

SERVICE DELIVERY STATEMENTS

Department of State Development

2017-18 Queensland Budget Papers

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Service Delivery Statements

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Department of State Development

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for State Development and the Minister for Natural Resources and Mines:

<p style="text-align: center;">Minister for State Development and Minister for Natural Resources and Mines</p> <p style="text-align: center;">The Honourable Dr Anthony Lynham MP</p>
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<p style="text-align: center;">Department of State Development</p> <p style="text-align: center;">Director-General: Michael Schaumburg</p>
Service area 1: Driving Enterprise Development, Economic Growth and Job Creation
Service area 2: Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth

Additional information about this agency can be sourced from www.statedevelopment.qld.gov.au

Departmental overview

The Department of State Development leads the delivery of economic development outcomes for Queensland with a strong focus on developing our regions, industry and projects that support enterprise growth and job creation. Our vision is that Queensland's economy is Australia's strongest and most diverse. Our objectives are to influence policy and the investment environment, facilitate a major projects pipeline, strengthen the regions, grow priority, new and emerging industries, and support enterprise and job creation.

The department brings together the functions of the Coordinator-General, economic, industry and regional development, project facilitation and investment, major project delivery, and government property management. We contribute to the Queensland Government's objectives for the community of creating jobs and a diverse economy, building safe, caring and connected communities, and protecting the environment by delivering policies, projects and programs that seek to:

- support job opportunity growth through major project development and new and existing industry sector growth
- partner with regional stakeholders and grow regional economies through investment, exports and job creation
- protect the Great Barrier Reef through advancing master plans at priority ports.

This is achieved by:

- efficiently enabling delivery of major resource, industrial development and infrastructure projects
- building and maintaining confidence in the government's capacity to lead and deliver on state development opportunities
- identifying regulatory bottlenecks and impediments to investment and job creation
- efficient and thorough assessment of major projects by streamlining processes and facilitating project delivery
- providing whole-of-government case management to attract increased private capital expenditure
- encouraging major economic development and public infrastructure projects by ensuring suitable land is available
- facilitating cross-sector collaboration and planning of infrastructure to support the integration and delivery of services benefiting Queensland communities
- managing regional and industry development funds.

Following a once-in-a-generation resources investment boom, the Queensland economy is continuing its transition towards more broad based drivers of growth. With this in mind, initiatives are being implemented to boost regional economies, which will also coincide with Severe Tropical Cyclone Debbie reconstruction activities.

Queensland's economy and labour market will continue to transition towards high value-adding services as growth opportunities in health, tourism, defence and advanced manufacturing develop. In addition, opportunities exist between Queensland's major trading partners including China, India, Korea, Japan and Taiwan, with continued demand for Queensland's high quality goods and services. In this environment, the department's key priorities into the future include:

- implementing priority industry sector roadmaps and action plans to strengthen new and emerging sectors to further diversify the industrial base of the Queensland economy
- creating a sustainable export-oriented industrial biotechnology and bioproducts sector in Queensland through initiatives including the Biofutures Acceleration Program
- facilitating new private sector investment and projects including supply chain development to increase jobs
- generating real economic, social and environmental benefits for regional Queensland communities through the Building our Regions infrastructure program
- growing, innovating and creating jobs through the management of the \$20 million Made in Queensland program, and joint management of the \$130 million Jobs and Regional Growth Fund in partnership with Queensland Treasury
- delivering our capital program and increasing private capital expenditure in Queensland through a central point of contact and whole-of-government case management to create jobs
- securing long-term tourism, sporting and community benefits through the delivery of major projects
- implementing the Advancing Our Cities and Regions (AOCR) Strategy in partnership with Queensland Treasury and Economic Development Queensland.

Service performance

Performance statement

Driving Enterprise Development, Economic Growth and Job Creation

Service area objective

To boost enterprise development, increase economic growth and stimulate job creation opportunities.

Service area description

This service area is delivering policies, projects and programs that drive enterprise development, economic growth and job creation consistent with the government's economic development and job creation agenda. The service area drives the expansion of Queensland's economic growth as benchmarked against the global economy and comparable jurisdictions by:

- realising government policy as an enabler of economic growth
- leading industry and regional growth programs and regulatory reform
- assisting Queensland-based companies to increase their supply chain participation
- strengthening regional Queensland through investment enabled by the Building our Regions program
- providing whole-of-government advice on initiatives to boost economic development and increase investment across Queensland for sustainable job creation.

Services

- Industry Facilitation
- Regional Economic Development

2017-18 service area highlights

In 2017-18 the department will:

- grow priority, new and emerging sectors with global growth potential as part of the Advance Queensland program by implementing 10 year Roadmaps and Action Plans for advanced manufacturing, aerospace, biofutures, biomedical and life sciences, defence and mining equipment, technology and services
- attract, facilitate and leverage capital investment, in collaboration with other Queensland Government agencies, by actively encouraging businesses located outside of Queensland to relocate, establish or expand projects in Queensland through the Advance Queensland Industry Attraction Fund or the Jobs and Regional Growth Fund. This will help facilitate reinvestment and expansion of existing Queensland operations and support industry to expand and become more internationally competitive
- implement the Made in Queensland grants program to encourage Queensland's manufacturing small to medium enterprises to become more internationally competitive and adopt innovative processes and technologies
- support implementation of the Queensland Government's Strategic Blueprint for Queensland's North West Minerals Province, which is aimed at facilitating a strong and prosperous future for the region
- support the growth of the defence industry presence in Queensland
- implement the Building our Regions program to fund critical infrastructure that generates jobs and supports growth in regional Queensland.

