Department of State Development, Manufacturing, Infrastructure and Planning

2018–2019 ANNUAL REPORT

ADVANCING Queensland

Queensland Government

What this report contains

This report outlines the structure, operations, achievements and performance of the Department of State Development, Manufacturing, Infrastructure and Planning for the 2018–19 financial year.

Why we have an annual report

As well as meeting the statutory requirements set out in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, the annual report is an important tool for informing community, industry, government and organisations about our performance and future priorities.

Accessing the report

The annual report is available on the Department of State Development, Manufacturing, Infrastructure and Planning website at www.dsdmip.qld.gov.au/corporate-publications/annual-report.html or in hard copy on request.

Additional annual reporting requirements have been published on the Queensland Government Open Data portal at https://data.qld.gov.au

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You can provide feedback on the annual report at the Queensland Government *Get Involved* website at www.qld.gov.au/annualreportfeedback

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on either 07 3452 7100 or call the Translating and Interpreting Service (TIS National) on telephone 131 450 and ask them to contact the Queensland Department of State Development, Manufacturing, Infrastructure and Planning on 07 3452 7100.

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Queensland Government

Department of
State Development, Manufacturing, Infrastructure and Planning

24 September 2019

The Honourable Cameron Dick MP
Minister for State Development, Manufacturing, Infrastructure and Planning
1 William Street
BRISBANE QLD 4000

Dear Minister

I am pleased to submit for presentation to the Parliament the 2018-19 Annual Report and financial statements for the Department of State Development, Manufacturing, Infrastructure and Planning.

As a result of machinery-of-government changes that came into effect on 16 August 2018, the department transferred the functions of the Office of the Queensland Government Architect and Project Delivery to the Department of Housing and Public Works.

This annual report outlines the structure, operations, achievements and performance of the department for the whole of the 2018-19 financial year. It also contains the department's annual progress report on the Regulator Performance Framework. The Framework is a key element of the Better Regulation Strategy and requires a public annual report of performance against model practices for 2018-19. The report is in Appendix 2 of this document.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*
- the detailed requirements as set out in the *Annual report requirements for Queensland Government agencies.*

A checklist outlining the annual report requirements is provided in Appendix 5 of this annual report.

This annual report will also be accessible at www.dsdmip.qld.gov.au/corporate-publications/annual-report.html

Yours sincerely

Rachel Hunter

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Director-General

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DIRECTOR-GENERAL'S FOREWORD

Queensland is home to new ideas, new technologies and new industries. We are invested in the new economy.

During 2018–2019, the Department of State Development, Manufacturing, Infrastructure and Planning continued to support our state's diverse regional economic environment.


Image: Director-General Rachel Hunter

Our achievements are set out in this annual report. They include our track record in leading economic strategy, developing and assisting industries, enabling projects and planning our local communities.

As at 30 June 2019, our project pipeline was carrying $11 billion of coordinated projects with the potential to create 25,700 Queensland jobs. This includes seven new projects added during the year, worth $4.4 billion. We also provided funding for important infrastructure and industry initiatives throughout Queensland; approved new State Development Areas to facilitate economic growth and declared Priority Development Areas for new and better-connected local communities.

Our enduring priority is to attract and support exciting new Queensland business ventures and industries. Our 10-year roadmaps, action plans and strategies continue to lay the pathways for long-term business and investment growth. We continue to assist emerging and priority industry sectors such as Advanced manufacturing, Biofutures, Biomedical, Defence, Aerospace and Mining Equipment, Technology and Services (METS).

Our achievements are especially pleasing given that 2018–2019 was our first full financial year as a new department. Achievements during the 12 months include developing our operating model and supporting an organisational restructure, integrating departmental groups, and setting our new strategic direction.

I would like to acknowledge and thank departmental staff for their dedicated work. Their passion and innovation have been the driving force to deliver on our department's promise to be Invested in Queensland.

