Other financial liabilities	7,261	-	-	-	-	-	15,371	9,250
Accrued employee benefits	323	-	-	2	-	-	2,028	2,094
Income tax payable	10,305	-	-	-	-	-	10,305	18,844
Other liabilities	13,941	-	-	-	-	-	16,091	39,640
Provisions	21,365	-	-	-	-	-	42,820	50,040
Total current liabilities	**97,101**	**-**	**4,308**	**3,225**	**(4,484)**	**(4,260)**	**150,028**	**160,873**
Non-current liabilities								
Other financial liabilities	63,287	-	-	-	-	-	151,823	96,719
Deferred tax equivalent liability	82,312	-	-	-	-	-	82,312	61,553
Provisions	-	-	-	-	-	-	5,590	-
Total non-current liabilities	**145,599**	**-**	**-**	**-**	**-**	**-**	**239,725**	**158,272**
Total liabilities	**242,700**	**-**	**4,308**	**3,225**	**(4,484)**	**(4,260)**	**389,753**	**319,145**
Net assets	**675,932**	**-**	**7,790**	**37,615**	**-**	**-**	**1,133,950**	**1,222,861**

[1] *Refer to Note 3 for a description of major departmental services.*

[2] *Economic Development Queensland consists of the former Property Services Group and the former Urban Land Development Authority.*

[3] *General non-attributable relates to machinery-of-Government receivables and payables for services transferred out of the department.*

The accompanying notes form part of these statements.

Note	Note Title
1	Objectives and principal activities of the department
2	Summary of significant accounting policies
3	Major departmental services
4	Reconciliation of payments from consolidated fund to departmental services revenue recognised in statement of comprehensive income
4	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
5	Sales of land
6	User charges, fees and fines
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9	Gains
10	Employee expenses
11	Key management personnel and remuneration
12	Supplies and services
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14	Depreciation and amortisation
15	Impairment losses
16	Revaluation decrements
17	Finance/borrowing costs
18	Other expenses
19	Cash and cash equivalents
20	Receivables
21	Inventories
22	Other assets
23	Non-current assets classified as held for sale
24	Intangible assets
25	Property, plant and equipment
26	Investment property
27	Income tax equivalent
28	Biological assets
29	Payables
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31	Accrued employee benefits
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34	Asset revaluation surplus
35	Jointly controlled operations
36	Controlled entities
37	Restructuring of administrative arrangements
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39	Non-cash financing and investing activities
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1. Objectives and principal activities of the Department of State Development, Infrastructure and Planning

The Department of State Development, Infrastructure and Planning exists to drive the economic development of Queensland. The department brings together the functions of the Coordinator-General, economic and regional development, major project delivery, government land management, infrastructure and planning into a strong central agency to grow the economy and champion the interests of business and industry for communities across Queensland.

2. Summary of significant accounting policies

(a) Statement of compliance

The department has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the department has applied those requirements applicable to not-for-profit entities, as the department is a not-for-profit department. Except where stated the historical cost convention is used.

(b) The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the department.

The department has a commercialised business unit, Economic Development Queensland (EDQ). The *Economic Development Act 2012* came into effect from 1 February 2013, repealing the *Industrial Development Act 1963* and the *Urban Land Development Authority Act 2007.* EDQ combines the former commercialised business unit Property Services Group (PSG) and former statutory authority Urban Land Development Authority (ULDA), and forms part of the department. EDQ delivers a range of services under the *Economic Development Act 2012*. Assets and liabilities were transferred from the ULDA and PSG to EDQ. Refer to note 37.

The Statement of comprehensive income by major departmental service and Statement of assets and liabilities by major departmental service reports seven months of the former Property Services Group and five months of Economic Development Queensland.

The major departmental services undertaken by the department are disclosed in note 3.

The department has an interest in a jointly controlled operation, Woodlands Andergrove, with the Mackay Regional Council to develop and sell lots located at Bedford Road, Andergrove and Mackay. In accordance with the partnership agreement, the department's interest in the joint venture is 50%, refer note 2(x).

The department has no controlled entities for the 2012-13 financial year and therefore consolidated amounts are presented for 2011-12 only.

For the 2011-12 financial year the department controlled a number of entities.

The entities that were material and were consolidated are:

- Biopharmaceuticals Australia (Network) Pty Ltd
- Southern Regional Water Pipeline Company Pty Ltd

Entities controlled by the department in 2011-12 that were not material were not consolidated, however their receipts and payments are disclosed in note 36. The entities are:

- ZeroGen Pty Ltd
- Queensland Water Infrastructure Pty Ltd

Two entities were controlled by the department in 2011-12 but did not trade during the year:

- The Green Energy Corporation Pty Ltd
- Queensland Trade and Investment Office Pty Ltd

These companies were considered immaterial and were not consolidated into the 2011-12 financial statements.

Further details of the former controlled entities are disclosed in note 36. The accounting policies of the controlled entities were aligned with department's policies in preparing the consolidated financial statements.

2. Summary of significant accounting policies (continued)

(b) The reporting entity (continued)

In order to provide enhanced disclosure, the department adopted the principles outlined in Australian Accounting Standard AASB 127 *Consolidated and Separate Financial Statements*. This approach was considered appropriate as it reflected the relationship between the department's core business activities and those of its controlled entities. In the process of reporting on the department as a single economic entity, all material transactions and balances internal to the economic entity were eliminated.

As a result of restructuring administrative arrangements (*Public Service Departmental Arrangements Notice (No.3) 2012*) on 3 April 2012 the Department of Employment, Economic Development and Innovation (DEEDI) was renamed to the Department of State Development, Infrastructure and Planning (DSDIP). Under this notice all operations and principal activities of DEEDI were transferred to DSDIP. These transfers, of all assets and liabilities, from DEEDI to DSDIP, were effective from 1 May 2012. For further information on the extent of the changes refer note 37 Restructuring of administrative arrangements.

The former DEEDI delivered services in the fields of trade, tourism, employment, agriculture, mining, energy, innovation, small business and racing. Reporting of financial information relating to these services is published in the 2011-12 financial statements of the departments that have carriage for these services following the machinery-of-Government changes. Functions of the former DEEDI are now administered by the following departments:

- Department of State Development, Infrastructure and Planning
- Queensland Treasury and Trade
- Department of Education, Training and Employment
- Department of Agriculture, Fisheries and Forestry
- Department of Natural Resources and Mines
- Department of Energy and Water Supply
- Department of Science, Information Technology, Innovation and the Arts
- Department of National Parks, Recreation, Sport and Racing
- Department of Tourism, Major Events, Small Business and the Commonwealth Games

Except where otherwise stated the department employed consistent accounting policies in the preparation and presentation of these financial statements between the reporting period and prior year.

(**c**) **Administered transactions and balances**

The department administers, but does not control, certain resources on behalf of the Queensland Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are disclosed in note 45. These balances are not significant in comparison to the department's overall financial performance/financial position.

On 4 February 2013, as a result of the *Administrative Arrangements Amendment Order (No.1) 2013,* the Queensland Reconstruction Authority was transferred to the Minister for Local Government, Community Recovery and Resilience. The authority is a statutory body under the *Queensland Reconstruction Authority Act 2011* and prepares separate financial statements.

(d) Trust/Agency transactions and balances

During 2011-12 the department undertook collection of fisheries licences and management of mining security deposits and native title holdings.

As the department performed only a custodial role in respect of these transactions, they are not recognised in the financial statements, but are disclosed in note 46 for information purposes. Applicable audit arrangements are also shown.

(e) Departmental services revenue/administered revenue

Appropriations provided under the *Appropriation Act 2012* are recognised as revenue when received or when departmental services receivables are recognised after approval by Queensland Treasury and Trade.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations.

2. Summary of significant accounting policies (continued)

(f) User charges, fees and fines

User charges, fees and fines controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. When the services have been performed and/or ownership of the goods has passed to the clients, the revenue is recognised by either raising invoices or accruals. User charges, fees and fines are controlled by the department where they can be deployed for the achievement of departmental objectives.

User charges, fees and fines collected, but not controlled by the department, are reported as administered revenue. Refer to note 45.

(g) Interest Revenue

Interest revenue is recognised as it accrues.

(h) Grants and other contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding arrangements.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in note 2(af).

(i) Special payments

Special payments include ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out details of all special payments greater than $5,000. The total of all special payments (including those of $5,000 or less) is disclosed separately within Other expenses (note 18). However, descriptions of the nature of special payments are only provided for special payments greater than $5,000.

(j) Cash and cash equivalents

For the purposes of the Statement of financial position and Statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

(k) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with an allowance being made for impairment. All known bad debts were written off as at 30 June. Increases in the allowance for impairment are based on loss events as disclosed in notes 20 and 43(c).

Loans and advances are recognised at the face value of the principal outstanding and finance leases are recognised at the value of the net investment of the lease agreement outstanding (note 2(w)). Terms are as recorded in individual loan and lease agreements with the leases ranging from 10 to 30 years. On full repayment of finance leases, title for the relevant property is transferred to the purchaser.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are set based on the operations of the particular entities, no interest is charged and no security is obtained.

(l) Inventories

Land purchased for the purpose of resale is recognised at the lower of cost and net realisable value. Cost includes the cost of acquisition and development of the land to its existing condition, ready for sale. These costs are assigned to subdivided land lots on a weighted average basis when the lots are sold.

Net realisable value is determined on the basis of the department's normal selling pattern. Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

2. Summary of significant accounting policies (continued)

(m) Biological assets

Under AASB 141 *Agriculture* such assets are defined as living animals and plants. They are distinguished from other assets by the fact that they have natural capacity to grow and/or procreate. These include livestock, which are accounted for in the department's accounts. The department adopted net market value for the valuation of livestock. Net market value is the amount that could be expected to be received from the disposal of an asset in an active and liquid market, after deducting the costs expected to be incurred in realising the proceeds of such a disposal. Refer note 28.

(n) Non-current assets classified as held for sale

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition and their sale is highly probable within the next twelve months.

These assets are measured at the lower of the assets' carrying amounts and their fair values less costs to sell. Such assets are no longer amortised or depreciated upon being classified as held for sale.

(o) Assets under construction (work in progress)

Work in progress is recognised at cost. All costs relating to items of property, plant and equipment and intangible assets constructed in house are recorded as work in progress until completion of the project using all direct and indirect costs, where the latter are reliably attributable. Work in progress performed under external contracts is recorded using the invoice amount supplied by the contractor.

The department does not capitalise finance and borrowing costs.

(p) Acquisitions of assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any user training costs are expensed as incurred.

Where assets are received free of charge from a Queensland Government entity (whether as a result of a machinery-of-Government or other involuntary transfer), the assets are recognised at the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from a Queensland Government department, are recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment.*

(q) Property, plant and equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

- Land $1
- Buildings $10,000
- Infrastructure $10,000
- Major plant and equipment $ 5,000
- Plant and equipment $ 5,000
- Other (including heritage and cultural) $ 5,000

Items with a lesser value are expensed in the year of acquisition. Land improvements undertaken by the department are included with buildings or infrastructure based on the proximity of the asset to which they relate.

(r) Intangible assets

Intangible assets with a cost or other value greater than $100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the department. The residual value is zero for all of the department's intangible assets.

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

2. Summary of significant accounting policies (continued)

(r) Intangible assets (continued)

Purchased software
The purchase cost of software has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to the department.

Internally generated software
Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred. Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the department.

Easements
Easements acquired over land are recognised at cost and are considered to have an indefinite useful life. The easements are not amortised but are instead assessed annually for impairment.

Goodwill
Goodwill on acquisition is initially recognised at cost, being the excess of costs of acquisition over fair value of the department's share of net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is not amortised but is instead assessed annually for impairment. Refer note 2(u).

(s) Revaluations of non-current physical assets

Land, buildings, infrastructure, major plant and equipment and heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*. In respect of these asset classes, the cost of items acquired during the financial year has been judged by management of the department to materially represent their fair value at the end of the reporting period.

Plant and equipment other than major plant and equipment is measured at cost in accordance with Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector.*

Non-current physical assets measured at fair value are revalued on an annual basis by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. Revaluations based on independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a class of asset experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class of asset may have changed by 20 per cent or more from one reporting period to the next), it is subject to revaluation in the reporting period, where practicable, regardless of the timing of previous revaluation.

Where indices are used in the revaluation process the department ensures that the application of such indices would result in a valid estimation of the asset's fair value at reporting date. At year end, management assesses the relevance and suitability of indices used.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 *Materiality* are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(t) Depreciation and amortisation of property, plant, equipment and intangible assets

Land, heritage and cultural assets, easements and goodwill are not depreciated or amortised as they have an unlimited useful life. All other intangible assets of the department have finite useful lives and are amortised on a straight-line basis. (refer Note 2(r)).

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department.

2. Summary of significant accounting policies (continued)

(t) Depreciation and amortisation of property, plant, equipment and intangible assets (continued)

Assets under construction (work in progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes with property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

The depreciable amount of leasehold improvements is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

For each class of depreciable and amortisable asset the following rates are used:

Asset class	Category	2013 Rate %	2012 Rate %
Buildings	Buildings and improvements	1.25-25%	1.25-20%
	Access Roads	-	1.25-4%
	Land improvements	2.44-16.67%	1.25-6.67%
Infrastructure	Boundary fences	2.5%	-
	Wild dog barrier fence	-	5%
	Water infrastructure	1.25-4%	3.85%
	Wharf and jetty structures	1-10%	1-10%
	Rail loop	-	1.25%-3.33%
	Roads	1.25%-2.5%	1.25%-2%
Major plant and equipment	Ship unloaders and loaders	2.5-6.67%	2.5-6.67%
	Jetty conveyors and transfer stations	2-6.67%	2-6.67%
	Sea water supply equipment	2.86-10%	2.86-10%
	Material handling equipment	2-6.67%	2-6.67%
	Caustic handling equipment	2-6.67%	2-6.67%
Plant and equipment	Computer equipment	10-33.33%	20-33.33%
	Motor vehicles	16.67%	6.67-20%
	Boats and boating equipment	-	5-25%
	Heavy plant	-	5-25%
	Scientific equipment	-	5-25%
	Office equipment	10-33.33%	2.5–33.3%
	Leasehold improvements	2.5-35.29%	10–14.29%
	Plant and equipment	10-14.29%	20-33.33%
	Water monitoring	-	12.5%
Intangible assets	Software purchased	18.46%	25%
	Software internally generated	20-46.15%	25%
	Patents and trademarks	-	5-12.5%

(u) Impairment of non-current assets

All non-current physical assets and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of comprehensive income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

2. Summary of significant accounting policies (continued)

(u) Impairment of non-current assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase to the extent that it reverses write downs of previously impaired revaluation increments. Refer also note 2(s).

(v) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value, being revalued as at each reporting date. Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property. If there is no active property market, alternative valuation methods are used, such as recent selling prices in less active markets, or discounted cash flow projections.

Pursuant to AASB 140 *Investment Property*, investment buildings under construction are included within the Investment Property category, rather than within Property, plant and equipment (and being measured at cost prior to completion). Consequently, investment buildings under construction are also now measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case, the property concerned is measured at cost until fair value can be reliably determined). In determining a fair value for investment buildings under construction, a value is determined as at reporting date for an equivalent completed building (using current construction plans and all available relevant information), and this value is adjusted proportionately to reflect the percentage of completion and remaining costs to complete construction as at reporting date.