Department of State Development	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Driving Enterprise Development, Economic Growth and Job Creation				
Service: Industry Facilitation				
Service standards				
<i>Effectiveness measures</i>				
Value of capital investment enabled through industry facilitation	1, 2, 3	\$300 million	\$307 million	\$370 million
Estimated number of jobs enabled through industry facilitation	1, 2, 3, 4	930	951	1,110
<i>Efficiency measure</i>				
Capital investment enabled per dollar spent on industry facilitation	1, 3	\$33.70	\$34.50	\$50.71
Service: Regional Economic Development				
Service standards				
<i>Effectiveness measure</i>				
Value of infrastructure investment being developed or delivered through the Building our Regions and Royalties for the Regions programs	5, 6, 7, 8	\$145.1 million	\$201.8 million	\$674.6 million
<i>Efficiency measure</i>				
Value of infrastructure investment being developed or delivered through the Building our Regions and Royalties for the Regions programs enabled per dollar invested in program management	5, 6, 7, 8	\$99.83	\$138.81	\$464.11

Notes:

1. Industry facilitation services include support services and post approval monitoring of projects that require multiple regulatory approvals, are complex or sensitive in nature, require significant coordination across government and respond to a recognised regional need or government priority. The capital investment value includes investment from private sector as well as government agencies.
2. The wording of this measure has been adjusted for consistency of terminology throughout the department's measures. The calculation methodology has not changed for this measure.
3. The 2017-18 Target/Estimate is greater than in 2016-17 due to the introduction of the Jobs and Regional Growth Fund, which will contribute to this measure and was not in existence during 2016-17. The Jobs and Regional Growth Fund will enable additional investment by partnering with private industry to deliver projects that support regional growth and job creation.
4. The estimated number of jobs enabled through industry facilitation is calculated using Queensland Treasury's job estimation methodology. In relation to the 2016-17 period, this is 3.1 jobs per \$1 million capital investment. In relation to the 2017-18 period, this is 3 jobs per \$1 million capital investment. The number of jobs reported in this measure refers to the number of jobs expected to be enabled by all in-scope projects over their entire project life, even where these jobs will occur over several financial years. Jobs enabled are reported once in the year the contract is signed.
5. These programs provide funding for projects which may be co-funded by local governments, other Queensland Government agencies, Commonwealth Government agencies and the private sector. The Building our Regions program is a whole-of-government initiative to enable quicker delivery of critical regional infrastructure, and is comprised of four separate streams. DSD oversees the Regional Capital Fund, Royalties for Resource Producing Communities Fund and the Remote and Indigenous Communities Fund, and these are reported in the department's service standards. The Department of Transport and Main Roads oversees the Transport Infrastructure Development Scheme, which is not included in these service standard calculations.
6. Both the efficiency and effectiveness targets for 2016-17 were set prior to projects being approved and were based on minimum required investment from participating local councils. Actual investment realised in 2016-17 from local councils was much higher than the minimum requirements.
7. The variance between the 2016-17 measurements and the 2017-18 Target/Estimate is due to an increase in the measured scope of this service. In 2016-17 the measures only included projects in the delivery phase; however in 2017-18, the wording of the measures has been amended to include projects within both the development and delivery phases. This has resulted in increased expected delivery targets for these measures.

8. The investment amount reported refers to the full investment value over the entire life of the project, even where this is expected to be fulfilled over several financial years.

Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth

Service area objective

To assess, approve, develop and deliver projects that generate jobs and economic growth.

Service area description

This service area facilitates the timely planning and delivery of projects that drive economic growth and provide job creation opportunities. It provides tailored regulation, advisory, facilitation and delivery services, to support increased economic activity. It is contributing to the government's objectives for the community of creating jobs and a diverse economy, and protecting the environment by:

- facilitating and delivering projects including coordinated projects and Integrated Resort Development (IRD) projects that boost the state's economy. This includes the development of Queen's Wharf Brisbane, the delivery of the North Queensland Stadium, the delivery of the Gold Coast 2018 Commonwealth Games venues and village and progressing up to two other IRD projects
- enabling growth and jobs and facilitating large scale industrial development, infrastructure delivery and projects through efficient project assessment as well as planning, development and management of state development areas
- ongoing improvement of environmental assessment processes
- undertaking appropriate land acquisition programs to deliver economic development and infrastructure initiatives
- conducting early feasibility assessment of public and private projects of state significance for economic development
- generating economic development from improvement opportunities that result in value uplift for the state's property portfolio and deliver increased public benefit
- partnering with Economic Development Queensland and Queensland Treasury to deliver a work program for the Advancing Our Cities and Regions strategy to deliver innovative approaches to renewing and repurposing government property to deliver economic, community and financial outcomes for all Queenslanders
- partnering with all levels of government, industry and community to facilitate more collaborative and cost-efficient uses of current assets and social infrastructure investment
- promoting and generating regional economic development.