As the lead economic delivery agency for the state, our vision for a thriving and inclusive economy is our commitment to Queenslanders. We look forward to continuing to deliver jobs, investment and economic opportunities for all.

Rachel Hunter
Director-General

ACHIEVEMENT HIGHLIGHTS

- Enabled $1.129 billion in capital investment and the creation of 2902 jobs in Queensland through the department's industry and investment facilitation.
- Achieved a near-zero per cent capital program under-spend across the whole of government—the best performance in 10 years.
- Assessed 13 coordinated projects worth $11 billion, with the potential to create 25,700 jobs and declared seven new coordinated projects, worth $4.4 billion with the potential to create 6900 jobs.
- Facilitated 30 major projects including 18 prescribed projects. The 30 projects have a combined capital expenditure of $25 billion and around 15,400 construction jobs and 14,200 operational jobs. To date, 19 of these projects have moved into construction or operations.
- Approved funding for 49 infrastructure projects in 37 local government areas, and committed another $70 million to Building our Regions.
- Invested $24.578 million in eight regional growth projects to stimulate work and boost local economies.
- Approved four coordinated projects with a combined capital expenditure of around $8.1 billion and potential to create around 4900 construction jobs and 4400 operational jobs.
- Approved two new State Development Areas in Far North Queensland, and approved 24 SDA applications and requests relating to projects worth a combined $1.061 billion in capital expenditure and creating 1253 construction and 489 operational jobs in high impact industry, renewable energy facilities, port handling activities and extractive industry.
- Developed four new priority industry sector strategies including the Queensland Resource Recovery Industries 10-Year Roadmap and Action Plan to divert waste from landfill and revolutionise the state's recycling, resource recovery and biofutures industries.

$1.129 BILLION capital investment

pipeline of projects worth

$11 BILLION with potential to create 25,700 jobs

ONE million kilometres FLOWN using lower-carbon biojet fuel

- With Rheinmetall Defence Australia, secured the $5.2 billion LAND 400 Phase 2 project to deliver new military vehicles for the Australian Army from a new $170 million facility being built in Ipswich.
- Continued to attract major defence projects to regional Queensland, including a proposed $60 million shell forging plant in Maryborough, creating up to 100 new jobs.
- Facilitated $33.8 million in funding through the Made in Queensland (MIQ) program for advanced manufacturing industry projects expected to create 900 jobs over five years. The funding resulted in $79.1 million of private sector investment in Queensland projects during 2018-19, which will generate 538 jobs.
- Achieved the first sales contract for state-owned land to be transformed into a vibrant health and knowledge precinct on the Gold Coast which, when completed, is expected to contribute an extra 12,000 jobs and an additional $1.4 billion to the state's economy.
- Airline Virgin Australia clocked up one million kilometres using lower-carbon biojet fuel supplied at Brisbane Airport, part of Queensland's bio-economic revolution.
- Assisted local suppliers to win $84.6 million worth of contracts on major project supply opportunities through facilitation and engagement with project proponents across Queensland.
- Launched an economic diversification directions statement and draft strategy for North West Queensland.
- Finalised a master plan to revitalise the renowned Gold Coast Spit, and allocated $60 million for its implementation, the first steps in delivering up to 1800 new jobs and 800 new short-term accommodation rooms.
- Continued facilitation of the $158 million Brisbane International Cruise Terminal project to enable site preparation works and construction start.
- Developed a long-term direction for social infrastructure by encouraging best practice in the way human service agencies plan, design, locate and use the state's social infrastructure, such as hospitals and schools.
- Led the Economic Functional Recovery Group following the monsoon trough event in North and North West Queensland to pinpoint economic recovery priorities which formed part of the State Recovery Plan.
- Facilitated cross-agency collaborative planning and delivery of the $3.6 million Family and Community Place in the rapidly growing community of Yarrabilba. Since opening in October 2018, the integrated service hub received more than 9000 visitors in the first six months.
- Returned 2600 hectares of high-value agricultural land to the community with the sale of land from the former Glendower Dam site near Beaudesert.
- Achieved settlement of the final lots of the former Southport Hospital sites, which are to be developed into a $500 million mixed-use precinct including entertainment, residential, retail and health facilities, revitalising the Southport Central Business District.
- Released the Queensland Hydrogen Industry Strategy to create economic growth, opportunities for new export markets and build jobs of the future, while supporting the state's transition to a low emission economy.
- Achieved accreditation as a White Ribbon Australia Workplace.