Gains or losses arising from changes in the fair value of investment property are included in the operating result for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Rental revenue from investment property is recognised as income on a periodic straight-line basis over the lease term.

(w) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Finance leases are recorded as receivable at an amount equal to the net investment of the lease agreement. Lease income from finance leases is recognised at a constant periodic rate of return on the net investment in the lease.

The Department of Natural Resources and Mines acts as an agent on behalf of the department in administering the finance and operating leases of the department in accordance with the *Land Act 1994*.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the period in which they are incurred.

Lease incentives received when entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability over the lease term on a straight-line basis.

Leaseback arrangements
Where an announcement of a major public infrastructure project causes large scale pre-purchase, and where there is a considerable time before vacant possession is required, the department will consider proposals to enter into leaseback or tenancy arrangements with the vendor until the property is required for the purpose for which it was purchased.

The department applies the whole-of-Government policy issued by the Department of Natural Resources and Mines where rent for the first three years of an initial tenancy is set at $1,000 per annum or market value, whichever is lower, but is not lower than the minimum amount of $500 per annum. For the balance of the initial term, if any, the rent shall be $500 per annum or the market rental, which ever is the greater. Where market rent is applied it will be subject to annual CPI increases during the currency of the lease.

2. Summary of significant accounting policies (continued)

(x) Jointly controlled operations

The department’s interest in unincorporated jointly controlled operations is accounted for by recognising in its financial statements its share of the assets, classified according to the nature of the assets, liabilities it has incurred, its share of liabilities jointly incurred, its share of income and expenses of the joint venture and any expenses incurred in respect of its interest in the jointly controlled operations.

(y) Payables

Trade creditors are recognised upon receipt of the goods and services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30-day terms.

(z) Financial instruments

Recognition
Financial assets and financial liabilities are recognised in the Statement of financial position when the department becomes party to the contractual provisions of the financial instrument.

Classification
Financial instruments are classified and measured as:

- Cash and cash equivalents - held at fair value through the Statement of comprehensive income
- Receivables - held at amortised cost
- Payables - held at amortised cost
- Borrowings - held at amortised cost.

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument, or when appropriate, a shorter period, to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that the department has an unconditional right to defer settlement until at least 12 months after reporting date.

The department does not enter into transactions for speculative purposes, or for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through the Statement of comprehensive income.

All other disclosures relating to the measurement basis and financial risk management of financial instruments held by the department are included in note 43.

(aa) Employee benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee-related expenses.

Wages, salaries and sick leave
Wages and salaries due but unpaid at reporting date are recognised in the Statement of financial position at current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are classified as non-current liabilities and recognised at their present value, calculated using yields on fixed rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken in the reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

2. Summary of significant accounting policies (continued)

(aa) Employee benefits (continued)

Annual leave
The Queensland Government's Annual Leave Central Scheme became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under the scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

No provision for annual leave has been recognised for the parent entity in the consolidated financial statements as the liability is held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

For controlled entities, annual leave entitlements payable are assessed at balance date having regard to current employee remuneration rates and employment related on-costs. Annual leave expected to be paid in the next 12 months is recorded as a current liability in the statement of financial position at its nominal value.

Long service leave
Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover the cost of employees long service leave. Levies are expensed in the period in which they are paid or payable. Amounts paid to employees' for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised for the parent entity in the consolidated financial statements as the liability is being held on a whole-of-Government basis and reported in the financial statements prepared pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

For controlled entities, long service leave entitlements payable are assessed at balance date having regard to current employee remuneration rates, employment related on-costs and other factors including accumulated years of employment, future remuneration levels, and experience of employee departure per year of service. Long service leave expected to be paid in the next 12 months is recorded as a current liability in the Statement of financial position at its nominal value.

Superannuation
Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

For controlled entities, employer superannuation contributions are paid into the superannuation fund chosen by the individual employee, at rates determined by the compulsory superannuation guarantee.

Key management personnel and remuneration
Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury and Trade. Refer to note 11 for the disclosures on key management personnel and remuneration.

(ab) Provisions

Provisions are recorded when the department has a present obligation, either legal or constructive, as a result of a past event. They are recognised at the amount expected at reporting date at which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using the appropriate discount rate.

For controlled entities, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(ac) Finance/Borrowing costs

Finance costs are recognised as an expense in the period in which they are incurred. Finance costs include:
- interest on bank overdrafts and short-term and long-term borrowings, and
- ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

2. Summary of significant accounting policies (continued)

(ad) Allocation of revenues and expenses from ordinary activities to corporate services

The department allocates revenues and expenses attributable to corporate services to major departmental services based on full-time equivalent employees. These are disclosed in the Statement of comprehensive income by major departmental service and commercialised business unit.

(ae) Insurance

The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(af) Services received free of charge or for nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

(ag) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to Contributed equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(ah) Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth Government taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth Government taxes accounted for by the department. As such, GST credits receivable from and payable to the Australian Taxation Office are recognised. Refer note 20.

As a state trading body under the *Income Tax Assessment Act 1996,* the department is exempt from Commonwealth income taxation. Pursuant to the National Tax Equivalents Regime, the commercialised business unit Economic Development Queensland is required to make payments to the Queensland Government, equivalent to the amount of any Commonwealth income tax for which an exemption is received.

The income tax equivalent expense (referred to as income tax) for the period is the tax payable on the current period's taxable income based on the national tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

AASB 112 *Income Taxes* uses a 'Balance Sheet approach' of calculating income tax balances. The Balance Sheet approach recognises when there is a difference between the carrying value of an asset or liability and its tax base. The differences are recognised at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the differences and it is probable that the differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ai) Issuance of financial statements

The financial statements are authorised for issue by the Director-General and Chief Finance Officer at the date of signing the Management Certificate.

2. Summary of significant accounting policies (continued)

(aj) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statements notes:

- valuation of property, plant and equipment – note 25
- provisions – note 33
- contingencies – note 41

(ak) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or where the amount is $500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(al) New and revised accounting standards

The department did not voluntarily change any of its accounting policies during 2012–13. Australian Accounting Standard or Interpretations issued or amended and effective for the first time in 2012–13 have had minimal effect on the department's financial statements, as explained below.

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* became effective from reporting periods beginning on or after 1 July 2012. The only impact for the department is that, in the Statement of comprehensive income, items within the 'Other Comprehensive Income' section are now presented in different sub-sections, according to whether or not they are subsequently classifiable to the operating result. Whether subsequent reclassification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

The department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the department has not applied any Australian Accounting Standards or Interpretations that have been issued but are not yet effective. The department will apply these standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the only significant impacts of new or amended Australian Accounting Standards with future commencement dates are set out below.

AASB 13 *Fair Value Measurement* applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value', as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the department's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

The department has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies do not comply, changes will be necessary. While the department is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the department's property, plant and equipment as from 2013–14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the department, the amount of information to be disclosed will be greater again.

A revised version of AASB 119 *Employee Benefits* applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

2. Summary of significant accounting policies (continued)

(al) New and revised accounting standards (continued)

Given the department's circumstances, the only implications for the department are that the revised standard clarifies the concept of 'termination benefits' and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However as the department is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the department's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The department makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the department.

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and the Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2').

Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Details of which disclosures in standards and interpretations are not required under Tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11 (which also applies to reporting periods beginning on or after 1 July 2013). However, Queensland Treasury and Trade's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the department may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the department, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments (including the Department of State Development, Infrastructure and Planning) and statutory bodies that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the department.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014:

- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 127 *(revised) Separate Financial Statements*
- AASB 128 *(revised) Investments in Associates and Joint Ventures*
- AASB 2011 -7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17].*

The AASB is planning to amend AASB 10. Such amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence the department is not yet in a position to reliably determine the future implications of these new and revised standards for the department's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, once the AASB finalises its not-for-profit amendments to AASB 10, the department will need to reassess the nature of its relationships with other entities, including entities that are not currently consolidated.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.

2. Summary of significant accounting policies (continued)

(al) New and revised accounting standards (continued)

Subject to any not-for-profit amendments that are made to AASB 11, the department will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. If a joint arrangement does exist, the department will need to follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement. It has been assessed that the Woodlands Andergrove joint arrangement, which is disclosed in Note 35, is a “joint operation” and there will be no change to the current accounting treatment under AASB 11.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. From that date, based on what is currently published in the Queensland Government’s Budgetary Service Delivery Statements, the department will need to include in these financial statements the original budgeted statements for the Statement of comprehensive income, Statement of financial position, Statement of changes in equity, and Statement of cash flows. These budgeted statements will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial statement.

In addition, based on what is currently published in the Queensland Government’s Service Delivery Statements, the department will need to include in these financial statements the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between and actual amounts and the corresponding budgeted financial information.

AASB 9 *Financial Instruments* (December 2010) and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038* and *Interpretations 2, 5, 10, 12, 19 & 127]* become effective from reporting periods beginning on or after 1 January 2015. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model with the objective to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The department has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, it is not expected that any of the department's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2015–16 financial statements, all of the department's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in notes 2(z) and 43). The same classification will be used for net gains/losses recognised in the Statement of comprehensive income in respect of those financial assets. In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The department will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2015-16. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2015-16 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the department enters into the department does not anticipate any significant disclosure impacts.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the department’s activities, or have no material impact on the department.

(am) Correction of prior period error

In the process of preparing the financial statements for the year ending 30 June 2013, amounts relating to prior periods were required to be adjusted to accurately reflect the balances of the comparative periods. The correction has been made by adjusting the comparative amounts for the year ended 30 June 2012. Details of the changes are provided in note 47.

3. Major departmental services

State Development
State Development develops economic and infrastructure policies and plans, and facilitates industry development, regional development and investment projects**.**

Planning
Planning is reforming the State's planning framework to empower local governments and their communities and facilitate economic development.

Major Projects Office
The Major Projects Office facilitates, manages and delivers high priority infrastructure and projects; and also contains the Government Land and Asset Management Group, which strategically manages the Government's land portfolio to ensure maximum utilisation and economic community outcomes.

Coordinator-General
The Coordinator-General delivers large scale projects under the *State Development and Public Works Organisation Act 1971.*

Economic Development Queensland
Economic Development Queensland (EDQ) delivers land solutions to facilitate economic development including planning and development of residential, urban and industrial development projects.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
4. Reconciliation of payments from consolidated fund to departmental services revenue recognised in Statement of comprehensive income			
Budgeted departmental services appropriation	358,734	962,056	962,056
Transfers from/(to) other departments	-	(184,854)	(184,854)
Transfers from/(to) other headings	-	9,029	9,029
Lapsed departmental services appropriation	(190,704)	-	-
Total departmental services receipts	**168,030**	**786,231**	**786,231**
Less: opening balance of departmental services revenue receivable	(1,474)	(31,993)	(31,993)
Plus: closing balance of departmental services revenue receivable	574	1,474	1,474
Plus: opening balance of departmental services revenue payable	13,149	-	-
Less: closing balance of departmental services revenue payable	-	(13,149)	(13,149)
Departmental services revenue recognised in Statement of comprehensive income	**180,279**	**742,563**	**742,563**
Reconciliation of payments from consolidated fund to equity adjustment recognised in Contributed equity			
Budgeted equity adjustment appropriation	200	123,753	123,753
Transfers from/(to) other departments	-	19,688	19,688
Transfers from/(to) other headings	-	(101,790)	(101,790)
Lapsed equity adjustment appropriation	(10,154)	-	-
Total equity adjustment receipts (payments)	**(9,954)**	**41,651**	**41,651**
Plus: closing balance of equity adjustment receivable	797	-	-
Plus: opening balance of equity adjustment payable	-	5,819	5,819
Equity adjustment recognised in Contributed equity	**(9,157)**	**47,470**	**47,470**
5. Sales revenue			
Sales of land	84,371	110,753	110,753
Total	**84,371**	**110,753**	**110,753**
Cost of sales	57,760	25,054	25,054
Total	**57,760**	**25,054**	**25,054**
6. User charges, fees and fines			
Fee for service	39,572	64,403	62,948
Sale of goods	4,195	17,145	17,145
Other fees and fines	318	5,565	5,565
Total user charges, fees and fines	**44,085**	**87,113**	**85,658**
7. Grants and other contributions			
Grants	1,670	59,293	59,293
Contributions	426	45,709	45,709
Assets received below fair value	-	346	346
Goods and services received below fair value	220	-	-
Total grants and other contributions	**2,316**	**105,349**	**105,349**

Included in revenue from grants for 2013 are non-reciprocal grants totalling $1.52 million. $1.21 million was received from the Department of Sustainability, Environment, Water, Population and Communities for the National Urban Water and Desalination Plan, for the Fitzgibbon Rainwater Harvesting Scheme and Water Reuse Scheme. A total of $0.31 million was received from the Queensland Reconstruction Authority for the Brisbane Valley Rail Trail. These grants have been recognised in their entirety as the department has met the grant conditions entitling it to receipt of the funding.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
8. Other revenue			
Interest income	7,984	15,491	16,442
Property income	4,331	6,435	6,435
Proceeds on sale of portable and attractive items	3	71	71
Insurance compensation from loss of property	-	166	166
Sundry revenue	378	1,540	1,330
Total other revenue	**12,696**	**23,703**	**24,445**
9. Gains			
Gain on sale of property, plant and equipment	2,558	1,292	1,292
Reversal of revaluation decrement	754	-	-
Net increment in valuation of biological assets	-	368	368
Total gains	**3,312**	**1,660**	**1,660**
Refer also to Note 25 and 28.			
10. Employee expenses			
Employee benefits			
Salaries and wages	66,166	337,357	336,954
Employer superannuation contributions [1]	9,120	38,398	38,313
Annual leave levy [1]	7,462	31,193	31,122
Long service leave levy [1]	1,182	6,723	6,709
Other employee benefits	10,559	2,165	2,156
Employee related expenses			
Workers compensation premium [2]	426	2,359	2,355
Payroll tax [2]	4,030	19,205	19,167
Other employee related expenses	701	2,325	2,325
Total employee expenses	**99,646**	**439,725**	**439,102**

The number of employees as at 30 June, including both full-time and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	Parent 2013	Parent 2012	Consolidated 2012
Number of employees:	848	946	946

[1] Refer to Note 2(aa).

[2] Cost of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses.