Services

- Project Development and Delivery
- Economic Development through Coordinated Projects and State Development Areas

2017-18 service area highlights

In 2017-18 the department will:

- progress the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project, ensuring that the plan of development is approved, demolition and excavation works are commenced, a benefits and opportunities action plan is in place and local content and training opportunities are maximised. Queen's Wharf Brisbane will be an iconic IRD in the Brisbane CBD that will invigorate the entire precinct and stimulate broad investment and economic development
- implement government decisions as a result of market sounding and community consultation processes and analyse and progress regional IRD opportunities
- commence construction on the North Queensland Stadium in preparation for completion before the 2020 National Rugby League season
- complete the Athlete's Village in preparation for handover to the Gold Coast 2018 Commonwealth Games Corporation in October 2017
- progress construction of the State Netball Centre at Nathan
- complete the refurbishment of the Aurukun Three Rivers Community Centre
- complete the Carrara indoor stadium (non-competition venue)

- progress the Biofutures Acceleration Program, selecting proponents capable of developing commercial-scale biorefinery projects in Queensland
- deliver the Advancing Our Cities and Regions strategy in partnership with Economic Development Queensland and Queensland Treasury
- lead strong cross-government and cross-sector partnerships to deliver social infrastructure and community hubs, maximising investment and improving the accessibility of services for Queensland communities, particularly in significant growth areas
- develop catalytic community hub proposals, optimising the use of state and local government land and resources to support the early delivery of services for children and families and enhance community integration in the four major Priority Development Areas, commencing with Yarrabilba
- review and progress appropriate updates to the development schemes for the Bromelton and Bundaberg State Development Areas
- undertake environmental impact assessments on declared coordinated projects and finalise Coordinator-General Evaluation Reports
- progress the implementation of the Strong and Sustainable Resource Communities Framework.

Department of State Development	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth	1			
Service: Project Development and Delivery				
Service standards				
<i>Effectiveness measures</i>				
Value of capital investment being developed or delivered through projects	2, 6	New measure	New measure	\$4.287 billion
Estimated number of jobs enabled through projects developed or delivered	2, 3, 7	New measure	New measure	5,585
<i>Efficiency measure</i>				
Value of capital investment enabled per dollar spent on project development and delivery	2	New measure	New measure	\$351
Service: Economic Development through Coordinated Projects and State Development Areas				
Service standards				
<i>Effectiveness measure</i>				
Proportion of total Coordinator-General's imposed conditions on coordinated projects under construction or early operation for which there has been full compliance with those conditions, or action has been taken to identify and correct non-compliance	4	100%	100%	100%
<i>Efficiency measure</i>				
Potential capital expenditure leveraged per dollar spent on Office of the Coordinator-General annual budgeted staff expenses to assess and facilitate projects to construction	5	New measure	New measure	\$2,500

Notes:

1. This service area has been amended from 'Assessing, Approving, Facilitating and Delivering Major Projects' to 'Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth' in order to reflect the pre-delivery development work that the department undertakes, and the purpose to increase employment opportunities and economic outcomes for Queenslanders.
2. This is a whole-of-government measure as some projects that are developed or delivered by the department are led by other Queensland Government agencies, or have budget held by other agencies. Capital investment amounts reported include that contributed by private sector entities. The amount reported for each financial year indicates the total value over the entire life of the projects under development or delivery at the time of reporting.
3. The estimated number of jobs is calculated using Queensland Treasury's job estimation methodology. In relation to the 2016-17 period, this is 3.1 jobs per \$1 million of capital invested across the total project value reported during that year, except where a proponent has reached contractual close with the state and supplied a jobs estimate that is lower than the value resulting from the Queensland Treasury methodology. In relation to the 2017-18 period, this is 3 jobs per \$1 million of capital invested across the total project value reported during that year, combined with 2000 jobs over the life of the Queen's Wharf Brisbane project.
4. This service standard covers a key outcome of the project delivery process, which is compliance with the Coordinator-General's imposed conditions. During the environmental assessment process under the *State Development and Public Works Organisation Act 1971* (SDPWO Act), the Coordinator-General may apply conditions and recommendations to a project to manage project impacts. Where no existing regulatory head of power is available to manage a project impact, the Coordinator-General may impose a condition on the project. Compliance with conditions imposed by the Coordinator-General is an indicator that projects are proceeding lawfully and in line with government and community expectations.
5. This service standard captures the potential capital expenditure on Queensland projects (being assessed and facilitated by the Coordinator-General) for every dollar invested in annual budgeted Office of the Coordinator-General staff expenses. Potential capital expenditure on Queensland projects (being assessed and facilitated under the SDPWO Act) will fluctuate depending on a number of factors, including market conditions, project capital expenditure, size of the project, and resources available to the Coordinator-General. In addition, it is ultimately a commercial decision for each proponent to progress the project, which is outside the control of the Office of the Coordinator-General.
6. The investment amount reported in this measure refers to the full investment value over the entire life of the project, even where this is expected to be fulfilled over several financial years.
7. The number of jobs reported in this measure refers to the number of jobs expected to be enabled by all in-scope projects over their entire project life, even where these jobs will occur over several financial years.