YARRABILBA
service
hub received
OVER 9000
visitors in the first six months

Local suppliers win
$84.6
MILLION
worth of contracts

ABOUT THE DEPARTMENT

The department comprises seven groups that make important economic contributions to Queensland, driven by an ambitious and inspiring vision, core purpose and strategy. The groups are listed below.

- Business, Commercial and Performance
- Economic Development Queensland
- Economic and Infrastructure Strategy
- Investment Facilitation and Partnerships
- Manufacturing, Industry and Regions
- Office of the Coordinator-General
- Planning

During the year, the department progressed an organisational restructure and developed an operating model of how the department creates, delivers and realises economic value for Queensland.

Vision

Our vision is for a thriving and inclusive Queensland, where the economy, industry and communities prosper.

Core purpose

We improve productivity and quality of life in Queensland by leading economic strategy, industry development, infrastructure and planning, for the benefit of all.

Values

We deliver on our strategy by being a responsive government and working consistently with the Queensland Public Service values.

Strategic objectives

The department's *Strategic Plan 2018–2022* sets out how the department will achieve its vision and core purpose through a clear set of strategies. The plan's strategic objectives appear along with the Queensland Government's objectives for the community in the report section *Delivering for the community,* on page 11.

Regulator Performance Framework

The Queensland Government's Regulator Performance Framework (the Framework) is a key element of the Better Regulation Strategy. The department's report on 2018–19 performance against the Framework's model practices is included in Appendix 2 on page 112.

Machinery of Government changes

As a result of Machinery of Government (MoG) changes that came into effect on 16 August 2018, the Department of State Development, Manufacturing, Infrastructure and Planning transferred the functions of the Office of the Queensland Government Architect and Project Delivery to the Department of Housing and Public Works.

Incoming and outgoing divisions or functions

The following table outlines those divisions or functions that joined the department, and those that left.

Joined the department	Left the department
Nil	Office of the Queensland Government Architect to the Department of Housing and Public Works – 16 August 2018
	Project Delivery to the Department of Housing and Public Works – 16 August 2018

Operating environment

Queensland economy

The Queensland economy remains strong with growth recorded in the key economic indicators of employment, exports, business confidence, major project investment pipeline, and the overall macroeconomic outlook.

The economy continues to transition from a historically resources-based growth towards more broad-based growth. While traditional sectors of economic activity such as mining will remain significant components of the state's economy, continued industry diversification will provide sustainable economic growth, drive job creation and boost the living standards and quality of life for all Queenslanders.

After stronger than expected growth of 3.5 per cent in 2017–18, a combination of global, national and domestic factors impacting on economic activity is expected to see Gross State Product (GSP) growth in Queensland ease to 2.75 percent in 2018–19. Queensland's economic growth is forecast to strengthen by 3 per cent in 2019–20, underpinned by a modest pick-up in domestic activity as business investment returns to growth. From 2020–21 onwards, economic growth is expected to remain solid at around 2.75 per cent per year, with a more balanced contribution from all major components of the economy.

Queensland recorded 33 consecutive months of employment growth through to June 2019, with growth over the year estimated at 1.6 per cent. While the state's unemployment rate sits at 6.3 per cent for June 2019, recent trends in the unemployment rate reflect ongoing strong labour force participation as a result of ongoing employment growth.