11. Key management personnel and remuneration

(a) Key management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2012–13. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Department of State Development, Infrastructure and Planning 1 July 2012 to 30 June 2013

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	**Date appointed/established position (Date resigned/ceased from position)**
Director-General	The Director-General is responsible for the efficient, effective and economic administration of the agency and to drive the economic development of Queensland.	**CEOPAY/***Public Service Act 2008* (*section 92*)	Appointed to former DEEDI on 28 March 2012 which became DSDIP as part of the machinery-of-Government changes effective 1 May 2012.
Coordinator-General	The Coordinator-General is responsible for facilitating and regulating major development projects in Queensland.	**CEOPAY Equivalent -** *State Development and Public Works Act 1971* (*section 4*)	Appointed to former DEEDI on 3 April 2012 which became DSDIP as part of the machinery-of-Government changes effective 1 May 2012.
Deputy Director-General - State Development	The Deputy Director-General, State Development is responsible for attracting and retaining economic activity and infrastructure policy development for the State.	**SES4/***Public Service Act 2008*	Appointed to former DLGP on 20 June 2011 which became DSDIP as part of the machinery-of-Government changes effective 1 May 2012.
Chief Executive Officer - Growth Management Queensland	The Chief Executive Officer - Growth Management Queensland is responsible for the development and implementation of the State planning framework that enables local governments and industry to deliver on the needs of Queensland. Drives, planning policy and reforms, local planning and regional planning.	**CEOPAY/***Public Service Act 2008 (section 122)*	Appointed to former Department of Local Government and Planning on 4 April 2011 which became Department of State Development, Infrastructure and Planning as part of the Machinery-of-Government changes effective 1 May 2012. Role abolished 3 August 2012.
Deputy Director-General - Planning	Deputy Director-General, Planning is responsible for the development and implementation of the State planning framework for Local Governments and industry by leading planning policy and reform, Local Planning and Regional Planning.	**CEOPAY/***Public Service Act 2008 (section 122)*	Role established 1 September 2012 and current incumbent appointed 4 February 2013.
Deputy Director-General - Major Projects Office	The Deputy Director-General, Major Projects Office is responsible for the timely facilitation and delivery of infrastructure to industry and the community.	**CEOPAY/***Public Service Act 2008 (section 122)*	Role established and appointed 1 May 2012.
Deputy Director-General - Government Land and Asset Management	The Deputy Director-General, Government Land and Asset Management is responsible for managing the Government's land portfolio to ensure maximum utilisation and economic community outcomes.	**CEOPAY/***Public Service Act 2008 (section 122)*	Role established and appointed 1 February 2013.
Deputy Director-General - Regional Services	The Deputy Director-General, Regional Services is responsible for the delivery of an integrated suite of business, industry, regional development and planning services on behalf of, or in partnership with a range of Queensland Government departments.	**SES4/***Public Service Act 2008*	Role established and appointed 1 May 2012.
Deputy Director-General - Strategy and Governance	The Deputy Director-General, Strategy and Governance is responsible for providing business, corporate and policy services, governance and risk management to the Department of State Development, Infrastructure and Planning and Department of Local Government, Community Recovery and Resilience.	**SES4/***Public Service Act 2008*	Role established 28 July 2008 with former DLGP which became DSDIP as part of the machinery-of-Government changes effective 1 May 2012.
General Manager - Economic Development Queensland	General Manager, Economic Development Queensland is responsible for the planning and development of residential, urban and industrial development projects.	**SES4/***Public Service Act 2008 (section 122)*	Role established and appointed 1 February 2013.

11. Key management personnel (continued)

(b) Remuneration

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts provide for the provision of performance-related cash bonuses and other benefits including motor vehicles.

For the 2012-13 year, remuneration of Key Management Personnel increased by 2.2% in accordance with Government policy. In April 2013, Senior Officer, Senior Executive and Chief Executive rates were adjusted by 2.2% backdated to 1 July 2012. This increase was not applied to the Director-General and Coordinator-General in accordance with an agreement reached between the Public Service Commission Chief Executive and position holders.

Remuneration packages for key management personnel comprise the following components:

- Short-term employee benefits which include:
  - Base – consisting of base salary, allowances and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the statement of comprehensive income.
  - Non-monetary benefits – consisting of provision of vehicle and car parking benefits together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include amounts expensed in respect of long service leave.
- Post-employment benefits including amounts expensed in respect of employer superannuation benefits.

Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long-term employee benefits and post-employment benefits.

No performance bonuses were paid or payable to key management personal in the 2012-13 financial year.

Department of State Development, Infrastructure and Planning 1 July 2012 to 30 June 2013.

Position	Period in Position	Short-Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
		Base $ '000	Non-Monetary Benefits $ '000	$ '000	$ '000	$ '000	$ '000
Director-General	01/07/2012 - 30/06/2013	415	23	10	50	-	498
Coordinator General	01/07/2012 - 30/06/2013	465	28	11	74	-	578
Deputy Director-General - State Development	01/07/2012 - 30/06/2013	190	26	5	24	-	245
Chief Executive Officer - Growth Management Queensland	01/07/2012 - 03/08/2012	27	-	-	3	152	182
Acting Deputy Director-General - Planning	01/07/2012 - 02/12/2012	160	-	3	13	-	176
Acting Deputy Director-General - Planning	03/12/2012 - 01/02/2013	38	-	1	4	-	43
Deputy Director-General - Planning	04/02/2013 - 30/06/2013	132	-	3	14	-	149
Acting Deputy Director-General - Major Projects Office	01/07/2012 - 07/04/2013	147	20	4	18	-	189
Deputy Director-General - Major Projects Office	08/04/2013 - 30/06/2013	77	-	2	6	-	85
Deputy Director-General - Government Land and Asset Management	04/02/2013 - 30/06/2013	118	-	2	10	-	130
Deputy Director-General - Regional Services	01/07/2012 - 30/06/2013	235	-	5	25	-	265
Acting Deputy Director-General - Strategy and Governance	01/07/2012 - 30/06/2013	199	19	4	21	-	243
General Manager - Economic Development Queensland	01/02/2013 - 30/06/2013	97	1	2	10	-	110
Total		**2,300**	**117**	**52**	**272**	**152**	**2,893**

The above amounts may include situations where a Senior Executive has acted in a position which can result in an increase to the annual remuneration amount payable and may also include instances where no amount is paid to an Senior Executive for a period of time within the financial year which may result in a decrease to the annual remuneration amounts.

The remuneration package for the Director-General includes a potential performance payment of up to a maximum of 15% of that position's total fixed remuneration, which equates to up to approximately $74,000. Eligibility for such a performance payment is conditional on the achievement of objectives that are documented in that position's performance agreement.

Eligibility to a performance payment is determined based on:

- analysis by the Public Service Commission (PSC) of relevant performance data;
- consultation with the Under Treasurer and the Director-General of the Department of the Premier and Cabinet;
- recommendations from the PSC Chief Executive and Chair of the PSC board; and
- the Premier's ultimate discretion regarding whether the incumbent will be paid a performance payment and, if so how much.

11 (b) Key management personnel (continued)

Due to the machinery-of-Government changes effective 1 May 2012 as outlined in note 2(b), executive remuneration information outlined below is disclosed for DSDIP from 1 May 2012 to 30 June 2012 and for the former DEEDI from 1 July 2011 to 30 April 2012.

Department of State Development, Infrastructure and Planning 1 May 2012 to 30 June 2012

Position	Short- Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base $ '000	Non-Monetary Benefits $ '000	$ '000	$ '000	$ '000	$ '000
Director-General	84	2	2	13	-	101
Coordinator General	129	3	2	3	-	137
Deputy Director-General - State Development	39	2	1	8	-	50
Chief Executive Officer - Growth Management Queensland	59	0	1	7	-	67
Deputy Director-General - Major Projects Office	36	2	1	7	-	46
Deputy Director-General - Regional Services	35	0	1	5	-	41
Deputy Director-General - Strategy and Governance	31	4	1	4	-	40
Total	**413**	**13**	**9**	**47**	**-**	**482**

Department of Employment, Economic Development and Innovation 1 July 2011 to 30 April 2012

Position	Short-Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base $ '000	Non-Monetary Benefits $ '000	$ '000	$ '000	$ '000	$ '000
Director-General (1/07/2011 to 27/01/2012)	199	31	(16)	28	31	273
Director-General (28/03/2012 to 30/04/2012)	42	1	1	6	-	50
Acting Director-General (30/01/2012 to 25/03/2012)	64	1	1	5	-	71
Associate Director-General Science, Agriculture, Food and Regional Services	310	29	23	35	-	397
Associate Director-General, Mines and Energy	277	8	14	31	-	330
Associate Director-General, Employment and Economic Development	192	5	9	21	-	227
Acting Associate Director-General, Employment and Economic Development (30/01/2012 to 24/02/2012)	18	2	-	2	-	22
Acting Associate Director-General, Employment and Economic Development (27/02/2012 to 23/03/2012)	18	1	-	2	-	21
Acting Associate Director-General, Employment and Economic Development (26/03/2012 to 20/04/2012)	17	2	-	2	-	21
Coordinator-General (1/07/2011 to 02/04/2012)	358	7	(31)	34	299	667
Coordinator-General (03/04/2012 to 30/04/2012)	38	4	1	1	-	44
Chief Financial Officer	191	8	4	20	-	223
General Manager, Strategic Relations and Communications	178	8	21	17	-	224
Total	**1,902**	**107**	**27**	**204**	**330**	**2,570**

The above amounts may include situations where a Senior Executive has acted in a position which can result in an increase to the annual remuneration amount payable and may also include instances where no amount is paid to an Senior Executive for a period of time within the financial year which may result in a decrease to the annual remuneration amounts.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
12. Supplies and services			
Consultants and contractors	23,934	68,694	68,195
Property and building expenses	14,308	58,773	58,910
Project development costs	12,987	-	-
Transport	1,778	15,906	15,882
Travel and hospitality	1,067	12,488	12,470
Computer/information technology	4,853	5,635	5,631
Telecommunications	1,325	8,730	8,728
Shared service provider fee	3,589	15,245	15,742
Marketing and public relations	3,177	19,183	19,180
Materials	-	7,297	7,297
Portable and attractive items	147	2,928	2,928
Service delivery costs and service level agreement charges	344	9,162	9,162
Agent's commissions	1,738	-	-
Bank fees and charges	27	119	119
Other	4,265	21,201	21,418
Total supplies and services	**73,539**	**245,361**	**245,663**

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
13. Grants and subsidies			
Grants:			
Commonwealth agencies	-	1,395	1,395
Queensland and local government	7,084	26,818	26,054
Industry	18,003	147,003	147,003
Universities	20	31,937	31,937
Charities/community groups	-	2,569	2,569
Other	-	1,331	1,331
Contributions [1]	1,879	1,957	1,957
Subsidies	-	677	677
Total grants and subsidies	**26,986**	**213,687**	**212,923**

[1] In 2011-12 Contributions included $3.724 million for non-current physical assets transferred to local councils. These have been reclassified to note 18 Other expenses for the 2012-13 year.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
14. Depreciation and amortisation			
Depreciation and amortisation were incurred in respect of:			
Buildings	2,554	8,951	8,951
Infrastructure	2,025	2,270	2,270
Major plant and equipment	3,955	3,955	3,955
Plant and equipment	1,691	13,306	13,306
Software purchased	27	96	96
Software internally generated	402	881	881
Total depreciation and amortisation	**10,654**	**29,459**	**29,459**

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
15. Impairment losses			
Land inventory	-	3,135	3,135
Software	-	57	57
Trade receivables	1,530	1,732	1,732
Total impairment losses	**1,530**	**4,924**	**4,924**

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
16. Revaluation decrements			
Buildings	32	1,473	1,473
Land	17,614	65,081	65,081
Land inventory	9,883	955	955
Total revaluation decrements	**27,529**	**67,509**	**67,509**

The asset revaluation surplus represents the net effect of upward and downward valuations of assets to fair value. The decrement, not being a reversal of a previous revaluation increment in respect of the same class of assets, has been recognised as an expense in the Statement of comprehensive income.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
17. Finance/borrowing costs			
Interest	7,274	6,535	34,415
Other borrowing costs	522	116	116
Total finance/borrowing costs	**7,796**	**6,651**	**34,531**

The department does not capitalise finance/borrowing costs. For the 2011-12 year Interest on loans was capitalised by controlled entities but expensed on consolidation.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
18. Other expenses			
External audit fees [1]	383	582	642
Insurance premiums - QGIF	141	640	640
Insurance premiums - general [2]	12	139	139
Transfer of non-current physical assets to local councils[4]	7,448	3,724	3,724
Loss on disposal of property, plant and equipment and intangible assets	3,878	4,195	5,833
Sponsorships	86	328	328
Special payments: [3]			
Ex-gratia payments	-	7	7
Compensation payments	12	11,321	11,321
Taxes - land, rates and stamp duty	16,935	16,180	16,180
Donations and gifts	2,209	20	20
Loan - fair value adjustment	-	6,501	6,501
Other	189	567	3,549
Total other expenses	**31,293**	**44,203**	**48,884**

(1) The Queensland Audit Office (QAO) performed the external audit. Total external audit fees for the parent entity relating to the 2012-13 financial year are estimated at $0.275 million (2012: $0.478 million).
There are no non-audit services included in this amount.

(2) The Under Treasurer's approval has been obtained for entering into insurance contracts.

(3) Special payments for 2011-12 includes compensation payments relating to the CopperString Project.

(4) Transfer of non-current physical assets to local councils were disclosed in note 13 Grants and subsidies - Contributions in the 2011-12 year and reclassified.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
19. Cash and cash equivalents			
Cash at bank	60,217	281,192	281,192
Imprest accounts	9	11	11
Total cash and cash equivalents	**60,226**	**281,203**	**281,203**

Departmental bank accounts, excluding EDQ which operates on a commercial basis (see Note 2(b)), are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

On 27 September 2012, the Under Treasurer approved an overdraft limit of $50 million for the department's controlled and administered bank account. There is no overdraft interest charged on this facility. This facility remained fully undrawn at 30 June and is available for use in the next reporting period.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
20. Receivables			
Current			
Trade debtors	66,061	60,963	60,963
Less: allowance for impairment loss	(3,034)	(1,505)	(1,505)
	63,027	59,458	59,458
Loans and advances receivable	903	802	802
GST input tax credits receivable	2,734	136	136
GST payable	(4,451)	(69)	(69)
	(1,717)	67	67
Departmental services revenue receivable	574	1,474	1,474
Equity injection receivable	797	-	-
Annual leave reimbursements	710	1,427	1,427
Long service leave reimbursements	188	305	305
Finance lease debtors	5,954	5,464	5,464
Operating lease debtors	1,312	1,823	1,823
Interest receivable	663	2,340	2,340
Other	58	1,120	1,120
Total current receivables	**72,469**	**74,280**	**74,280**
Non-current			
Trade debtors	3,818	-	-
Loans and advances receivable	5,062	6,465	6,465
Finance lease debtors	19,479	20,575	20,575
Total non-current receivables	**28,359**	**27,040**	**27,040**

Refer to note 43(c) Financial Instruments (Credit risk exposure) for an analysis of movements in the allowance for impairment loss.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
21. Inventories			
Land held for sale	454,417	310,961	310,961
Total inventories	**454,417**	**310,961**	**310,961**
22. Other assets			
Current			
Prepayments	783	776	776
Security Deposits	1,158	7,188	7,188
Total other current assets	**1,941**	**7,964**	**7,964**
Non-current			
Prepayments	12,035	12,636	12,636
Security Deposits	-	151	151
Total other non-current assets	**12,035**	**12,787**	**12,787**
23. Non-current assets classified as held for sale			
Land	18,899	17,498	17,498
Buildings	1,255	-	-
Total non-current assets classified as held for sale	**20,154**	**17,498**	**17,498**

	Land $'000	Buildings $'000	Total $'000
Mary Valley properties	2,405	1,255	3,660
South East Queensland Water Grid project	16,494	-	16,494
	18,899	**1,255**	**20,154**

Mary Valley properties
Following the cancellation of the Traveston Crossing Dam project in 2009, some 464 properties in the Mary Valley region remained in government ownership. The Mary Valley Economic Development Strategy has been developed to maximise economic development opportunities within the region. The strategy includes a divestment program which will see the department sell down its Mary Valley property portfolio over an initial two-year timeframe. As properties are identified for release to the open market, the land and building assets are revalued to current market value and reclassified as non-current assets held for sale (refer note 25).