Discontinued measures

Performance measures included in the 2016-17 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of State Development	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth				
Percentage of projects managed, facilitated or delivered which meet committed timeframes	1	75%	89%	Discontinued measure
Percentage of projects managed, facilitated or delivered which meet approved budgets	1	75%	100%	Discontinued measure
Percentage of Property Queensland projects managed, facilitated or delivered that achieve value uplift	2	75%	100%	Discontinued measure
Average number of business days taken by the department to process coordinated projects (CP) and development applications in state development areas (SDA) under the <i>State Development and Public Works Organisation Act 1971</i> (SPDWO Act)	3, 4	(CP) 385 days (SDA) 106 days	(CP) 265 days (SDA) 39.6 days	Discontinued measure

Notes:

1. These measures are being replaced with measures under the 'Project Development and Delivery' Service that provide a broader measurement of effectiveness and efficiency. The department will continue to record and monitor projects managed, facilitated or delivered which meet committed timeframes and which meet approved budgets.
2. This measure is being discontinued as Property Queensland projects will now be included within measures under the 'Project Development and Delivery' Service.
3. This service standard is not considered to be an efficiency measure under the Queensland Government Performance Management Framework, hence this measure is discontinued. Processing times for coordinated projects and development applications in state development areas will continue to be recorded and monitored by the department as one element of service delivery.
4. The reduction in processing times for actual applications in 2016-17 has resulted from wide-ranging measures to streamline assessment.

Administered items

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

The Department of State Development administers funds on behalf of the state for the GasFields Commission Queensland.

The GasFields Commission Queensland is provided with a grant of \$2.5 million per annum, administered through the department, and exists to manage and improve sustainable coexistence among rural landholders, regional communities and the onshore gas industry in Queensland.

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

Departmental budget summary

The table below shows the total resources available in 2017-18 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of State Development	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	116,123	59,484	131,218
Balance of service appropriation	194,390	125,810	191,906
Other revenue	167,650	174,618	106,638
Total income	478,163	359,912	429,762
Expenses			
Driving Enterprise Development, Economic Growth and Job Creation	198,789	125,524	250,659
Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth	276,324	234,010	178,287
Total expenses	475,113	359,534	428,946
Operating surplus/deficit	3,050	378	816
Net assets	253,975	48,745	93,854
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	2,500	2,500	2,500
Other administered revenue	..	..	..
Total revenue	2,500	2,500	2,500
Expenses			
Transfers to government	..	..	..
Administered expenses	2,500	2,500	2,500
Total expenses	2,500	2,500	2,500
Net assets	..	..	..

Note:

1. Includes State and Commonwealth funding.

Service area sources of revenue¹

Sources of revenue 2017-18 Budget					
Department of State Development	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Driving Enterprise Development, Economic Growth and Job Creation	250,659	247,191	1,597	365	1,519
Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth	178,287	75,568	103,522	..	..
Total²	428,946	322,759	105,119	365	1,519

Notes:

1. Explanations of variances are provided in the financial statements.
2. Total cost includes the budgeted surplus of \$816,000.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of State Development	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures¹					
Administered	..	..	..	..	..
Departmental	944	34,484	29,500	8,748	9,059
Capital measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Note:

- The figures include the whole-of-government expense measures 'Brisbane CBD government office agency rental impacts' and 'Reprioritisations'. Numbers may not reconcile with *Budget Measures (Budget Paper 4)* because it does not represent the full amount of additional funding provided to agencies since the 2016-17 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1 of *Budget Measures (Budget Paper 4)*.

Departmental capital program

The purpose of the department's capital expenditure for 2017-18 is for progressing key government priorities of driving business development, economic growth and job creation; as well as assessing, approving, developing and delivering projects to generate jobs and economic growth. The capital program includes \$46 million for the construction of the North Queensland Stadium.

Capital budget

Department of State Development	Notes	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure		33,176	3,918	46,675
Total plant and equipment		110	80	100
Total other capital		157	753	835
Total capital purchases^{2, 3}		33,443	4,751	47,610

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. The decrease between 2016-17 Budget and 2016-17 Estimated Actual is primarily due to the deferral of budgets held by the Coordinator-General for land acquisition located in the Materials Transport and Services Corridor and Gladstone State Development Area (formerly Targinnie Precinct).
3. The increase between 2016-17 Budget and 2017-18 Budget is primarily due to increased funding for the construction of the North Queensland Stadium, offset by a decrease in funding held by the Coordinator-General for land acquisition located in the Materials Transport and Services Corridor and Gladstone State Development Area (formerly Targinnie Precinct).

Staffing

Department of State Development	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Driving Enterprise Development, Economic Growth and Job Creation		313	343	346
Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth		286	276	278
TOTAL ^{1, 2, 3, 4}		599	619	624

Notes:

1. Full-time equivalents (FTEs) as at 30 June each year.
2. Corporate FTEs are allocated across the service to which they relate.
3. The department participates in a partnership arrangement in the delivery of its services, whereby some corporate FTEs are hosted by the department to work across multiple departments. 2016-17 Estimated Actual and 2017-18 Budget FTEs are net of inter-governmental transfers to the Department of Infrastructure, Local Government and Planning.
4. The increase in 2016-17 Estimated Actual and 2017-18 Budget is due to the employment of temporary staff engaged to deliver priority projects. Priority projects include the creation of Priority Industry Sectors teams - Roadmaps and Action Plans to diversify the Queensland economy; accelerating the Building our Regions grant program; and delivering the Back to Work - Regional Employment Package; and other key priority projects include implementing the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project; progressing Priority Ports Master Planning; managing the construction of the North Queensland Stadium; and implementing a Strategic Blueprint for Queensland's North West Minerals Province, which is a whole-of-government initiative.