These favourable labour market conditions have seen the state's unemployment rate stabilise in the short-term, with the unemployment rate forecast to remain relatively unchanged over the next year. Beyond 2019–20, as domestic activity strengthens, labour market conditions are set to improve modestly, with a strengthening of jobs growth and the unemployment rate edging lower to 6 per cent.

Data from the National Australia Bank's Monthly Business Survey shows Queensland businesses have been among the most confident in the nation in recent years, with the state trending above corresponding business confidence levels for Australia overall.

This positive economic outlook for the state provides a highly conducive environment for the investment attraction and economic development activities in which the department plays a key role.

Investment

Queensland is currently second in the nation in terms of the total major project investment pipeline, according to the most recent Deloitte Access Economics Investment Monitor. As at June quarter 2019, approximately $147.3 billion worth of definite and planned projects are in the investment pipeline for Queensland.

Business investment has moderated over the past four quarters but continues to be a key driver of economic growth for Queensland.

Image: The Gold Coast Spit, Southport (DSDMIP)

Industry

Over the year to the June quarter 2019, Queensland experienced strong employment growth in several industries, most noticeably education and training, with an increase of 14,900 jobs, as well as accommodation and food services (10,700 jobs), wholesale trade (8900 jobs), mining (7200 jobs), agriculture, forestry and fishing (6600 jobs), and information media and telecommunications (5000 jobs).

The state's strong economic performance has been supported by a record level of overseas exports. For the year to end June 2019, Queensland's overseas goods exports increased by 17.1 per cent ($12.7 billion) to $87 billion in nominal terms, compared with an increase of 18.3 per cent nationally over the same period. Coal, meat, minerals and Liquefied Natural Gas (LNG) exports, the bulk of which are produced in regional Queensland, were significant drivers of this result.

Regional Queensland

Queensland's regional economies are vital to the state's overall economic growth and diversification, and account for approximately one-third of total economic output. While regional economies have transitioned to become more diverse over time, mainstay industries include agriculture, forestry and fishing, mining and tourism.

The latest regional labour force data revealed several strong performing regional economies. For June 2019, a number of regions had unemployment rates noticeably below the overall state unemployment rate, including Cairns (4.6 per cent), Toowoomba (4.9 per cent) and Mackay (5.3 per cent).

The unemployment rate over the year to end June 2019 declined in a number of regions including Wide Bay (down 2.3 percentage points), Townsville (down 2.0 percentage points), Cairns (down 1.9 percentage points), Central Queensland (down 1.2 percentage points), and Toowoomba (down 0.2 percentage points).

During the same period, several regional economies also experienced employment growth, with the most notable being Cairns (employment increase of 10,600), Central Queensland (6100), Queensland–Outback (2800), Darling Downs-Maranoa (1700), and Wide Bay (400).

DELIVERING FOR THE COMMUNITY

During 2018–19, the department focused on delivering the Queensland Government Objectives for the Community. The department's contribution to these objectives is outlined below.

- **Creating jobs in a strong economy** by:
  - optimising economic growth and job creation throughout the state by coordinating and influencing investment aligned to Queensland's economic strategy
  - driving the strategy for increasing private sector investment in key sectors to stimulate economic growth and create jobs
  - stimulating growth and investment in emerging industries to create jobs for the future
  - creating the conditions for sustainable economic and jobs growth by facilitating a pipeline of public and private infrastructure
  - creating plans for communities that encourage economic and social development and the creation of jobs for disadvantaged groups in sustainable sectors.
- **Protecting the Great Barrier Reef** by:
  - ensuring the sustainability of communities and industries by balancing economic growth and development with the wellbeing of our environment
  - ensuring that development is balanced with long-term environmental sustainability.
- **Being a responsive government** by:
  - providing easy-to-use services and helping stakeholders to navigate policy and legislative requirements effectively.