South East Queensland Water Grid project
The Coordinator-General acquires land to ensure progression of the South East Queensland Water Grid project. The land will be transferred to the relevant water grid entities upon completion of each stage of the project over the next two years.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
24. Intangible assets			
Software purchased			
At cost	150	150	150
Less: accumulated amortisation	(130)	(103)	(103)
Total software purchased	**20**	**47**	**47**
Software internally generated			
At cost	6,262	3,251	3,251
Less: accumulated amortisation	(2,465)	(2,046)	(2,046)
Less: accumulated impairment losses	(3,053)	-	-
Total software internally generated	**744**	**1,205**	**1,205**
Software work in progress			
At cost	1,745	741	741
Easements			
At cost	4,304	9,208	9,208
Total intangible assets	**6,814**	**11,202**	**11,202**

24. Intangible assets (continued)

Intangible assets reconciliation

Parent

	Note	Software purchased 2013 $'000	Software purchased 2012 $'000	Software internally generated 2013 $'000	Software internally generated 2012 $'000	Work in progress 2013 $'000	Work in progress 2012 $'000	Easements 2013 $'000	Easements 2012 $'000	Goodwill 2013 $'000	Goodwill 2012 $'000	Total 2013 $'000	Total 2012 $'000
Carrying amount at 1 July		47	393	1,205	4,877	741	1,630	9,208	2,508	-	-	11,202	9,408
Prior year machinery-of-Government adjustments		-	-	(58)	-	-	-	-	-	-	-	(58)	-
Acquisitions		-	-	-	-	1,004	3,152	750	6,700	-	-	1,754	9,852
Acquisitions through machinery-of-Government change	37	-	-	-	1,085	-	741	-	-	-	-	-	1,826
Disposals		-	-	-	-	-	-	(5,836)	-	-	-	(5,836)	-
Disposals through machinery-of-Government change	37	-	(250)	-	(3,819)	-	(4,782)	-	-	-	-	-	(8,851)
Impairment losses recognised in Statement of comprehensive income		-	-	-	(57)	-	-	-	-	-	-	-	(57)
Transfers from property, plant and equipment	25	-	-	-	-	-	-	182	-	-	-	182	-
Amortisation [1]		(27)	(96)	(402)	(881)	-	-	-	-	-	-	(429)	(977)
Carrying amount at 30 June		**20**	**47**	**744**	**1,205**	**1,745**	**741**	**4,304**	**9,208**	**-**	**-**	**6,814**	**11,202**

Consolidated

	Note	Software purchased 2012 $'000	Software internally generated 2012 $'000	Work in progress 2012 $'000	Easements 2012 $'000	Goodwill 2012 $'000	Total 2012 $'000
Carrying amount at 1 July		393	4,877	1,630	2,508	1,172	10,580
Acquisitions		-	-	3,152	6,700	-	9,852
Acquisitions through machinery-of-Government change	37	-	1,085	741	-	-	1,826
Disposals		-	-	-	-	-	-
Disposals through machinery-of-Government change	37	(250)	(3,819)	(4,782)	-	(1,172)	(10,023)
Impairment losses recognised in Statement of comprehensive income		-	(57)	-	-	-	(57)
Amortisation [1]		(96)	(881)	-	-	-	(977)
Carrying amount at 30 June		**47**	**1,205**	**741**	**9,208**	**-**	**11,202**

[1] Amortisation of intangible assets is included in the line item 'Depreciation and amortisation' in the Statement of comprehensive income. All intangible assets of the department, excluding easements and goodwill, have finite useful lives and are amortised on a straight-line basis (refer Note 2(r)).

No intangible assets have been classified as held for sale or form part of a disposal group held for sale. All assets have been tested for impairment and adjustments to the value of assets have been made where appropriate.

25. Property, plant and equipment

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Non-current			
Land			
At fair value	486,897	526,391	526,391
Total land	**486,897**	**526,391**	**526,391**
Buildings			
At fair value	60,070	63,352	63,352
Less: accumulated depreciation	(17,887)	(15,202)	(15,202)
Less: accumulated impairment losses	(497)	(740)	(740)
Total buildings	**41,686**	**47,410**	**47,410**
Heritage and cultural assets			
At fair value	3,698	3,600	3,600
Less: accumulated impairment losses	(2,908)	(2,597)	(2,597)
Total heritage and cultural assets	**790**	**1,003**	**1,003**
Infrastructure			
At fair value	113,599	109,160	109,160
Less: accumulated depreciation	(18,485)	(15,762)	(15,762)
Total infrastructure	**95,114**	**93,398**	**93,398**
Major plant and equipment			
At fair value	149,820	144,098	144,098
Less: accumulated depreciation	(38,191)	(32,777)	(32,777)
Total major plant and equipment	**111,629**	**111,321**	**111,321**
Plant and equipment			
At cost	15,748	14,979	14,979
Less: accumulated depreciation	(6,369)	(6,358)	(6,358)
Less: accumulated impairment losses	(800)	-	-
Total plant and equipment	**8,579**	**8,621**	**8,621**
Capital work in progress			
At cost	824	8,153	8,153
Total capital work in progress	**824**	**8,153**	**8,153**
Total property, plant and equipment	**745,518**	**796,297**	**796,297**
Property, plant and equipment			
At cost	16,571	23,132	23,132
At fair value	814,084	846,601	846,601
Less: accumulated depreciation	(80,932)	(70,099)	(70,099)
Less: accumulated impairment losses	(4,205)	(3,337)	(3,337)
Total non-current property, plant and equipment	**745,518**	**796,297**	**796,297**
Fully impaired/depreciated assets still in use			
Buildings [(1)]	100	958	958
Infrastructure [(1)]	500	-	-
Plant and equipment [(1)]	624	2,154	2,154
Easements	115	-	-
Total significant asset classes of fully depreciated assets	**1,339**	**3,112**	**3,112**

[(1)] The department has buildings, infrastructure, plant and equipment and easement assets with an original cost of $1.339 million, written down to a residual value of zero still being used in the provision of services.

25. Property, plant and equipment (continued)

Valuation methodology

Valuation of Mary Valley properties

The Mary Valley Economic Development Strategy was introduced in July 2012 following large scale land acquisition related to the proposed Traveston Crossing Dam project. The strategy objective is to maximise economic development opportunities across the whole of the Mary Valley; revitalising the Valley by providing a sound investment platform and restoring community stability. The divestment program will be aligned to support economic development by ensuring economic units and other properties are presented to market as soon as possible.

As part of the strategy, the following targeted economic development and divestment packages are currently being actioned:

- Held for Sale on Open Listing, as at 30 June 2013 there were 10 vacant properties in the held for sale class.
- Tenant Purchase Scheme provides an opportunity for sitting tenants to purchase the property in which they reside. Expressions of Interest were received from 111 tenants, as at 30 June 2013 an evaluation process is underway to ensure tenant eligibility.
- Investigations into economic development opportunities continue for agriculture, horticulture, tourism and other commercial enterprises.

To obtain fair values for the 2012-13 financial statements, an assessment of Mary Valley properties was undertaken and management determined the most efficient and effective means to provide fair values for these properties was through a desktop-based indexed asset valuation supplied by an independent valuer, Taylor Byrne.

Consistent with the 2011-12 valuation approach, fair values of Mary Valley properties in 2012-13 were determined by using historical sales information on comparable property sales in the Gympie Regional Council area. Property sales were considered which transacted in the open market including residential, rural residential, small rural and large rural land categories, to allow an index to be derived and applied to Mary Valley properties based on the sales by category. There was limited sales data available for the large rural land category therefore it was determined by management not to apply an index to these asset values for the 2012-13 year.

In relation to the portion of properties that were encumbered by long-term leases, the fair value also included a present value approach which was applied to an income stream and deferment of the capital value until the expiry of the lease. Properties are leased at 25% of the market rate; therefore there is little risk of not obtaining the income, resulting in a relatively low discount rate ranging between 6% and 8%. The deferment of capital value was assessed by means of calculating the present value of the land area encumbered, over the remaining lease term. Unencumbered land is added to the present value of income and deferred capital value calculated above to determine the total property value, before apportioning to land and buildings.

For the residential, rural residential and small rural categories, the derived index was applied to the 2011-12 net book value of each land lot and proportioned to each building asset.

After disposals, the fair value of the Mary Valley properties for 2012-13 was determined to be $181.8 million (2012: $198.8 million), resulting in a revaluation decrement of $1.5 million (2012: $21 million) in the Statement of comprehensive income.

Land

Fair value for land is determined by establishing its market value by reference to observable prices in an active market or recent market transactions.

Other departmental land (non-Mary Valley) which was owned by the department prior to the machinery-of-Government transfer effective from 1 March 2011 was comprehensively revalued as at 30 June 2011 by AssetVal Pty Ltd.

State Valuation Service performed an indexation valuation of the departmental land (excluding Mary Valley properties) as at 30 June 2012. Management considered the asset value changes to be immaterial and therefore did not proceed with the revaluation of the departmental land which is allowed under Queensland Treasury and Trade's non-current asset policy. Land owned by the Property Services Group in the 2012 year was comprehensively revalued as at 30 June 2012 by State Valuation Service using direct comparison to the sales history of similar properties based on location, area, access and typography.

For the 2013 year, land owned by the department including Economic Development Queensland land assets but excluding Mary Valley properties was indexed as at 30 June 2013 using indices provided by State Valuation Service.

Buildings

Fair value for non-residential buildings and heritage and cultural assets is determined by calculating the depreciated replacement cost of the asset. Fair value of residences is determined by establishing their market value or alternatively where there is no active and liquid market, fair value is the depreciated replacement cost.

Buildings related to the Property Services Group for the 2012 year were valued as at 30 June 2012 using discounted cash flow on rental income. Other departmental buildings, including heritage and cultural building assets but excluding Mary Valley buildings, were assessed using the *Cordell Housing Price Index* and *Non-residential Construction*, *Queensland* indices, depending on building type. Application of the indices were determined to be immaterial and therefore were not applied.

For 2013, the fair value of buildings, including heritage and cultural building assets but excluding Mary Valley buildings, were assessed by management using the most appropriate valuation method including discounted cash flow on rental income being applied to residential and industrial buildings relating to Economic Development Queensland building assets and as advised by State Valuation Service, the fair value of buildings other than residential and industrial was determined by applying the *Cordell Housing Price Index* and *Non-residential Construction, Queensland* indices, depending on building type.

Infrastructure and major plant and equipment

Infrastructure and major plant and equipment assets located at the Gladstone Port and Jetty were comprehensively revalued as at 30 June 2010 by AssetVal Pty Ltd. The basis of valuation is depreciated replacement cost. For the 2010-11 year the assets were assessed and the Office of Economic and Statistical Research (OESR) *Asset Revaluation Index, Engineering Construction, Queensland* index was applied.

For the 2011-12 year, the OESR indices calculation resulted in less than 1% movement, therefore the asset value changes were considered immaterial and on this basis management did not proceed with the revaluation which is allowed under the Queensland Treasury and Trade's non-current asset policy.

For the 2012-13 year the same index was considered the most suitable. The OESR indices calculation from June 2011 to June 2013 resulted in less than 4% movement. Whilst the asset value changes were under the 5% materiality threshold, management decided to apply the indices for both asset classes. The resulting revaluation increment of $3.6 million for infrastructure and $4.3 million for major plant and equipment was posted to the asset revaluation surplus.

25. Property, plant and equipment (continued)

Property, plant and equipment reconciliation

Parent

		Land		Buildings		Heritage and cultural assets		Infrastructure		Major plant and equipment		Plant and equipment		Capital work in progress		Total	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July		526,391	786,805	47,410	200,971	1,003	298	93,398	109,758	111,321	115,276	8,621	146,411	8,153	71,903	796,297	1,431,422
Prior year machinery-of-Government adjustments		-	-	-	-	-	-	-	-	-	-	1,009	-	(25)	-	984	-
Acquisitions through machinery-of-Government change	37	7,691	-	164	-	-	705	-	-	-	-	412	6,220	-	-	8,267	6,925
Acquisitions		8,426	11,032	446	588	-	-	126	-	-	-	369	5,727	676	13,550	10,041	30,898
Disposals		(21,464)	(22,444)	(3,259)	(2,127)	-	-	-	(2,567)	-	-	(952)	(331)	-	-	(25,675)	(27,470)
Disposals through machinery-of-Government change	37	-	(178,312)	-	(146,041)	-	-	-	(14,090)	-	-	-	(137,238)	-	(14,628)	-	(490,308)
Assets reclassified as held for sale	23	(2,405)	-	(1,255)	-	-	-	-	-	-	-	-	-	-	-	(3,660)	-
Other government transfers		-	-	-	-	-	-	-	-	-	-	-	(10)	-	-	-	(10)
Internal transfers		-	-	-	-	(298)	-	-	-	-	-	298	(298)	-	-	-	(298)
Transfer to finance lease		(13,960)	(1,961)	-	-	-	-	-	-	-	-	-	-	-	-	(13,960)	(1,961)
Transfer from land inventory		-	(4,677)	-	-	-	-	-	-	-	-	-	-	-	(52,031)	-	(56,708)
Transfers to intangible assets	24	(182)	-	-	-	-	-	-	-	-	-	-	-	-	-	(182)	-
Transfers between classes		-	1,028	7,460	4,443	-	-	(12)	3,724	-	-	531	1,446	(7,979)	(10,642)	-	-
Transfers to portable and attractive		-	-	-	-	-	-	-	-	-	-	(18)	-	-	-	(18)	-
Donations		-	-	(7,448)	-	-	-	-	(1,157)	-	-	-	-	-		(7,448)	(1,157)
Revaluations prior to machinery-of-Government change		15	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-
Gain on reversal of revaluation decrement	9	-	-	754	-	-	-	-	-	-	-	-	-	-	-	754	-
Revaluation increments	34	-	-	-	-	85	-	3,628	-	4,262	-	-	-	-	-	7,975	-
Revaluation decrements	16	(17,614)	(65,081)	(32)	(1,473)	-	-	-	-	-	-	-	-	-	-	(17,646)	(66,554)
Depreciation	14	-	-	(2,554)	(8,951)	-	-	(2,025)	(2,270)	(3,955)	(3,955)	(1,691)	(13,306)	-	-	(10,225)	(28,483)
Carrying amount at 30 June		**486,897**	**526,391**	**41,686**	**47,410**	**790**	**1,003**	**95,114**	**93,398**	**111,630**	**111,321**	**8,579**	**8,621**	**824**	**8,153**	**745,518**	**796,297**

Consolidated

		Land	Buildings	Heritage and cultural assets	Infrastructure	Major plant and equipment	Plant and equipment	Capital work in progress	Total
		2012	2012	2012	2012	2012	2012	2012	2012
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July		786,805	200,971	298	109,758	115,276	146,411	71,903	1,431,422
Acquisitions through machinery-of-government change	37	-	-	705	-	-	6,220	-	6,925
Acquisitions		11,032	588	-	-	-	5,727	13,550	30,898
Disposals		(22,444)	(2,127)	-	(2,567)	-	(331)	-	(27,470)
Disposals through machinery-of-government change	37	(178,312)	(146,041)	-	(14,090)	-	(137,238)	(14,628)	(490,308)
Assets reclassified as held for sale		-	-	-	-	-	-	-	-
Other government transfers		-	-	-	-	-	(10)	-	(10)
Internal transfers		-	-	-	-	-	(298)	-	(298)
Transfer to finance lease		(1,961)	-	-	-	-	-	-	(1,961)
Transfer to land inventory		(4,677)	-	-	-	-	-	(52,031)	(56,708)
Transfers between classes		1,028	4,443	-	3,724	-	1,446	(10,642)	-
Donations		-	-	-	(1,157)	-	-		(1,157)
Revaluation increments		-	-	-	-	-	-	-	-
Revaluation decrements	16	(65,081)	(1,473)	-	-	-	-	-	(66,554)
Depreciation	14	-	(8,951)	-	(2,270)	(3,955)	(13,306)	-	(28,483)
Carrying amount at 30 June		**526,391**	**47,410**	**1,003**	**93,398**	**111,321**	**8,621**	**8,153**	**796,296**

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
26. Investment property			
Land	108,620	-	-
Buildings	4,151	-	-
Total	**112,771**	**-**	**-**

A comprehensive valuation was performed at 30 June 2012 by the State Valuation Service. The investment properties were assessed as at 30 June 2013 by State Valuation Services using indices, no movement in fair value was identified. The values assigned to the land and buildings at Northshore Hamilton were based on their listed Brisbane City Council zoning (primarily port or industrial use) and do not reflect the potential higher use under the existing development scheme for this precinct. There was no revaluation decrement or increment recorded for these assets in the Statement of comprehensive income in 2012-13.