Budgeted financial statements

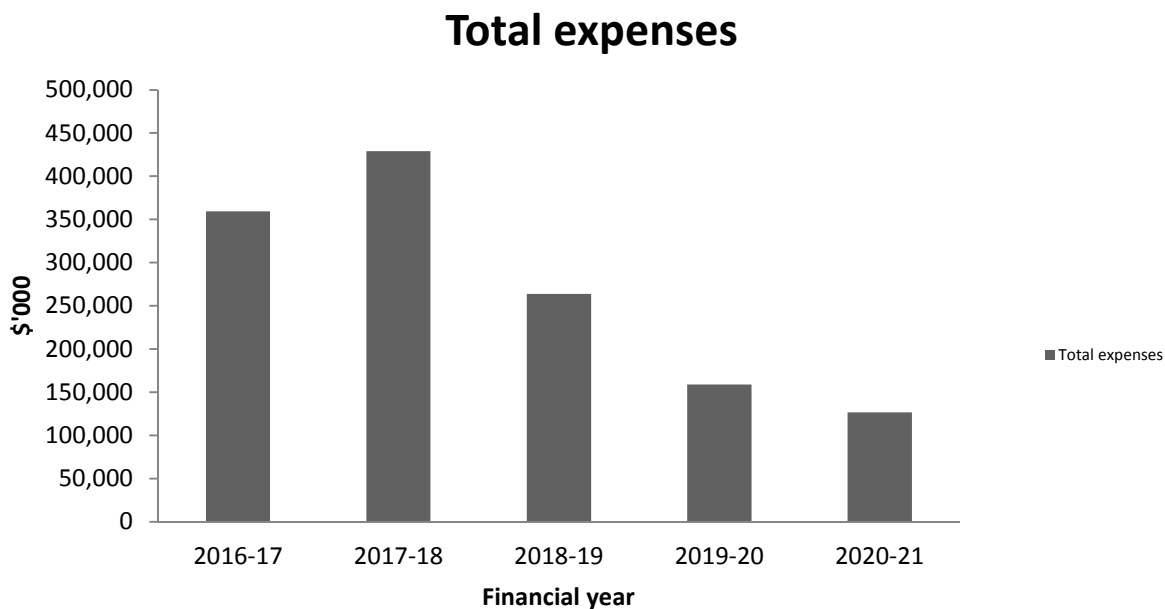
Departmental income statement

Total expenses are estimated to be \$428.9 million in 2017-18, a increase of \$69.4 million from 2016-17. The increase primarily relates to the realignment of funding from 2016-17 to 2017-18 for high priority projects including Building our Regions, Royalties for the Regions, North Stradbroke Island Economic Transition Strategy and priority industry roadmaps, industry attraction and project facilitation initiatives. The increase also represents new funding received for Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans. This increase is offset by the expected reduction in the recovery of costs for the GC2018 venues and village as projects advance.

The total expense estimate in 2019-20 onwards decreases due to limited life funding and includes the reduction in GC2018 venues and village spending as the projects are completed, and the final stages of the Building our Regions program.

As new key government priority projects are identified and funded, the department expects an increase to the expenses in the out-years.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's major assets consist of property, plant and equipment (\$113.1 million). This figure is expected to increase with the development of the North Queensland Stadium. The department's main liability is \$57.5 million relating to Queensland Treasury Corporation borrowings predominately for state infrastructure and major plant and equipment.

Controlled income statement

Department of State Development	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue	1,7,13	310,513	185,294	323,124
Taxes		..	..	..
User charges and fees	2,8,14	167,650	172,790	105,119
Royalties and land rents		..	..	..
Grants and other contributions		..	1,329	1,519
Interest		..	..	..
Other revenue		..	499	..
Gains on sale/revaluation of assets		..	..	..
Total income		478,163	359,912	429,762
EXPENSES				
Employee expenses	3,9,15	69,871	73,842	77,568
Supplies and services	4,10,16	242,804	214,164	187,805
Grants and subsidies	5,11,17	152,117	66,571	159,545
Depreciation and amortisation	6,12	7,915	2,551	1,842
Finance/borrowing costs		2,062	2,062	1,842
Other expenses		344	344	344
Losses on sale/revaluation of assets		..	..	..
Total expenses		475,113	359,534	428,946
OPERATING SURPLUS/(DEFICIT)		3,050	378	816

Controlled balance sheet

Department of State Development	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets	18	6,487	15,641	9,733
Receivables		13,203	13,930	13,272
Other financial assets		..	..	..
Inventories		..	..	..
Other		673	645	645
Non-financial assets held for sale	19	14,165	10,005	10,005
Total current assets		34,528	40,221	33,655
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	20,25,30	318,822	113,093	150,607
Intangibles	21,26	4,219	12,303	12,889
Other		9,627	9,821	9,219
Total non-current assets		332,668	135,217	172,715
TOTAL ASSETS		367,196	175,438	206,370
CURRENT LIABILITIES				
Payables	22,27,31	18,342	28,592	24,386
Accrued employee benefits		1,855	2,811	2,813
Interest bearing liabilities and derivatives	23	9,556	23,102	23,330
Provisions	24,28	13,478	5,300	6,000
Other		5,961	2,852	2,852
Total current liabilities		49,192	62,657	59,381
NON-CURRENT LIABILITIES				
Payables		298	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	29,32	57,962	57,520	49,643
Provisions		5,457	6,352	3,352
Other		312	164	140
Total non-current liabilities		64,029	64,036	53,135
TOTAL LIABILITIES		113,221	126,693	112,516
NET ASSETS/(LIABILITIES)		253,975	48,745	93,854
EQUITY				
TOTAL EQUITY	20,25,30	253,975	48,745	93,854