We considered these objectives, and our contribution to them, when developing our departmental strategic objectives which are to:

1. lead a coordinated and strategic approach to Queensland's medium to long-term economic development
2. create a diverse, productive and sustainable economy for a fairer Queensland
3. enable the development of public and private infrastructure projects that provide enduring benefits
4. create well-planned Queensland communities that are prosperous, resilient and sustainable
5. attract and stimulate investment in Queensland to grow the economy and create secure, long-term jobs.

The Program Highlights section, starting on the following pages, summarises progress during 2018–19 against the strategic objectives.

Image: Superyacht Aurora during a visit to Brisbane (DSDMIP)

PROGRAM HIGHLIGHTS

1. Lead a coordinated and strategic approach to Queensland's medium to long-term economic development

Key strategies

- Set the medium to long-term economic strategy for the state to leverage Queensland's economic strengths.
- Work with the private sector to inform our economic strategy and influence investment decision-making that aligns with the strategy.
- Work with federal, state and local public sector organisations to promote and influence planning and investment decision-making to align with the strategy.

The Queensland Government has identified a number of priority and emerging industries to grow a strong and diversified new economy, build on the state's competitive strengths and generate the knowledge-based jobs of the future.

The department led the development of a series of industry roadmaps that provide a blueprint for action.

Roadmaps and Action Plans

Advanced Manufacturing

The manufacturing industry in Queensland is dynamic, innovative, agile and growing employing over 170,000 people in 16,400 companies and contributing over $20 billion to the state's economy. Queensland manufacturing recorded 41 consecutive months of growth to June 2019 even in the face of a highly competitive global manufacturing environment. Manufacturing also has a strong regional presence with approximately 30 per cent of manufacturing's economic contribution coming from regional areas.

A revised *Advanced Manufacturing Roadmap and Action Plan* was released in November 2018.

- The *Made in Queensland Program* continues to support small to medium sized manufacturers to increase their international competitiveness, productivity and innovation through the adoption of new leading-edge technologies. Outcomes of the second round of the program were announced in January 2019 bringing the total number of projects supported to 75. These projects are anticipated to create over 930 jobs over five years and generate $92 million in private sector investment.
- The *Manufacturing Hub* delivery model was launched in December 2018 following consultation with local businesses, local governments, unions and education institutions. Staff for hubs in Cairns, Townsville and Rockhampton commenced delivering services to build a strong and collaborative regional ecosystem with industry partners to accelerate the growth of several specialised existing industries.

Biomedical industry

Queensland's biomedical industry contributes $1.44 billion to the state economy and employs more than 9000 people, with the potential to grow by almost 40 per cent and deliver up to 3000 new jobs by 2027.

The industry faces challenges, such as accessing crucial investment, expertise and collaborative opportunities. The *Queensland Biomedical 10-Year Roadmap and Action Plan* responds to the industry's request for assistance in accessing the capital, skills and resources it needs to commercialise new products and compete in global markets.

During 2018–19, activities delivered in line with the action plan continued to support start-ups and promote Queensland's capabilities to attract investment, while focusing on supporting existing business to grow and attract new business. Activities included:

- development of an industry directory that will help connect businesses and industry leaders and assist companies to identify opportunities in the supply chain
- assistance to Queensland biomedical businesses and innovators to help them identify and access relevant government programs

- a networking session, as part of the 2018 AusBiotech Conference, for investment-ready businesses, investors and key industry leaders to foster collaboration within the industry and identify new opportunities in the supply chain.

Biofutures

The *Queensland Biofutures 10-Year Roadmap and Action Plan* is driving initiatives and investment to develop the industrial biotechnology and bioproducts sector, including energy from waste, across the state.

Biofutures Queensland and the biofutures policies of the Queensland Government have been recognised as leading Australia in the *Bioenergy State of the Nation Report* released by KPMG in November 2018.

The department sponsored the Bioenergy Australia's 19th Annual Conference held in Queensland from 16–19 October 2018. The Premier of Queensland received the inaugural Bioenergy Government Leadership Award recognising the Queensland Government's commitment to Australia's bioeconomy.