No contingent rentals were recognised during the current reporting period.

The future minimum lease payments receivable under non-cancellable operating leases classified as investment property are:

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Not later than one year	1,282	-	-
Later than one year and not later than five years	2,628	-	-
Greater than five years	185	-	-
Total	**4,095**	**-**	**-**

Investment property reconciliation

	Land		Buildings	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Carrying amount at 1 July	-	-	-	-
Transfer due to machinery-of-Government change	108,240	-	4,151	-
Transfer from inventory	380	-	-	-
Carrying amount at 30 June	**108,620**	**-**	**4,151**	**-**

Rental income from investment property of $0.63 million is recognised in the Statement of comprehensive income.

Direct operating expenses primarily for repairs and maintenance on property that did not generate rental income for the period were $0.27 million.
Direct operating expenses primarily for repairs and maintenance on property that did generate rental income for the period were $0.09 million.

The are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal.

The department does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
27. Income tax equivalent			
a) Income tax expense			
Current tax	(7,925)	(18,844)	(18,323)
Current tax of prior periods	-	(2,416)	(2,323)
Deferred tax	6,345	16,519	16,519
Deferred tax of prior periods	-	1,196	720
Balance as at 30 June	**(1,580)**	**(3,545)**	**(3,407)**
b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable			
Profit before income tax expense	5,463	7,751	3,032
Tax expense at the Australian tax rate of 30% (2012: 30%)	1,639	2,325	909
Tax effect of amounts which are not deducible (assessable) in calculating taxable income:			
Prior year interest	304	-	-
Entertainment	1	-	-
Other	(364)	-	895
Prior period adjustment	-	3,182	3,089
Current period deferred tax equivalent assets and liabilities not recognised	-	(1,962)	(1,496)
Tax losses not recognised as deferred tax assets	-	-	10
Income tax equivalent expense	**1,580**	**3,545**	**3,407**

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
27. Income tax equivalent (continued)			
c) Deferred tax equivalent asset			
Non-current assets - deferred tax equivalent asset			
The balance comprises temporary differences attributed to:			
Annual leave	71	-	-
Provision for doubtful debts	429	452	452
Accrued expenses	11	-	-
Accrued audit fees	9	-	-
Long services leave payable	15	-	-
Write down value of other capitalised expenses	1,090	22	22
Building accumulated depreciation	497	1,298	1,298
Building accumulated impairment/devaluation	(174)	1,002	1,002
Capital asset impairment	3,994	-	-
Deferred fee income	3,057	-	-
Balance as at 30 June	**8,999**	**2,774**	**2,774**
d) Income tax payable			
Current liabilities - income tax payable			
Balance at the beginning of the year	18,844	-	-
Transfer through restructure	2,379	-	-
Income tax equivalent paid	(19,530)	(2,417)	(2,417)
Charged to comprehensive income	7,925	18,844	18,937
Prior period adjustment	686	2,417	2,324
Balance as at 30 June	**10,304**	**18,844**	**18,844**
e) Deferred tax equivalent liability			
Non-current liabilities - Deferred tax equivalent liabilities			
The balance comprises temporary differences attributable to:			
Accrued revenue	12	-	-
Land revaluations	51,853	60,870	60,870
Inventories	9,135	-	-
Investment property, plant and equipment	21,312	-	-
Interest receivable	-	683	683
Net deferred tax equivalent liabilities	**82,312**	**61,553**	**61,553**
28. Biological assets			
Livestock			
Carrying amount at 1 July	-	2,344	2,344
Disposal through machinery-of-Government change	-	(2,050)	(2,050)
Increase from purchases/acquisitions	-	236	236
Decrease from disposals/sales	-	(898)	(898)
Gain/(loss) from changes in fair value	-	368	368
Carrying amount as at 30 June	**-**	**-**	**-**

Indicative physical quantities of biological assets and net valuation increment recognised as revenue

	Number 2013	Number 2012	Net change in Net Market Value 2013 $'000	2012 $'000
Livestock	-	-	-	368
Total indicative physical quantities of biological assets and net change in Net Market Value	**-**	**-**	**-**	**368**

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
29. Payables			
Current			
Trade creditors	59,101	35,847	35,847
Taxes, fees and fines payable	325	591	591
Accrued expenses	3,979	4,556	4,556
Other	8	11	11
Total current payables	**63,413**	**41,005**	**41,005**

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
30. Other financial liabilities			
Current			
Queensland Treasury Corporation borrowings	12,171	9,250	9,250
Other	3,200	-	-
Total current other financial liabilities	**15,371**	**9,250**	**9,250**
Non-current			
Queensland Treasury Corporation borrowings	151,823	96,719	96,719
Total non-current other financial liabilities	**151,823**	**96,719**	**96,719**

No assets have been pledged as security for any liabilities.

All borrowings are in Australian dollars. No interest has been capitalised during the current or comparative reporting period. Repayment dates vary from December 2013 to October 2027. For one loan, principal and interest repayments were made quarterly in arrears at the rate of 5.84%. All other loans, repayments are based on the timing of receipts from land sales, rates ranging from 2.92% to 5.11%.

As it is the intention of the department to hold its borrowings for the full term, no fair value adjustment is made to the carrying value of the borrowings. There have been no defaults or breaches of the loan agreement during the reporting period.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
31. Accrued employee benefits			
Current			
Annual leave levy payable	1,698	1,798	1,798
Long service leave levy payable	330	296	296
Total current accrued employee benefits	**2,028**	**2,094**	**2,094**
32. Other liabilities			
Current			
Unearned other revenue	13,093	8,878	8,878
Security deposits [1]	2,998	4,160	4,160
Environmental management precinct fund	-	26,602	26,602
Total current other liabilities	**16,091**	**39,640**	**39,640**

[1] For the 2012-13 year deposits held include deposits from land inventory sales.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
33. Provisions			
Current			
Land acquisition claims	21,455	33,860	33,860
Taxes – land, rates and stamp duty	21,365	16,180	16,180
Total current provisions	**42,820**	**50,040**	**50,040**
Non-current			
Land acquisition claims	5,590	-	-
Total non-current provisions	**5,590**	**-**	**-**
Movements in provisions			
Current			
Balance at 1 July	50,040	34,582	39,607
Transfer through machinery-of-Government	3,375	-	-
Additional provision recognised	23,319	25,665	25,665
Restatement of provision	(8,893)	(825)	(825)
Reduction in provision as a result of payments	(20,797)	(19,597)	(24,622)
Reclassification from non-current provision	(4,224)	10,215	10,215
Balance as at 30 June	**42,820**	**50,040**	**50,040**
Non-current			
Balance at 1 July	-	13,229	13,229
Additional provision recognised	1,402	-	-
Restatement of provision	(36)	(118)	(118)
Reduction in provision as a result of payments	-	(2,896)	(2,896)
Reclassification from non-current provision	4,224	(10,215)	(10,215)
Balance as at 30 June	**5,590**	**-**	**-**

Provision for land acquisition claims

The department acquires land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*. Compensation is payable for land acquired in accordance with this legislation when agreement is reached between the land owner and the Coordinator-General through the execution of a Section 15 Compensation Agreement. Prior to the execution of the section 15 Compensation Agreement the department recognises a provision to account for compensation it expects to pay for all land resumptions.

33. Provisions (continued)

Provision for taxes

Economic Development Queensland is required under the Queensland Treasury and Trade's *Commercialisation of Government Business Activities in Queensland Policy Framework* to recognise tax equivalents for stamp duty, land tax and local government rates. Calculation and recognition of tax equivalents ensures Economic Development Queensland is not advantaged relative to its private sector counterparts. Payments are required to be made to the Queensland Government's consolidated fund and are determined on a self-assessment basis giving proper regard to current rates and charges applicable.

34. Asset revaluation surplus

	Parent							
	Infrastructure		Major plant and equipment		Heritage and cultural		Total	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Balance at 1 July	15,324	18,145	6,490	6,490	-	-	21,814	24,635
Revaluation increments	3,628	-	4,262	-	85	-	7,975	-
Transfers through machinery-of-Government change	-	(2,821)	-	-	-	-	-	(2,821)
Transfers to accumulated surplus/(deficit)	-	-	-	-	-	-	-	-
Balance at 30 June	**18,952**	**15,324**	**10,752**	**6,490**	**85**	**-**	**29,789**	**21,814**

	Consolidated							
	Infrastructure		Major plant and equipment		Heritage and cultural		Total	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Balance at 1 July	-	18,145	-	6,490	-	-	-	24,635
Transfers through machinery-of-Government change	-	(2,821)	-	-	-	-	-	(2,821)
Balance at 30 June	**-**	**15,324**	**-**	**6,490**	**-**	**-**	**-**	**21,814**

35. Jointly controlled operations

The department holds a 50% interest in a jointly controlled operation, Woodlands Andergrove, with Mackay Regional Council to develop residential land within the Andergrove Priority Development Area. These transactions form part of the revenues and expenses listed in the Statement of comprehensive income as required by AASB 131 *Interest in Joint Ventures*.

The department's interest in the operation is included in the balance sheet under the following classifications:

	Parent 2013 $'000	Parent 2012 $'000
Cash	2,381	-
Receivables	262	-
Inventories	2,840	-
Payables	(2,391)	-
Provisions	(222)	-
Net assets	**2,870**	**-**

36. Controlled entities

DSDIP exercised majority control over a number of entities during the 2011-12 financial year:

ZeroGen Pty Ltd
Biopharmaceuticals Australia (Network) Pty Ltd
The Green Energy Corporation Pty Ltd
Queensland Trade and Investment Office Pty Ltd
Queensland Water Infrastructure Pty Ltd
Southern Regional Water Pipeline Company Pty Ltd

ZeroGen Pty Ltd

ZeroGen Pty Ltd was primarily involved in the investigation of the production of low-emission, base-load electricity from coal utilising the technologies of integrated gasification combined cycle and carbon capture and storage.

ZeroGen Pty Ltd went into voluntary liquidation on 10 October 2011 with the financial statements for the year ended 30 June 2011 prepared on a liquidation basis. ZeroGen Pty Ltd was transferred out to the Department of Natural Resources and Mines (DNRM) as part of the machinery-of-Government changes effective 1 May 2012. For the prior financial year the department did not consolidate the transactions for the relevant 10 months from 1 July 2011 to 30 April 2012 due to immateriality. Revenue and expenses for the 10 months for 2012 are listed below. The Queensland Auditor-General audited the company.

Revenues and expenses 1 July 2011 to April 2012

	2013 $000	2012 $000
Revenue	-	1,019
Expenses	-	(283)
Operating result	**-**	**1,302**

36. Controlled entities (continued)

BioPharmaceuticals Australia (Network) Pty Ltd

BioPharmaceuticals Australia (Network) Pty Ltd was established to oversee the staged development of a contract biopharmaceutical manufacturing facility and undertake business development activities to support the operations of the facility. It forms part of the Queensland Government's 10 year Biotechnology Strategic Plan, creating synergy with Australia's world-class biomedical research activity.

All issued shares are held by the Shareholding Minister on behalf of the Queensland Government. BioPharmaceuticals Australia (Network) Pty Ltd was transferred out to the Department of Science, Information Technology, Innovation and the Arts as part of the machinery-of-Government changes effective 1 May 2012. Transactions for the period 1 July 2011 to 30 April 2012 have been consolidated into the Statement of comprehensive income and Statement of cash flows. The Queensland Auditor-General audits the company.

The Green Energy Corporation Pty Ltd

The Green Energy Corporation Pty Ltd has not traded since incorporation.

All issued shares are held by the Shareholding Minister on behalf of the Queensland Government.

The entity is not consolidated with the department's financial statements because of its trading status and also because the amount of DSDIP's investment in the controlled entity was not considered material. The Green Energy Corporation Pty Ltd was transferred to the Department of Energy and Water Supply as part of the machinery-of-Government change effective 1 May 2012. The Queensland Auditor-General audits the company.

Queensland Trade and Investment Office Pty Ltd

Queensland Trade and Investment Office Pty Ltd is used solely to facilitate the registration of the department's Queensland Government Trade and International Operations overseas offices.

Queensland Trade and Investment Office Pty Ltd did not trade during the 2011-12 year. The entity is not consolidated with the department's financial statements as it is financially dormant and because the amount of DSDIP's investment in the controlled entity was not considered material.

All issued shares are held by the Shareholding Minister on behalf of the Queensland Government. Queensland Trade and Investment Office Pty Ltd was transferred to Queensland Treasury and Trade as part of the machinery-of-Government changes effective 1 May 2012. The Queensland Auditor-General audits the company.

Queensland Water Infrastructure Pty Ltd

Queensland Water Infrastructure Pty Ltd was registered on 28 June 2006 to carry out and complete the design, construction and commissioning of several major water infrastructure projects. The company's final project was the Wyaralong Dam and associated infrastructure. This project reached its practical completion on 31 May 2011.

In accordance with the *South East Queensland Water (Restructuring) Regulation 2011* the assets and liabilities of the Wyaralong Dam Project Business Unit were transferred from Queensland Water Infrastructure Pty Ltd to Seqwater on 1 July 2011 via an equity transfer effected in accordance with *AASB Interpretation 1038* Contribution by Owners Made to Wholly-Owned Public Sector Entities. In accordance with the Funding Deed signed between the State of Queensland and the company, the State of Queensland agreed to guarantee to Queensland Treasury Corporation (QTC) the repayment by the company from time to time of any moneys owing by the company to QTC under or in respect of the Construction Debt Facility.