Controlled cash flow statement

Department of State Development	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	33,41,50	310,513	176,057	319,348
User charges and fees	34,42,51	176,095	160,735	113,564
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	1,329	1,519
Interest received		..	..	..
Taxes		..	..	..
Other		23,205	23,704	23,205
Outflows:				
Employee costs	35,43,52	(69,871)	(73,842)	(77,568)
Supplies and services	36,44,53	(264,759)	(241,230)	(209,760)
Grants and subsidies	37,45,54	(152,117)	(66,571)	(159,545)
Borrowing costs		(2,062)	(2,062)	(1,842)
Other		(9,283)	(12,230)	(11,583)
Net cash provided by or used in operating activities		11,721	(34,110)	(2,662)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	46,55	17,764	19,900	8,820
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	38,47,56	(33,443)	(4,751)	(47,610)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(15,679)	15,149	(38,790)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	39,48,57	47,812	19,043	55,199
Outflows:				
Borrowing redemptions		(7,419)	(7,841)	(7,649)
Finance lease payments		..	..	..
Equity withdrawals	40,49,58	(34,457)	(29,319)	(12,006)
Net cash provided by or used in financing activities		5,936	(18,117)	35,544
Net increase/(decrease) in cash held		1,978	(37,078)	(5,908)
Cash at the beginning of financial year		4,509	52,719	15,641
Cash transfers from restructure		..	..	..
Cash at the end of financial year		6,487	15,641	9,733

Administered income statement

Department of State Development	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue		2,500	2,500	2,500
Taxes	
User charges and fees	
Royalties and land rents	
Grants and other contributions	
Interest	
Other revenue	
Gains on sale/revaluation of assets	
Total income		2,500	2,500	2,500
EXPENSES				
Employee expenses	
Supplies and services	
Grants and subsidies		2,500	2,500	2,500
Depreciation and amortisation	
Finance/borrowing costs	
Other expenses	
Losses on sale/revaluation of assets	
Transfers of Administered Revenue to Government	
Total expenses		2,500	2,500	2,500
OPERATING SURPLUS/(DEFICIT)	

Administered balance sheet

Department of State Development	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets	
Receivables	
Other financial assets	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets	
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Intangibles	
Other	
Total non-current assets	
TOTAL ASSETS	
CURRENT LIABILITIES				
Payables	
Transfers to Government payable	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total current liabilities	
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES	
NET ASSETS/(LIABILITIES)	
EQUITY				
TOTAL EQUITY	

Administered cash flow statement

Department of State Development	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		2,500	2,500	2,500
User charges and fees	
Royalties and land rent receipts	
Grants and other contributions	
Interest received	
Taxes	
Other	
Outflows:				
Employee costs	
Supplies and services	
Grants and subsidies		(2,500)	(2,500)	(2,500)
Borrowing costs	
Other	
Transfers to Government	
Net cash provided by or used in operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets	
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals	
Net cash provided by or used in financing activities	
Net increase/(decrease) in cash held	
Cash at the beginning of financial year	
Cash transfers from restructure	
Cash at the end of financial year	

Explanation of variances in the financial statements

Income statement

Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. The decrease primarily relates to the realignment of project and program expenditure to future years (including Building our Regions, Royalties for the Regions, Biofutures Projects and Ports Master Planning). The variance is also due to the conversion of North Queensland Stadium and Stanwell to Gladstone Infrastructure Corridor funding from operating expenditure to capital expenditure, and the transfer of funding to the Department of Transport and Main Roads (DTMR) for the Safe Anchorage at Mission Beach project.
2. The increase primarily relates to the recovery of costs for the Gold Coast 2018 Commonwealth Games (GC2018) venues projects received from the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTEBS), due to projects progressing faster than originally forecast.
3. The increase is due to the employment of temporary staff to deliver priority projects, including the creation of priority industry sector teams; accelerating the Building our Regions grant program; delivering the Back to Work - Regional Employment Package; progressing Priority Ports Master Planning; managing the construction of the North Queensland Stadium; and implementing the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project.
4. The decrease primarily relates to the realignment of expenditure for high priority projects to future years (including Biofutures Projects and Ports Master Planning); the conversion of North Queensland Stadium and Stanwell to Gladstone Infrastructure Corridor funding from operating expenditure to capital expenditure; and the transfer of funding to DTMR for the Safe Anchorage at Mission Beach project.
5. The decrease primarily relates to the realignment of Building our Regions funding to future years. During 2016-17 all grant programs were reviewed to realign budgets with expected spend, and accelerate program implementation.
6. The decrease primarily represents a depreciation adjustment as a result of a review in accounting treatment for infrastructure and major plant and equipment.