The Minister led a Queensland delegation of academic researchers and government and industry leaders at the BIO World Congress on Industrial Biotechnology in Philadelphia, U.S. from 16–19 July 2018. Queensland became the first jurisdiction in the world to have committed to pro sustainable fuel policies by officially joining the global *below50* campaign to support the production and use of sustainable biofuels after signing a Statement of Collaboration with the United Nations-backed group.

In March 2019, the department launched the $5 million Queensland Waste to Biofutures (W2B) Fund to further develop Queensland's biofutures industry and create new jobs, particularly in regional areas of Queensland.

Biofutures Queensland partnered with Virgin Australia, Gevo Inc., DB Schenker and Caltex to prove the readiness of Brisbane Airport's fuel supply chain to accept biojet fuel. Virgin Australia has flown over one million kilometres using biojet fuel supplied at Brisbane Airport.

Mining equipment, technology and services (METS)

The Queensland Government has invested $7 million through the *Queensland METS 10-Year Roadmap and Action Plan* to drive sector initiatives. A number of activities have been delivered in partnership with METS Ignited, the Australian Government's Industry Growth Centre for METS. These included:

- delivering the Resources Innovators, Scale-ups and Entrepreneurs (RISE) Accelerator with a cohort of eight Queensland companies
- launching a regional accelerator pilot program to help METS businesses improve their competitiveness to take advantage of future growth opportunities
- delivering an eight-week, half-day export capability development and investment ready program
- launching the Queensland Cluster Program to identify and facilitate business opportunities in digital and data analytics, tailings and mine affected water and robotics and automation
- delivering digital promotion workshops designed to upskill METS companies.

The $7 million Resources Centre of Excellence at Mackay received support through the Jobs and Regional Growth Fund and will deliver a world-class facility that drives research and innovation in the METS sector.

Resource recovery

The draft *Queensland Resource Recovery Industries 10-Year Roadmap and Action Plan* was released on 29 May 2019 and outlines a plan to divert waste from landfill and revolutionise the state's recycling, resource recovery and biofutures industries.

The department worked with industry to accelerate investment decisions, modernise and enlarge current operations, and enable or support the development and growth of new resource recovery businesses and supply chains.

Defence and Aerospace industries

Queensland's defence industries support around 6500 jobs and generated an estimated $6.3 billion in revenue (in 2015–16) with the Queensland Government aiming to add an additional 3500 jobs in this sector by 2028. The state is underpinned by a strong defence industrial base and world class capabilities. The Aerospace industry contributes significantly to Queensland's economy and jobs with aircraft manufacturing and repair businesses generating approximately $1.2 billion in revenue, contributing $565 million to Queensland's economy and over 4200 jobs.

Defence Jobs Queensland (DJQ) oversees the delivery of the Queensland Defence Industries and Aerospace 10-year roadmaps and action plans.

In September 2018, three expert advisory bodies were established—an overarching Minister's Advisory Council on Defence Industry and Jobs, and two regionally-focused boards for the north and south of the state.

The three groups provide expert advice and insight to advance key strategies of the *Queensland Defence Industries 10-Year Roadmap and Action Plan* to grow and promote industry capability, increase the state's contribution to national and international supply chains and markets, and create high-skilled jobs by targeting emerging markets.

Strategies

Space industry

The *Sky is not the limit: Building Queensland's space economy* report on the Queensland space economy, found that Queensland's space industry already creates $760 million in revenue each year, adding $500 million to the GSP and supports approximately 2000 jobs. By 2036 and with the right enablers, the sector in Queensland could contribute $3.5 to $6 billion to the state economy.

Queensland Parliament undertook an inquiry into the space industry's jobs and growth potential, tabling a report in February 2019. In May 2019, the Queensland Government responded to the report by accepting the recommendations in full or in part and signalling the development of a space strategy for implementation.