Members of the company resolved to cease trading and proceedings to deregister the company commenced. Consequently QWI issued the final financial report covering the nine month period from 1 July 2011 to 31 March 2012. As QWI was no longer a going concern, the going concern basis of accounts was not applied. The department did not consolidate transactions for 2011-12 due to immateriality. There were no transactions in the 2012-13 year. The company was deregistered 3 July 2013. The Queensland Auditor-General audited the company.

Southern Regional Water Pipeline Company Pty Ltd

Southern Regional Water Pipeline (SRWP) Company Pty Ltd (trading as LinkWater Projects) was established on 16 January 2006. LinkWater Projects was formed as a strategic alliance to improve the regional water supply distribution network in South East Queensland. LinkWater Projects is planning, designing and constructing the Southern Regional Water Pipeline, the Northern Pipeline Interconnector, the Eastern Pipeline Interconnector, the Toowoomba Pipeline and also has an owner's interest in the Network Integration Pipeline. The former Department of Infrastructure and Planning purchased all shares in the company on 28 June 2007.

LinkWater Projects depends on the provision of financial support from the Queensland Government to carry out and complete the design and construction of the SEQ Water Grid. LinkWater Projects is funded through a Queensland Treasury Corporation debt facility. At 30 June 2011, LinkWater Projects had two on-going projects being Northern Pipeline Interconnector - Stage 2 and the Toowoomba Pipeline. The Toowoomba Pipeline was sold on 20 December 2011 for its carrying value.

On 30 June 2012, in accordance with Ministerial Direction and sections 26 and 32 of the *South East Queensland Water (Restructuring) and Another Regulation Amendment Regulation (No.1) 2012* (the Regulation), LinkWater Projects was divested of all its assets and released from all its liabilities. These assets and liabilities were transferred to the Queensland Bulk Water Transport Authority (trading as LinkWater) at carrying values reported in LinkWater Projects accounting records immediately prior to transfer day in accordance with the accounting treatment specified in section 32 of the Regulation. As the specific purposes for which this company was constituted had been fulfilled, LinkWater Projects' operations ceased on 30 June 2012 with the intention that the company be de-registered as a company under the *Corporations Act 2001* as early as practicable. Accordingly, the Directors concluded that the going concern basis of preparation was not appropriate and financial statements were not prepared on this basis (as applied in previous years). Shares recorded by DSDIP were transferred to equity in compliance with division 4 section 32 of the Regulation. Transactions for the 2011-12 year were consolidated into the department's Statement of comprehensive income and Statement of cash flows. There were no transactions for 2012-13. The company was deregistered 12 December 2012. The Queensland Auditor-General audited the company.

37. Restructuring of administrative arrangements

	Transferred in		Transferred Out					Net Total
	Urban Land Development Authority [1]	**Local Government, Community Recovery and Resilience [2]**	**Agriculture, Fisheries and Forestry [2]**	**Natural Resources and Mines [2]**	**Tourism, Major Events, Small Business and the Commonwealth Games [2]**	**Education, Training and Employment [2]**	**Queensland Treasury and Trade [2]**	
	2013	**2013**	**2013**	**2013**	**2013**	**2013**	**2013**	**Net Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Current assets								
Cash and cash equivalents	1,726	-	-	-	-	-	62	1,664
Receivables	20,601	-	-	-	-	-	-	20,601
Other financial assets	-	-	-	-	-	-	-	-
Inventories	65,304	-	-	-	-	-	-	65,304
Other assets	197	-	-	-	-	-	-	197
Total current assets	**87,828**	**-**	**-**	**-**	**-**	**-**	**62**	**87,766**
Non-current assets								
Inventories	111,906	-	-	-	-	-	-	111,906
Property, plant and equipment	8,267	(41)	1,032	(7)	2	1	-	7,198
Intangible assets	-	17	-	-	-	-	-	17
Investment property	112,391	-	-	-	-	-	-	112,391
Deferred tax	8,508	-	-	-	-	-	-	8,508
Total non-current assets	**241,072**	**(24)**	**1,032**	**(7)**	**2**	**1**	**-**	**240,020**
Total assets	**328,900**	**(24)**	**1,032**	**(7)**	**2**	**1**	**62**	**327,786**
Current liabilities								
Payables	46,622	-	-	-	-	-	-	46,622
Accrued employee benefits	882	-	-	-	-	-	-	882
Other financial liabilities	9,520	-	-	-	-	-	-	9,520
Provisions	5,755	-	-	-	-	-	-	5,755
Total current liabilities	**62,779**	**-**	**-**	**-**	**-**	**-**	**-**	**62,779**
Non-current liabilities								
Payables	5,785	-	-	-	-	-	-	5,785
Other financial liabilities	67,375	-	-	-	-	-	-	67,375
Deferred tax	30,068	-	-	-	-	-	-	30,068
Total non-current liabilities	**103,228**	**-**	**-**	**-**	**-**	**-**	**-**	**103,228**
Total liabilities	**166,007**	**-**	**-**	**-**	**-**	**-**	**-**	**166,007**
Net assets	**162,893**	**(24)**	**1,032**	**(7)**	**2**	**1**	**62**	**161,779**

[1] As a result of the creation of the *Economic Development Act 2012* the former Urban Land Development Authority was abolished and became part of the department as a commercialised business unit, effective from 1 February 2013. Economic Development Queensland combines the former commercialised Property Services Group and former statutory authority the Urban Land Development Authority. The net assets transferred into the department are listed above.

[2] During 2012-13 an analysis of the prior period machinery-of-Government was undertaken and some adjustments were identified. With the exception of the Department of Science, Information Technology, Innovation and the Arts (DSITIA) the adjustments were immaterial to the recipient departments and the adjustments appear in the current period. For DSITIA the adjustments were made to the prior period, refer note 47 Change in prior period comparatives.

37. Restructuring of administrative arrangements (cont'd)

As a result of Administrative Arrangements Order (No.3) 2012, dated 3 April 2012 and effective 1 May 2012, the Department of Employment, Economic Development and Innovation (DEEDI) was renamed to the Department of State Development, Infrastructure and Planning (DSDIP). The previous functions of DEEDI are now administered by the following departments:

- Department of State Development, Infrastructure and Planning
- Department of Agriculture, Fisheries and Forestry
- Department of Natural Resources and Mines
- Department of Energy and Water Supply
- Department of Tourism, Major Events, Small Business and the Commonwealth Games
- Department of National Parks, Recreation, Sport and Racing
- Department of Science, Information Technology, Innovation and the Arts
- Department of Education, Training and Employment
- Queensland Trade and Treasury

As a result of Administrative Arrangements Order (No. 3) Arrangements effective 1 September 2011 the Queensland Boating and Fisheries function of former DEEDI was transferred to the Department of Transport and Main Roads.

	Transferred Out									Transferred in	Net Total
	Agriculture, Fisheries and Forestry	Natural Resources and Mines	Energy and Water Supply	Tourism, Major Events, Small Business and the Commonwealth Games	National Parks, Recreation, Sport and Racing	Science, Information Technology, Innovation and the Arts	Education, Training and Employment	Queensland Treasury and Trade	Transport and Main Roads	Local Government	
	2012 $ '000	2012 $ '000	2012 $ '000	2012 $ '000	2012 $ '000	2012 $ '000	2012 $ '000	2012 $ '000	2012 $ '000	2012 $ '000	2012 $'000
Current assets											
Cash and cash equivalents	53	33,076	(24)	-	10,792	2,131	-	1,680	303	-	**(48,011)**
Receivables	75,078	7,710	(173)	17	1,438	11	17,668	71	169	-	**(101,989)**
Inventories	1,652	-	-	-	-	-	-	-	481	21,595	**19,462**
Other assets	2,917	34	5,482	-	10	13	-	140	5	-	**(8,601)**
Loans and advances	-	-	-	-	-	-	-	-	-	-	**-**
Total current assets	**79,700**	**40,820**	**5,285**	**17**	**12,240**	**2,155**	**17,668**	**1,891**	**958**	**21,595**	**(139,139)**
Non-current assets											
Receivables	12,923	-	2,741	-	-	-	713	-	-	-	**(16,377)**
Loans and advances	-	-	-	-	-	15,044	-	-	-	-	**(15,044)**
Other financial assets	19	-	-	-	-	-	-	-	-	168	**149**
Property, plant and equipment	391,857	70,822	427	21	8,553	1,584	-	349	16,696	6,925	**(483,384)**
Intangible assets	3,804	4,915	132	-	-	-	-	-	-	1,826	**(7,025)**
Other assets	10,586	-	-	-	-	-	-	573	-	-	**(11,159)**
Biological assets	2,050	-	-	-	-	-	-	-	-	-	**(2,050)**
Total non-current assets	**421,239**	**75,737**	**3,300**	**21**	**8,553**	**16,628**	**713**	**922**	**16,696**	**8,919**	**(534,890)**
Total assets	**500,939**	**116,557**	**8,587**	**38**	**20,793**	**18,783**	**18,381**	**2,813**	**17,654**	**30,514**	**(674,031)**
Current liabilities											
Payables	8,754	9,515	(30)	317	9,917	361	8,813	233	120	1,059	**(36,941)**
Bank Overdraft	-	-	-	-	-	-	-	-	-	1,888	**1,888**
Accrued employee benefits	9,456	1,948	102	(58)	240	(11)	-	512	356	-	**(12,545)**
Other financial liabilities	-	-	-	-	363	2,130	-	-	-	-	**(2,493)**
Other liabilities	34,595	19,281	159	(200)	91	(722)	-	106	-	-	**(53,310)**
Total current liabilities	**52,805**	**30,744**	**231**	**59**	**10,611**	**1,758**	**8,813**	**851**	**476**	**2,947**	**(103,401)**
Non-current liabilities											
Other liabilities	23,583	-	-	28	1,337	-	-	-	-	-	**(24,948)**
Total non-current liabilities	**23,583**	**-**	**-**	**28**	**1,337**	**-**	**-**	**-**	**-**	**-**	**(24,948)**
Total liabilities	**76,388**	**30,744**	**231**	**87**	**11,948**	**1,758**	**8,813**	**851**	**476**	**2,947**	**(128,349)**
Net assets	**424,551**	**85,813**	**8,356**	**(49)**	**8,845**	**17,025**	**9,568**	**1,962**	**17,178**	**27,567**	**(545,682)**

38. Reconciliation of operating surplus to net cash from operating activities

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Operating deficit	(11,254)	(6,293)	(38,344)
Non-cash items:			
Depreciation and amortisation expense	10,654	29,459	29,459
(Gain) on unrealised biological assets	-	(368)	(368)
Loss on sale of property, plant and equipment and intangible assets	3,077	4,195	5,833
Impairment losses	1,530	4,924	4,924
Gain on sale of property, plant and equipment	(2,558)	(1,292)	(1,292)
Revaluation decrements	27,529	67,509	67,509
Loss on disposal of controlled entity	-	-	2,982
Income tax equivalent expense/(benefit)	11,180	(16,181)	(16,365)
Assets received below fair value	-	(346)	(346)
Assets provided below fair value	-	3,724	3,724
Loan - fair value adjustment	-	6,501	6,501
Notional interest on loans receivable	-	2,158	2,158
Revaluation increments	(754)	-	-
Other non-cash items	802	-	-
Non-current assets transferred out	7,448	-	-
Change in assets and liabilities:			
(Increase)/decrease in receivables	(3,219)	(49,707)	(28,392)
(Increase)/decrease in departmental services revenue receivable	900	46,616	46,616
(Increase)/decrease in inventories	-	36,308	38,714
(Increase)/decrease in other assets	6,676	(5,583)	(4,987)
(Increase)/decrease in biological assets	-	294	294
Increase/(decrease) in payables	(14,783)	(18,634)	(32,014)
Increase/(decrease) in accrued employee benefits	(71)	(2,027)	(2,027)
Increase/(decrease) in other liabilities	(27,392)	18,909	46,210
Increase/(decrease) in unearned revenue	(1,780)	-	-
Increase/(decrease) in provisions	(6,815)	1,568	1,568
(Increase)/decrease in GST input tax credits receivable	3,194	7,955	7,955
Increase/(decrease) in GST payable	(32)	(3,438)	(3,438)
Net cash provided by operating activities	**4,332**	**126,251**	**136,874**

39. Non-cash financing and investing activities

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses, are set out in Notes 7 and 18 respectively.

Assets and liabilities received or transferred by the department as a result of machinery-of-Government changes as described in notes 2(b), (p) and (ag) are set out in Note 37.

The following assets were either transferred by Economic Development Queensland to local councils/authorities or intended for future transfer and have been recognised as expenses in the Statement of comprehensive income.

Development area	**Assets**			
Moranbah	Seven land lots to Isaac Shire Council	2,000	-	-
Roma	Competitive Neutrality Fee project	70	-	-
Various	Works in progress assets intended for future donation	104	-	-
Total		**2,174**	**-**	**-**

40. Commitments for expenditure

(a) Non-cancellable operating lease commitments

Commitments under operating leases at the reporting date are inclusive of anticipated GST and are payable as follows:

• Not later than one year	9,975	12,667	12,667
• Later than one year and not later than five years	21,501	5,082	5,082
• Later than five years	3,772	1,021	1,021
Total non-cancellable operating lease commitments	**35,248**	**18,769**	**18,769**

The department has non-cancellable operating leases predominately relating to office accommodation, storage facilities and car park space. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. Where it is reasonably certain that the renewal options will be exercised, the lease commitment includes the extended option period.

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000

40. Commitments for expenditure (continued)

(b) Capital expenditure commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at the reporting date but not recognised in the accounts are payable as follows:

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Infrastructure	-	43,693	43,693
Capital works in progress	1,327	-	-
Land inventory	72,621	-	-
	73,948	**43,693**	**43,693**
Payable			
• Not later than one year	61,218	37,945	37,945
• Later than one year and not later than five years	7,294	5,748	5,748
• Later than five years	5,436	-	-
Total capital expenditure commitments	**73,948**	**43,693**	**43,693**

(c) Grants and subsidies expenditure commitments

Grants and subsidies commitments inclusive of anticipated GST, committed to be provided at the reporting date, but not recognised in the accounts are payable as follows:

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Payable			
• Not later than one year	35,723	54,335	54,335
• Later than one year and not later than five years	14,748	30,368	30,368
• Later than five years	313	376	376
Total grants and subsidies expenditure commitments	**50,784**	**85,079**	**85,079**

(d) Other expenditure commitments

Other expenditure commitments inclusive of anticipated GST, committed to be provided at reporting date but not recognised in the accounts are payable as follows:

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Payable:			
• Not later than one year	13,768	9,999	9,999
• Later than one year and not later than five years	180	941	941
Total other expenditure commitments	**13,948**	**10,940**	**10,940**

41. Contingencies

(a) Guarantees and undertakings

The department holds bank guarantees in relation to Queensland Investment Incentive Scheme (QIIS) grants and other financial support provided to private sector proponents.