Major variations between 2016-17 Budget and 2017-18 Budget include:

7. The increase primarily relates to new funding received for the Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.
8. The decrease primarily relates to the reduction in expected recovery of costs in 2017-18 for the GC2018 venues from DTEBS, and village from Economic Development Queensland (EDQ).
9. The increase is due to the employment of temporary staff engaged to deliver priority projects. Priority projects include the creation of Priority Industry Sectors teams - Roadmaps and Action Plans to diversify the Queensland economy; accelerating the Building our Regions grant program; and delivering the Back to Work - Regional Employment Package; and other key priority projects including implementing the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project; progressing Priority Ports Master Planning; managing the construction of the North Queensland Stadium; and implementing a strategic blueprint for Queensland's North West Minerals Province, which is a whole-of-government initiative. The increase also represents the annual Enterprise Bargaining Agreement.
10. The decrease primarily relates to the expected reduction in expenditure for the GC2018 venues and village as projects advance, and the transfer of funds to DTMR for the Safe Anchorage at Mission Beach project. These decreases are offset by new funding for the Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.
11. The increase primarily relates to the review, realignment and acceleration of the Building our Regions grants program in which increased funds are now anticipated to be paid in 2017-18, and the realignment of Royalties for the Regions funding from 2016-17 to 2017-18.
12. The decrease primarily represents a depreciation adjustment as a result of a review in accounting treatment for infrastructure and major plant and equipment.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

13. The increase primarily relates to the realignment of funding from 2016-17 to 2017-18 for high priority projects including Building our Regions, Royalties for the Regions, North Stradbroke Island Economic Transition Strategy and priority industry roadmaps, industry attraction and project facilitation initiatives. The increase also represents new funding received for Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.
14. The decrease primarily relates to the expected reduction in the recovery of costs for the GC2018 venues and village as projects advance.
15. The increase is due to the employment of temporary staff engaged to deliver priority projects. Priority projects include the creation of Priority Industry Sectors teams - Roadmaps and Action Plans to diversify the Queensland economy; accelerating the Building our Regions grant program; delivering the Back to Work - Regional Employment Package; and other key priority projects include implementing the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project; progressing Priority Ports Master Planning; managing the construction of the North Queensland Stadium; and implementing a strategic blueprint for Queensland's North West Minerals Province, which is a whole-of-government initiative. The increase also represents the annual Enterprise Bargaining Agreement.
16. The decrease primarily relates to the expected reduction in expenditure for the GC2018 venues and village as projects advance, offset by increased funding for the North Stradbroke Island Economic Transition Strategy, and priority industry roadmaps, industry attraction and project facilitation initiatives. These decreases are offset by new funding for the Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.
17. The increase primarily relates to the review, realignment and acceleration of the Building our Regions grants program in which increased funds are now anticipated to be paid in 2017-18, and the realignment of Royalties for the Regions funding from 2016-17 to 2017-18.

Balance sheet

Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

18. The increase is due to deposits from the Department of Transport and Main Roads (DTMR) to be held for land acquisition.
19. The decrease represents the planned decline in the number of Mary Valley properties awaiting settlement.
20. The decrease primarily represents the de-recognition of assets as a result of a review in accounting treatment for infrastructure and major plant and equipment; and the reallocation of funding for the Materials Transport and Services Corridor (MTSC) project located in the Gladstone State Development Area.
21. The increase relates to compensation payments made for the purchase of easements by the Coordinator-General.
22. The increase is due to payables for priority projects such as North Queensland Stadium, and priority industry roadmaps, industry attraction and project facilitation initiatives.
23. The increase represents deposits held from DTMR for land acquisition.
24. The decrease is due to the expected decline in provisions required for compensation payments made by the Coordinator-General.

Major variations between 2016-17 Budget and 2017-18 Budget include:

25. The decrease primarily represents the de-recognition of assets as a result of a review in accounting treatment for infrastructure and major plant and equipment; and the reallocation of funding for the MTSC, offset by the forecasted increase in work in progress for the North Queensland Stadium.
26. The increase relates to estimated compensation payments for the purchase of easements by the Coordinator-General.
27. The increase is due to payables for priority projects such as North Queensland Stadium, and priority industry roadmaps, industry attraction and project facilitation initiatives.
28. The decrease is due to the expected decline in provisions required for compensation payments made by the Coordinator-General.
29. The decrease reflects the scheduled payment of Queensland Treasury Corporation (QTC) loan principal for infrastructure and major plant and equipment.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

30. The increase represents planned work for the North Queensland Stadium.
31. The decrease primarily relates to the expected reduction in costs as the Gold Coast 2018 Commonwealth Games (GC2018) venues and village as projects advance.
32. The decrease reflects the scheduled payment of QTC loan principal for infrastructure and major plant and equipment.