A Queensland Space Industry Reference Group consisting of industry representatives has been established to inform the state government on space industry opportunities.

Drone zones

To take advantage of Queensland's wide-open skies, low population density and relatively little air traffic, the department is engaging with key stakeholders to investigate the establishment of a common-user facility for the testing and evaluation of Unmanned Aerial Systems (UAS) in western Queensland.

This work is addressing regulatory and other imperatives that will determine if this catalytic infrastructure can become a reality in Australia. This work will be supported by a number of other sites addressing air, land and maritime UAS testing.

Craft brewing sector

Australia's first craft brewing strategy was launched in Queensland in November 2018 to support the industry's rapid expansion.

The Queensland Craft Brewing Strategy focuses on three key areas: investing in people and infrastructure, improving access to markets, and ensuring appropriate regulation and planning is in place to facilitate a supportive environment.

Hydrogen Industry

The *Queensland Hydrogen Industry Strategy 2019–2024* as released in May 2019. The objective of the strategy is to drive the development of an economically sustainable and competitive hydrogen industry that creates economic growth, opportunities for new export markets and generates the highly skilled jobs of the future while supporting the transition to a low-emission economy.

As part of the strategy implementation, international engagement with our major trading partners has been a priority, to capitalise on technology and support the ambitious renewable hydrogen targets for these economies as a reliable energy exporter.

In March this year, Japan's largest petroleum conglomerate JXTG, announced the first demonstration scale delivery of renewable hydrogen from Queensland to Japan. Hydrogen for this proof of concept delivery was produced at the Redlands Research Facility, which will host a renewable hydrogen research facility with the support of the Queensland Government.

University of Tokyo's Professor Sugiyama was appointed as Queensland's Hydrogen Envoy in Japan. Professor Sugiyama is a leading expert in hydrogen technologies with an extensive global industry network and will prove a valuable champion for Queensland hydrogen in global markets. This reflects the strong commitment to work with Queensland in developing technologies and expertise to meet Japan's hydrogen goals.

Superyacht

The *Queensland Superyacht Strategy* envisions that by 2023 the state's share of the global superyacht sector will have increased by 10 percent and that Queensland will be recognised as the key superyacht hub in the Asia Pacific region. This growth would create thousands of new highly-skilled jobs across the state and contribute hundreds of millions of dollars to the state's economy.

The department has established an industry working group to address skill issues in the superyacht industry in partnership with the Queensland maritime industry and government agencies. A key skill issue was addressed with the first tranche of 13 trainees graduating from TAFE SkillsTech's superyacht welding course.

Support was provided to the industry enabling two superyachts to moor in the CBD reach of the Brisbane River for the first time, and *MY Suri* to berth at Gold Coast City Marina for repairs.

Foreign investment activity

The Commonwealth's Foreign Investment Unit refers all Queensland-related foreign investment proposals to the department's Foreign Investment Secretariat to undertake a coordinated whole-of-government assessment and response.

During 2018–19, a total of 222 foreign investment applications—valued at around $80.1 billion—were referred to the Foreign Investment Secretariat. This represents a 14 per cent increase in applications compared to the previous year. The applications mostly related to the acquisition of agricultural land or businesses (including development of solar farms), followed by mining related proposals.

State Development Areas

State Development Areas (SDAs) are clearly defined areas of land established by the Coordinator-General to promote economic development in Queensland.

The Coordinator-General's responsibilities include the planning, establishment and ongoing management of SDAs throughout Queensland. The declaration of an SDA does not change the ownership of the land within the area. However, the Coordinator-General may compulsorily acquire land or easements within an SDA.

Two new SDAs were established during the year with the Cairns South SDA declared in November 2018, and the Tropical North SDA in the Cairns Central Business District (CBD)declared in April 2019.