All QIIS funds are underwritten by performance undertakings and in the case of cash grants, secured by bank guarantees or equivalent securities from the grantee for the full term of the agreement.

The total value of bank guarantees held for 16 QIIS projects as at 30 June 2013 is $25.965 million (2012: 15 projects and $25.140 million).

Other bank guarantees are held for financial support provided on projects. The total value of bank guarantees held for these projects as at 30 June 2013 is $46.593 million (2012: $37.582 million). The guarantees are not recognised on the Statement of Financial Position as the possibility of default is remote.

(b) Litigation in progress

At reporting date, the department has six instances of claims for compensation by external parties. It is estimated that four of these claims amount to $0.045 million with two indeterminable. Depending on the outcome of the litigation process, indemnity for the department may be sought in respect of some of the matters through the Queensland Government Insurance Fund (QGIF). Under QGIF, the department would be able to claim back the amount paid to successful litigants, less a $10,000 deductible.

No provision has been made to settle any claims at 30 June 2013.

Other matters relate to land resumptions are before the Land Court however it is not possible to determine the probable outcome of claims against the department, or any financial effect.

(c) Native title claims over departmental land

At 30 June 2013, native title claims have been made on land owned by the Minister for Economic Development Queensland, but as yet no claims have been determined by the National Native Title Tribunal. At reporting date it is not possible to make an estimate of any probable outcome of these claims, or any financial effect.

(d) Contingent assets

Certain portions of land between Cooroy and Curra have been designated for roads development as part of the Bruce Highway upgrade by the Department of Transport and Main Roads (DTMR). In accordance with an Agreement to Dedicate Road, DTMR is required to pay compensation for the affected properties. Currently, land titles are in the process of being reissued. Compensation is expected to be forthcoming subsequent to this process.

The amount of compensation is anticipated to be the net market value of the land as determined by DTMR and agreed by the department. This amount cannot be reliably determined at this point in time.

(e) Contract performance guarantees

At 30 June 2013, EDQ had provided Financial Guarantees of $2.889 million to Ergon Energy Corporation Ltd, Energex Ltd and Brisbane City Council to provide security for the performance of obligations under contracts for electrical work projects.

42. Events occurring after balance date

The Gasfields Commission commenced as a statutory body with effect from 1 July 2013 as legislated in the *Gasfields Commission Act 2013*. The Commission's purpose is to manage and improve the sustainable coexistence of landholders, regional communities and the onshore gas industry in Queensland.

43. Financial instruments

(a) Categorisation of financial instruments

The department has the following categories of financial assets and financial liabilities:

	Note	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
Category				
Financial assets				
Cash and cash equivalents	19	60,226	281,203	281,203
Receivables	20	100,828	101,320	101,320
Total financial assets		**161,054**	**382,523**	**382,523**
Financial liabilities				
Financial liabilities measured at amortised cost:				
Payables	29	63,413	41,005	41,005
Other financial liabilities	30	3,200	-	-
Queensland Treasury Corporation borrowings	30	163,994	105,969	105,969
Total financial liabilities		**230,607**	**146,974**	**146,974**

(b) Financial risk management

The department's activities expose it to a variety of financial risks – interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Queensland Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under policies approved by the department which relate to financial arrangements as required by Queensland Treasury and Trade.

The department measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(c) Credit risk exposure

Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowances for impairment.

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum exposure to credit risk		Parent 2013	Parent 2012	Consolidated 2012
Category	**Note**	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	19	60,226	281,203	281,203
Receivables	20	100,828	101,320	101,320
Total financial assets		**161,054**	**382,523**	**382,523**

Financial assets

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

No financial assets or financial liabilities have been offset and presented net in the Statement of financial position.

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department, according to the due date (normally terms of 30 days). Economic changes impacting the department's debtors, and relevant industry data, also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debtor/group of debtors. If the department determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt and written-off directly against receivables.

Impairment loss expense for the current year regarding the department's receivables is $1.530 million.

43. Financial instruments (continued)

(c) Credit risk exposure (continued)

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2013 financial assets past due but not impaired

	Overdue				
	Less than 30 days	30 - 60 days	61-90 days	More than 90 days	Total overdue
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	911	821	383	1,180	3,295
Total	**911**	**821**	**383**	**1,180**	**3,295**

2012 financial assets past due but not impaired – parent

	Overdue				
	Less than 30 days	30 - 60 days	61-90 days	More than 90 days	Total overdue
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	169	614	301	2,937	4,021
Total	**169**	**614**	**301**	**2,937**	**4,021**

2012 financial assets past due but not impaired – consolidated

	Overdue				
	Less than 30 days	30 - 60 days	61-90 days	More than 90 days	Total overdue
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	169	614	301	2,937	4,021
Total	**169**	**614**	**301**	**2,937**	**4,021**

2013 individually impaired financial assets

	Overdue				
	Less than 30 days	30 - 60 days	61-90 days	More than 90 days	Total overdue
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	911	821	383	1,180	3,295
Allowance for impairment	-	-	-	(3,035)	(3,035)
Carrying Amount	**911**	**821**	**383**	**(1,855)**	**260**

2012 individually impaired financial assets – parent

	Overdue				
	Less than 30 days	30 - 60 days	61-90 days	More than 90 days	Total overdue
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	-	-	-	2,937	2,937
Allowance for impairment	-	-	-	(1,505)	(1,505)
Carrying Amount	**-**	**-**	**-**	**1,432**	**1,432**

2012 individually impaired financial assets – consolidated

	Overdue				
	Less than 30 days	30 - 60 days	61-90 days	More than 90 days	Total overdue
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Receivables	-	-	-	2,937	2,937
Allowance for impairment	-	-	-	(1,505)	(1,505)
Carrying Amount	**-**	**-**	**-**	**1,432**	**1,432**

	Parent 2013	**Parent 2012**	**Consolidated 2012**
Movements in allowance for impairment	**$'000**	**$'000**	**$'000**
Balance at 1 July	(1,505)	(735)	(735)
Provision transferred out through machinery-of-Government change	-	371	371
(Increase)/decrease in allowance recognised in operating result	(1,530)	(1,439)	(1,439)
Amounts written-off during the year	-	298	298
Balance at 30 June	**(3,035)**	**(1,505)**	**(1,505)**

43. Financial instruments (continued)

(d) Liquidity risk

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The department is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation for capital works. The borrowings are based on the Queensland Government's gazetted fixed rates.

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at the reporting date.

2013		**2013 payable in**			
		< 1 year $'000	**1 - 5 years $'000**	**> 5 years $'000**	**Total $'000**
Payables	29	63,413	-	-	63,413
Other financial liabilities	30	3,200	-	-	3,200
Queensland Treasury Corporation borrowings	30	12,171	81,853	69,970	163,994
Total		**78,784**	**81,853**	**69,970**	**230,607**

2012 Parent		**2012 payable in**			
		< 1 year $'000	**1 - 5 years $'000**	**> 5 years $'000**	**Total $'000**
Payables	29	41,005	-	-	41,005
Queensland Treasury Corporation borrowings	30	15,187	105,626	-	120,813
Total		**56,192**	**105,626**	**-**	**161,818**

2012 Consolidated		**2012 payable in**			
		< 1 year $'000	**1 - 5 years $'000**	**> 5 years $'000**	**Total $'000**
Payables	29	41,005	-	-	41,005
Queensland Treasury Corporation borrowings	30	15,187	105,626	-	120,813
Total		**56,192**	**105,626**	**-**	**161,818**

(e) Market risk

Foreign currency transactions were transferred out in 2012. The Trade and International Operations Division which was transferred out it is not materially exposed to foreign currency risk in relation to the functional currency. This function transferred out of the department as part of the machinery-of-Government changes effective 1 May 2012. The department is exposed to interest rate risk through borrowings from Queensland Treasury Corporation and cash deposits in interest bearing accounts. The department does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk note above.

(f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to operating result if interest rates would change by +/- 1% from the year-end rates applicable to the department's financial assets and liabilities. With all other variables held constant, the department's parent entity would have a profit and equity increase/decrease of $0.071 million (2012: $2.812 million). This is mainly attributable to the department's exposure to variable interest rates on its borrowings from Queensland Treasury Corporation and cash funds that are held in interest bearing bank accounts.

Financial instruments		**Parent 2013 interest rate risk**			
	Carrying amount	**- 1 %**		**+ 1 %**	
		Profit	**Equity**	**Profit**	**Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Assets					
Cash [(1)]	60,226	(602)	(602)	602	602
Liabilities					
Queensland Treasury Corporation borrowings [(2)]	67,348	673	673	(673)	(673)
Potential impact		**71**	**71**	**71**	**71**

		Parent 2012 interest rate risk			
	Carrying amount	**- 1 %**		**+ 1 %**	
		Profit	**Equity**	**Profit**	**Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Assets					
Cash [(1)]	281,203	(2,812)	(2,812)	2,812	2,812
Potential impact		**(2,812)**	**(2,812)**	**2,812**	**2,812**

(1) Property Services Group held and Economic Development Queensland (EDQ) holds cash in an interest bearing bank account.
(2) All of the borrowings held by EDQ from Queensland Treasury Corporation are at variable rates.

43. Financial instruments (continued)

(f) Interest rate sensitivity analysis (continued)

	Carrying amount	Consolidated 2012 interest rate risk - 1 %		+ 1 %	
		Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Assets					
Cash [1]	281,203	(2,812)	(2,812)	2,812	2,812
Potential impact		**(2,812)**	**(2,812)**	**2,812**	**2,812**

[1] Property Services Group held and Economic Development Queensland (EDQ) holds cash in an interest bearing bank account.

(g) Fair value

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings is notified by Queensland Treasury Corporation. It is calculated using discounted cash flow analysis and the effective interest rate (refer note 30) and is disclosed below.

	2013 Carrying amount	2013 Fair Value	2012 Carrying amount	2012 Fair Value
Parent				
	$'000	$'000	$'000	$'000
Financial liabilities at amortised cost				
Queensland Treasury Corporation Borrowings	163,994	169,790	105,969	111,450
Total	**163,994**	**169,790**	**105,969**	**111,450**
Consolidated				
Financial liabilities at amortised cost				
Queensland Treasury Corporation Borrowings			105,969	111,450
Total			**105,969**	**111,450**

44. Leases - as lessor

The Department of Natural Resources and Mines acts as an agent on behalf of Economic Development Queensland in administering the finance and operating leases of Economic Development Queensland in accordance with the *Land Act 1994* . These leases are recognised in the financial statements in accordance with Note 2(w).

(a) Finance leases

Free holding leases of land are issued to persons who elect to pay the purchase price for the land by annual instalments over the term of the lease. Freehold title transfers to the lessee when the purchase price is fully paid. The leases can be paid out at any time during their term without penalty. However, penalty interest is charged for any late payment.

There are currently 42 freehold leases that are set over a 10 year term and one 30 year lease. At the reporting date, more than 63% of the leases are due to expire within the next five years.

The interest rate implicit in the free holding leases is 8.94% except for several older leases which are interest-free.

Future minimum lease payments receivable under the free holding leases, together with their present value, are as follows:

	Minimum future lease payments receivable		Present value of minimum future lease payments receivable	
	2013	2012	2013	2012
	$ '000	$ '000	$ '000	$ '000
Not later than one year	5,871	6,299	5,954	5,464
Later than one year and not later than five years	18,875	21,251	14,510	16,232
Later than five years	8,930	5,774	4,969	4,343
Total minimum future lease receivables	33,676	33,324	25,433	26,039
Less unearned finance interest revenue	8,243	7,285	-	-
Present value of total minimum future lease receivables	**25,433**	**26,039**	**25,433**	**26,039**
Included in note 20 of these financial statements as:				
Current finance lease debtors			5,954	5,464
Non-current finance lease debtors			19,479	20,575
Carrying amount at 30 June			**25,433**	**26,039**

44. Leases - as lessor (continued)

(b) Operating leases

Minimum future lease payments receivable under the operating leases are as follows:

	Parent Minimum future lease payments receivable 2013 $ '000	 2012 $ '000
Not later than one year	13,219	13,017
Later than one year and not later than five years	68,168	68,339
Later than five years	392,888	383,363
Total minimum future lease receivables	**474,275**	**464,719**

Commercial and industrial properties (Economic Development Queensland)

Fixed term leases and ongoing perpetual leases are issued for commercial and industrial use of land by a lease. An annual rent is payable on 1 September each year, and is based on the unimproved value of the land, multiplied by the rental category percentage rate - 5%. The Department of Natural Resources and Mines annually assesses the unimproved value, therefore rent is variable unless otherwise fixed in the conditions of the lease.

Upon expiry of the lease, the lessee loses the right to possession of the land and any improvements located thereon unless otherwise stated in the conditions of the lease. The lease may be cancelled after giving reasonable notice to the lessee if the lessee is in breach of the conditions of the lease including failure to comply with statutory requirements or failure to pay rent by a due date. The lessee may voluntarily surrender the lease, provided rents have been paid in full.

In calculating minimum future lease receivables, it is assumed that perpetual leases will continue for a further 15 years.

Mary Valley properties

The department has honoured all existing lease and rental agreements upon purchase of Mary Valley properties from Queensland Water Infrastructure Pty Ltd. Lease terms range from periodic leases to leases with expiry up to 31 December 2035.