Cash flow statement**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

33. The decrease primarily relates to the realignment of project and program expenditure to future years (including Building our Regions, Royalties for the Regions, Biofutures Projects and Ports Master Planning). The variance is also due to the conversion of North Queensland Stadium and Stanwell to Gladstone Infrastructure Corridor funding from operating to capital, and the transfer of funding to the DTMR for the Safe Anchorage at Mission Beach project.
34. The decrease is primarily due to unearned revenue for Gold Coast 2018 Commonwealth Games (GC2018) venues from Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB) and village from Economic Development Queensland (EDQ).
35. The increase is due to the employment of temporary staff engaged to deliver priority projects, including the creation of priority industry sectors teams to diversify the Queensland economy; accelerating the Building our Regions grant program; delivering the Back to Work - Regional Employment Package; progressing Priority Ports Master Planning; managing the construction of the North Queensland Stadium; and implementing the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project.
36. The decrease primarily relates to the realignment to out-years of high priority projects (including Biofutures Projects and Ports Master Planning); the conversion of North Queensland Stadium and Stanwell to Gladstone Infrastructure Corridor funding from operating expenditure to capital expenditure; and the transfer of funding to DTMR for the Safe Anchorage at Mission Beach project.
37. The decrease primarily relates to the realignment of Building our Regions funding to future years. During 2016-17 all grant programs were reviewed to realign budgets with expected spend, and accelerate program implementation.
38. The decrease primarily represents the reallocation of funding for the Materials Transport and Services Corridor (MTSC); and deferred funding for the Gladstone State Development Area (formerly Targinnie Precinct) and North Queensland Stadium projects.
39. The decrease represents reallocation of funding for the MTSC, deferred funding for the Gladstone State Development Area (formerly Targinnie Precinct) and North Queensland Stadium projects.
40. The decrease primarily relates to a decrease in depreciation funding returned to Queensland Treasury as a result of a review in accounting treatment for infrastructure and major plant and equipment.

Major variations between 2016-17 Budget and 2017-18 Budget include:

41. The increase primarily relates to new funding received for the Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.
42. The decrease primarily relates to the expected reduction in the recovery of costs for the GC2018 venues from DTESB and village from EDQ as projects advance.
43. The increase is due to the employment of temporary staff engaged to deliver priority projects. Priority projects include the creation of Priority Industry Sectors teams - Roadmaps and Action Plans to diversify the Queensland economy; accelerating the Building our Regions grant program; and delivering the Back to Work - Regional Employment Package; and other key priority projects including implementing the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project; progressing Priority Ports Master Planning; managing the construction of the North Queensland Stadium; and implementing a strategic blueprint for Queensland's North West Minerals Province, which is a whole-of-government initiative. The increase also represents the annual Enterprise Bargaining Agreement.
44. The decrease primarily relates to the expected reduction in expenditure for the GC2018 venues and village as projects advance, and the transfer of funds to DTMR for the Safe Anchorage at Mission Beach project. These decreases are offset by new funding for the Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.

45. The increase primarily relates to the review, realignment and acceleration of the Building our Regions grants program in which increased funds are now anticipated to be paid in 2017-18, and the realignment of Royalties for the Regions funding from 2016-17 to 2017-18.
46. The decrease represents the planned decline in Mary Valley properties awaiting settlement.
47. The increase is primarily due to planned work for the North Queensland Stadium offset by the reclassification of the Bundaberg Gas Pipeline from capital expenditure to operating expenditure and the reallocation of funding for the MTSC, Gladstone State Development Area (formerly Targinnie Precinct).
48. The increase is primarily due to planned work for the North Queensland Stadium offset by the reclassification of the Bundaberg Gas Pipeline from capital expenditure to operating expenditure, reallocation of funding for the MTSC, and the realignment of funding to out-years for the Gladstone State Development Area (formerly Targinnie Precinct).
49. The decrease primarily relates to the planned decline in the number of Mary Valley properties and a decrease in depreciation funding, which was returned to Queensland Treasury as a result of a review in accounting treatment for infrastructure and major plant and equipment.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

50. The increase primarily relates to the realignment of funding from 2016-17 to 2017-18 for high priority projects including Building our Regions, Royalties for the Regions, North Stradbroke Island Economic Transition Strategy and priority industry roadmaps, industry attraction and project facilitation initiatives. The increase also represents new funding received for Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.
51. The decrease primarily relates to the expected reduction in recovery of costs for GC2018 venues and village as projects advance.
52. The increase is due to the employment of temporary staff engaged to deliver priority projects. Priority projects include the creation of Priority Industry Sectors teams - Roadmaps and Action Plans to diversify the Queensland economy; accelerating the Building our Regions grant program; and delivering the Back to Work - Regional Employment Package; and other key priority projects including implementing the government's contractual obligations to deliver the \$3 billion Queen's Wharf Brisbane project; progressing Priority Ports Master Planning; managing the construction of the North Queensland Stadium; and implementing a strategic blueprint for Queensland's North West Minerals Province, which is a whole-of-government initiative. The increase also represents the annual Enterprise Bargaining Agreement.
53. The decrease primarily relates to the expected reduction in expenditure for the GC2018 venues and village as projects advance, offset by increased funding for the North Stradbroke Island Economic Transition Strategy, and priority industry roadmaps, industry attraction and project facilitation initiatives. These decreases are offset by new funding for the Queen's Wharf Brisbane and related projects, and priority industry roadmaps and action plans.
54. The increase primarily relates to the review, realignment and acceleration of the Building our Regions grants program in which increased funds are now anticipated to be paid in 2017-18, and the realignment of Royalties for the Regions funding from 2016-17 to 2017-18.
55. The decrease represents the planned decline in the number of Mary Valley properties awaiting settlement.
56. The increase primarily represents planned work for the North Queensland Stadium.
57. The increase represents planned work for the North Queensland Stadium offset by the reclassification of the Bundaberg Gas Pipeline from capital expenditure to operating expenditure and the reimbursement of funding from EDQ in 2016-17 for land release projects.
58. The decrease primarily relates to the planned decline of the number of Mary Valley properties.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.

Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at www.budget.qld.gov.au



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Service Delivery Statements

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