45. Schedule of administered items

	2013 $'000	2012 $'000
(a) Reconciliation of payments from consolidated fund to administered revenue		
Budgeted administered item appropriation	2,375,424	473,566
Budgeted administered equity adjustment appropriation	15,000	(674)
Transfers (to)/from other departments	(1,776,085)	(58,157)
Transfers (to)/from other headings	-	92,761
Lapsed appropriation	(10,025)	477,840
Total administered item receipts	**604,314**	**985,336**
Less: opening balance of administered item receivable	-	(25,675)
Total administered items	**604,314**	**959,661**
This is represented by:		
Administered item revenue recognised in the Statement of comprehensive income	589,314	659,661
Appropriated equity adjustment recognised in Contributed equity	15,000	300,000
Total	**604,314**	**959,661**
(b) Grants and subsidies		
Grants		
Queensland and local government	589,314	307,067
Universities	-	414
Subsidies	-	352,415
Total grants and subsidies	**589,314**	**659,896**
(c) Receivables		
Current		
Trade debtors	-	7,490
GST payable	-	(340)
Total current receivables	**-**	**7,150**
(d) Payables		
Current		
Trade creditors	1,631	-
Total current payables	**1,631**	**-**

45. Schedule of administered items (continued)

Statement of comprehensive income - Administered
for the year ended 30 June 2013

	Note	Major Project Office [1]		Infrastructure & Land [3]		Employment and Economic Development [3]		Mines, Energy and Manufacturing [3]		Agriculture, Food. Tourism and Regional Development [3]		Total	
		2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Administered income													
Administered item appropriation	45(a)	589,314	248,496	-	-	-	51,473	-	352,594	-	7,098	589,314	659,661
User charges, fees and fines		-	-	-	-	-	-	-	47,919	-	1,410	-	49,329
Land rent and other territorial revenue		-	-	-	-	-	-	-	48,244	-	-	-	48,244
Other revenue		-	-	-	1,915	-	2,147	-	25	-	-	-	4,087
Total administered income		**589,314**	**248,496**	-	**1,915**	-	**53,620**	-	**448,782**	-	**8,508**	**589,314**	**761,321**
Administered expenses													
Supplies and services		-	-	-	-	-	-	-	11	-	-	-	11
Grants and subsidies	45(b)	589,314	248,496	-	-	-	51,887	-	352,415	-	7,098	589,314	659,896
Depreciation and amortisation		-	-	-	-	-	-	-	168	-	-	-	168
Impairment losses		-	-	-	-	-	-	-	248	-	-	-	248
Finance/borrowing costs		-	-	-	-	-	445	-	-	-	-	-	445
Total administered expenses		**589,314**	**248,496**	-	-	-	**52,332**	-	**352,842**	-	**7,098**	**589,314**	**660,768**
Administered operating surplus before transfers to Government		-	-	-	**1,915**	-	**1,288**	-	**95,940**	-	**1,410**	-	**100,553**
Transfers of administered revenue to Government		-	-	-	(1,915)	-	-	-	(95,940)	-	(1,410)	-	(99,265)
Administered operating result after transfers to Government		-	-	-	-	-	**1,288**	-	-	-	-	-	**1,288**

Statement of financial position - Administered
as at 30 June 2013

	Note	Not-attributed [2]		Major Project Office [4]		Total	
		2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Current assets							
Cash and cash equivalents		1,631	-	-	(7,202)	1,631	(7,202)
Receivables	45(c)	-	-	-	7,150	-	7,150
Total current assets		**1,631**	-	-	**(52)**	**1,631**	**(52)**
Total assets		**1,631**	-	-	**(52)**	**1,631**	**(52)**
Current liabilities							
Payables	45(d)	1,631	-	-	-	1,631	-
Total current liabilities		**1,631**	-	-	-	**1,631**	-
Total liabilities		**1,631**	-	-	-	**1,631**	-
Net assets		-	-	-	**(52)**	-	**(52)**

[1] As per *Administrative Arrangements Amendment Order (No. 1)* 2013 dated 4 February 2013 the *Queensland Reconstruction Authority Act 2011* was moved to the Minister for Local Government, Community Recovery and Resilience.
[2] Non-attributed amounts are recovery payables owing to the Department of Science, Information Technology, Innovation and the Arts.
[3] The Administered functions were transferred out of the department as part of the machinery-of-Government changes effective from 1 May 2012, refer to note 2(b).
[4] The $7M cash overdraft in 2011-12 was mainly due to two overpayments.

46. Trust transactions and balances

As the department performed only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

The management of Mining security deposits and Native title holdings was transferred to the Department of Natural Resources and Mines as part of the machinery-of-Government changes effective on 1 May 2012.

Other collections relate to Fisheries licenses. Management of these licenses was transferred to the Department of Agriculture, Fisheries and Forestry as part of the machinery-of-Government changes effective on 1 May 2012.

	2013 $'000	2012 $'000
Trust collections and distributions		
Collections		
Mining security deposits	-	3,236
Native title holdings	-	39
Other collections	-	10
Total collections	**-**	**3,285**
Distributions		
Mining security deposits	-	781
Native title holdings	-	40
Total distributions	**-**	**821**
Increase/(Decrease) in trust assets	**-**	**2,464**

The Queensland Audit Office performed the audit of the department's trust transactions.

47 Correction of errors

In the process of preparing the financial statements for the year ending 30 June 2013, amounts relating to prior periods were required to be adjusted to accurately reflect the balances of the comparative periods. The correction has been made by adjusting the opening balances at 1 July 2011 where necessary and the comparative amounts for the year ended 30 June 2012. Details of the changes are provided below.

In accordance with prescribed requirements the department has adjusted the values as outlined below:

(1) Recognition of Gladstone Liquefied Natural Gas and Australia Pacific Liquefied Natural Gas licence fee revenue for 2012 which was previously disclosed as a liability of deposits held.

(2) Accrual adjustment for interest earned but not received for finance leases managed by the Department of Natural Resources & Mines on behalf of the former Property Services Group.

(3) Adjustments for machinery-of-Government transfer of cash relating to the work in progress and the transfer of assets to the Department of Science, Information Technology and the Arts.

(4) Port of Gladstone Infrastructure Assets were transferred out of the department in 2009 but the disposal of these assets was not reflected in the financial statements. In the 2012 year, the disposal of these assets was recognised as a prior year adjustment. In the 2013 year, the opening balance as at 1 July 2011 was restated.

As such, in accordance with AASB 101 *Presentation of Financial Statements* para 39, a third Statement of financial position and notes to the restated amounts have been presented.

Retrospective adjustments

Statement of comprehensive income (extract) for the year ended 30 June 2012	**Notes**	**2012 $'000**	**Increase/ (decrease) $'000**	**2012 (Restated) $'000**
Income from continuing operations				
User charges (1)	6	81,118	5,995	87,113
Other revenue (2)	8	22,690	1,013	23,703
Current assets				
Receivables	20	73,267	1,013	74,280
Current liabilities				
Payables (3)	29	33,716	2,131	35,847
Other liabilities (1)	32	14,873	(5,995)	8,878
Non-current assets				
Property plant and equipment (3)	25	8,632	(11)	8,621
Equity				
Accumulated surplus		(404,422)	7,008	(397,414)
Contributed equity		1,601,740	(2,142)	1,599,598

Statement of financial position (extract) as at 30 June 2011	**Notes**	**2011 $'000**	**Increase/ (decrease) $'000**	**2011 (Restated) $'000**
Non-current assets				
Property plant and equipment (4)	25	1,451,919	(20,498)	1,431,421
Equity				
Contributed equity		2,148,663	(20,498)	2,128,165

Certificate of the Department of State Development, Infrastructure and Planning

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;

b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of State Development, Infrastructure and Planning for the financial year ended 30 June 2013 and of the financial position of the department and its controlled entities at the end of that year.

Michael McKee FCPA

Chief Finance Officer

30/8/2013

Colin Cassidy

Acting Director-General

30/8/13

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of State Development, Infrastructure and Planning

Report on the Financial Report

I have audited the accompanying financial report of Department of State Development, Infrastructure and Planning, which comprises the statements of financial position and statements of assets and liabilities by major departmental services and commercialised business unit as at 30 June 2013, the statements of comprehensive income, statements of changes in equity, statements of cash flows and statements of comprehensive income by major departmental services and commercialised business unit for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Acting Director General and Chief Finance Officer of the Department and the consolidated entity comprising the Department and the entities it controlled at the year's end or from time to time during the financial year.

Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards,* which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009*:

(a) I have received all the information and explanations which I have required

(b) in my opinion:

 (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects

 (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of State Development, Infrastructure and Planning and the consolidated entity for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

AUDITOR GENERAL
30 AUG 2013
OF QUEENSLAND

A M GREAVES FCA FCPA
Auditor-General of Queensland

Queensland Audit Office
Brisbane

Appendix 2. Related entities

Statistutory bodies and other entities

South Bank Corporation (SBC)		
Established under	**Functions**	**Treatment of financial statements**
South Bank Corporation Act 1989	SBC responsibilities are to: • manage the land and property of the area • balance commercial and non-commercial functions • ensure other public use sites in the inner city Brisbane area are complemented by the area • provide for recreational, cultural and educational pursuits for all visitors—accommodate public events and entertainment of community benefit • manage open space and park areas to a high standard.	SBC financial statements are contained in its annual report reported separately from DSDIP.

Urban Land Development (ULDA) 1 Jul 2012 – 31 Jan 2013		
Established under	**Functions**	**Treatment of financial statements**
Urban Land Development Authority Act 2007 (repealed)	Under the Act, the development and planning functions, including development assessment, previously undertaken by the ULDA are being carried out through EDQ.	The final report of the ULDA for the period 1 Jul 2011–31 Jan 2013 was tabled on 20 Jun 2013.

Boards and committees

Board for Urban Places (BUP)		
Functions and responsibilities	**2012–13 achievements**	**Remuneration costs $'000**
• To champion high quality urban design and foster an holistic approach to land use and infrastructure planning to create vibrant and adaptable urban places. • To provide independent design advice on local, state and private sector projects - general and project specific advice on urban design, planning, architecture, landscape architecture, sustainability and built environment issues.	• Detailed design review and advice to Toowoomba Regional Council for the QIC City Centre Retail project. • Advice provided in relation to the Coorparoo ToD EOI process and final award of the project. • Advice on urban design outcomes associated with the Jewel development Surfers Paradise as part of the ministerial call-in process. • Comprehensive submission provided in the draft single SPP.	7

Commonwealth Games Infrastructure Authority (CGIA)		
Functions and responsibilities	**2012–13 achievements**	**Remuneration costs**
• Facilitate the planning and development of essential major infrastructure projects such as the athletes village at Parklands and the Gold Coast Aquatic Centre upgrade ahead of the Gold Coast 2018 Commonwealth Games. • Provide advice and perform delegated functions such as planning and assessment.	• Gold Coast 2018 Commonwealth Games (GC2018): approved, endorsed and reviewed processes, reports and other matters associated with Games Village development.	• Nil (Chair fee waived)

Economic Development Board		
Functions and responsibilities	**2012–13 achievements**	**Remuneration costs**
• To advise and make recommendations to the Minister for Economic Development Queensland (MEDQ). • To monitor the performance of the MEDQ functions.	Approved/endorsed: • the CGIA Charter • the Property Asset Utilisation Review plan • declaration of PDAs: Toondah Harbour, Weinam Creek, Blackwater East, Parklands • the Affordable Housing and Support Services program • shortlisting of proponents for GC2018 Games Village development • catalyst infrastructure expenditure in greenfield sites.	• Nil (all government members)

Infrastructure Queensland (IQ)		
Functions and responsibilities	**2012–13 achievements**	**Remuneration costs**
• To provide independent advice to government on infrastructure priorities and long-term planning.	• IQ has met twice in 2012–13 since its establishment in 2012. • IQ has considered several infrastructure policies and strategies drafted by the department, providing valuable industry grounding and insight on approaches to infrastructure prioritisation, funding, implementation and long-term management of infrastructure facilities and networks.	• Nil

Abbreviations

ARMC	Audit and Risk Management Committee
ARR	Annual Report Requirements, Department of the Premier and Cabinet 2013
BUP	Board for Urban Places
CC	Consultative Committee
CEO	Chief Executive Officer
CG	Coordinator-General
CGIA	Commonwealth Games Infrastructure Authority
CSG	Coal seam gas
DLGCRR	Department of Local Government, Community Recovery, and Resilience
DSDIP	Department of State Development, Infrastructure and Planning
eDRMS	Electronic document records management system
EDB	Economic Development Board
EDQ	Economic Development Queensland
EIS	Environmental Impact Statement
EMG	Executive Management Group
FAMC	Finance and Asset Management Committee
GC2018	Gold Coast Commonwealth Games 2018
GFC	GasFields Commission
ICT	Information, communications and technology
ISC	Information Steering Committee
IQ	Infrastructure Queensland
LNG	Liquefied natural gas
MEDQ	Minister for Economic Development Queensland
MOG	Machinery of government
PDA	Priority Development Area
PSC	Public Service Commission
PSG	Property Services Group
PSRP	Public Sector Renewal Program
QAO	Queensland Audit Office
RCC	Resources Cabinet Committee
SBC	South Bank Corporation
SDA	State Development Area
SDPWO	*State Development and Public Works Organisation Act 1971*
SDS	Service Delivery Statement
SLA	Service Level Agreement
SPA	*Sustainable Planning Act 2009*
SPP	State Planning Policy
TRIM	Tracking records information management
ULDA	Urban Land Development Authority
VSP	Voluntary Separation Program
WHS	Workplace health and safety

Glossary

Administrative Arrangements	Administrative Arrangements Orders set out the principal responsibilities of government ministers and their portfolios
Consultancies	A consultant, which may be an individual or an organisation, provides expert advice with recommendations to a department/agency as the basis for making a decision or taking a certain course of action.
Machinery-of-government changes	The term 'machinery of government changes' (MOG changes) is used to describe a variety of organisational or functional changes which may affect the Queensland Government at any point in time. Some common MOG changes are: - changes to the Administrative Arrangements following a decision to abolish or create a department/agency or to move functions/responsibilities between departments/agencies - -creation of a new statutory body, or abolition of a statutory body - movement of functions into, or out of, the Queensland public sector.
Regional plans	Regional plans operate in conjunction with other statutory planning tools, including state planning policies, local government planning schemes, state planning regulatory provisions and development assessment processes. Regional plans can be drafted as statutory instruments under the *Sustainable Planning Act 2009*.
Whole-of-government	Whole-of-government is a term used to refer to all Queensland Government departments and agencies.

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	• A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs – section 8	✓
Accessibility	• Table of contents • Glossary	ARRs – section 10.1	✓
	• Public availability	ARRs – section 10.2	✓
	• Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 10.3	✓
	• Copyright notice	*Copyright Act 1968* ARRs – section 10.4	✓
	• Information licensing	*Queensland Government Enterprise Architecture – Information licensing* ARRs – section 10.5	✓
General information	• Introductory Information	ARRs – section 11.1	✓
	• Agency role and main functions	ARRs – section 11.2	✓
	• Operating environment	ARRs – section 11.3	✓
	• Machinery of Government changes	ARRs – section 11.4	✓
	• Introductory Information	ARRs – section 11.1	✓
	• Agency role and main functions	ARRs – section 11.2	✓
Non-financial performance	• Government objectives for the community	ARRs – section 12.1	✓
	• Other whole-of-government plans / specific initiatives	ARRs – section 12.2	✓
	• Agency objectives and performance indicators	ARRs – section 12.3	✓
	• Agency service areas, service standards and other measures	ARRs – section 12.4	✓
Financial performance	• Summary of financial performance	ARRs – section 13.1	✓
	• Chief Finance Officer (CFO) statement	ARRs – section 13.2	✓
Governance – management and structure	• Organisational structure	ARRs – section 14.1	✓
	• Executive management	ARRs – section 14.2	✓
	• Related entities	ARRs – section 14.3	✓
	• Boards and committees	ARRs – section 14.4	✓
	• *Public Sector Ethics Act 1994*	*Public Sector Ethics Act 1994* (section 23 and Schedule) ARRs – section 14.5	✓
Governance – risk management and accountability	• Risk management	ARRs – section 15.1	✓
	• External Scrutiny	ARRs – section 15.2	✓
	• Audit committee	ARRs – section 15.3	✓

Summary of requirement		Basis for requirement	Annual report reference
	• Internal Audit	ARRs – section 15.4	✓
	• Public Sector Renewal Program	ARRs – section 15.5	✓
	• Information systems and recordkeeping	ARRs – section 15.7	✓
Governance – human resources	• Workforce planning, attraction and retention and performance	ARRs – section 16.1	✓
	• Early retirement, redundancy and retrenchment	Directive No.11/12 *Early Retirement, Redundancy and Retrenchment* ARRs – section 16.2	✓
	• Voluntary Separation Program	ARRs – section 16.3	✓
Open Data	• Open Data	ARRs – section 17	✓
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	✓
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	✓
	• Remuneration disclosures	*Financial Reporting Requirements for Queensland Government Agencies* ARRs – section 18.3	✓

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