There are currently 12 SDAs across the state comprising industrial hubs for large-scale and large-footprint industrial development at Abbot Point, Bromelton, Bundaberg, Cairns South, Gladstone, and Townsville; infrastructure corridors for co-location of infrastructure at Callide, Galilee Basin, Stanwell-Gladstone, and Surat Basin; and major development sites and public works such as the Queensland Children's Hospital and Tropical North.

During 2018–19, the Coordinator-General approved 24 SDA applications and requests relating to projects including high impact industry, renewable energy facilities, port handling activities, and extractive industry.

Should all these projects proceed, they could contribute a combined $1.061 billion in capital expenditure, 1253 construction and 489 operational jobs.

Cairns South

The Cairns South SDA comprises 856 hectares and was established to provide land for regionally-significant industrial development.

It was identified and selected because of its strategic location, size of the available area, access to significant transport rail and road networks, proximity to employment catchments, and suitable topography.

This SDA will facilitate growth and diversification of the Cairns economy as well as create jobs to support the long-term needs of the Cairns region. The Coordinator-General is preparing a draft development scheme to regulate development.

Tropical North

The Tropical North SDA was established to support timely delivery of the Tropical North Global Tourism Hub (GTH). Declared in April 2019, the 14-hectare site is located at the Cityport precinct in the Cairns CBD. In addition to the Tropical North GTH project, the site encompasses the Cairns Convention Centre, The Reef Hotel Casino, and the Pullman Hotel and Resort.

The SDA's strategic location presents a unique opportunity to unlock an under-utilised area of the Cairns CBD, create connectivity to employment catchments, provide a 'gateway to North Queensland' for cruise ships, and provide ready access to significant port and airport infrastructure.

Image: CSIRO hydrogen demonstration (CSIRO)

CASE STUDY

QUEENSLAND HYDROGEN INDUSTRY

The 2019–2024 Queensland Hydrogen Industry Strategy sets the direction to grow an economically sustainable and competitive hydrogen industry over the next five years.

Global demand for hydrogen is increasing, with much of that driven by Asia-Pacific markets.

Hydrogen is widely considered to be the ultimate clean, renewable fuel that can be used in a full range of applications across all sectors of the economy including industrial processes, transportation and power.

When used in a fuel cell, hydrogen is emission free. It can be produced from a variety of sources including natural gas and renewable sources such as solar, wind and biomass.

Queensland's new hydrogen strategy focuses on five areas:

- supporting innovation
- facilitating private investment
- effective policy frameworks
- building community awareness
- facilitating skills development.

The objective of the strategy is to drive the development of an economically sustainable and competitive hydrogen industry that creates economic growth, opportunities for new export markets and generates highly skilled jobs of the future while supporting Queensland's transition to a low emission economy.

This new industry has the potential to be as successful as the state's LNG industry.

Townsville

Following a review by the Coordinator-General and public consultation in 2018, an enhanced development scheme for the Townsville SDA commenced in May 2019. The enhanced development scheme streamlines assessment processes and will continue to support development opportunities, economic growth, and job creation for the greater Townsville region.

The Townsville SDA was declared in 2003 to provide for industrial development of regional, state, and national significance, which is reliant on direct access to the Port of Townsville, national freight rail, and major road networks. The 4915-hectare Townsville SDA is located approximately six kilometres south-east of Townsville's CBD and two kilometres south of the port.

Acceleration of the Townsville SDA is a key commitment in the Townsville City Deal, a 15-year collective program of planning, reform and investment in Townsville.

To facilitate this, the Coordinator-General acquired approximately 810 hectares of land in the Townsville SDA in mid-2018 to ensure it was readily available for development. In late 2018, an Expression of Interest was released on the open market seeking submissions from proponents interested in development in the Townsville SDA. Proposals were assessed and the Coordinator-General is negotiating with a preferred proponent to develop approximately 319 hectares of land.

Artificial Intelligence industry development in regional Queensland

Queensland is investing in Artificial Intelligence (AI) to support new business opportunities, jobs and careers of the future.

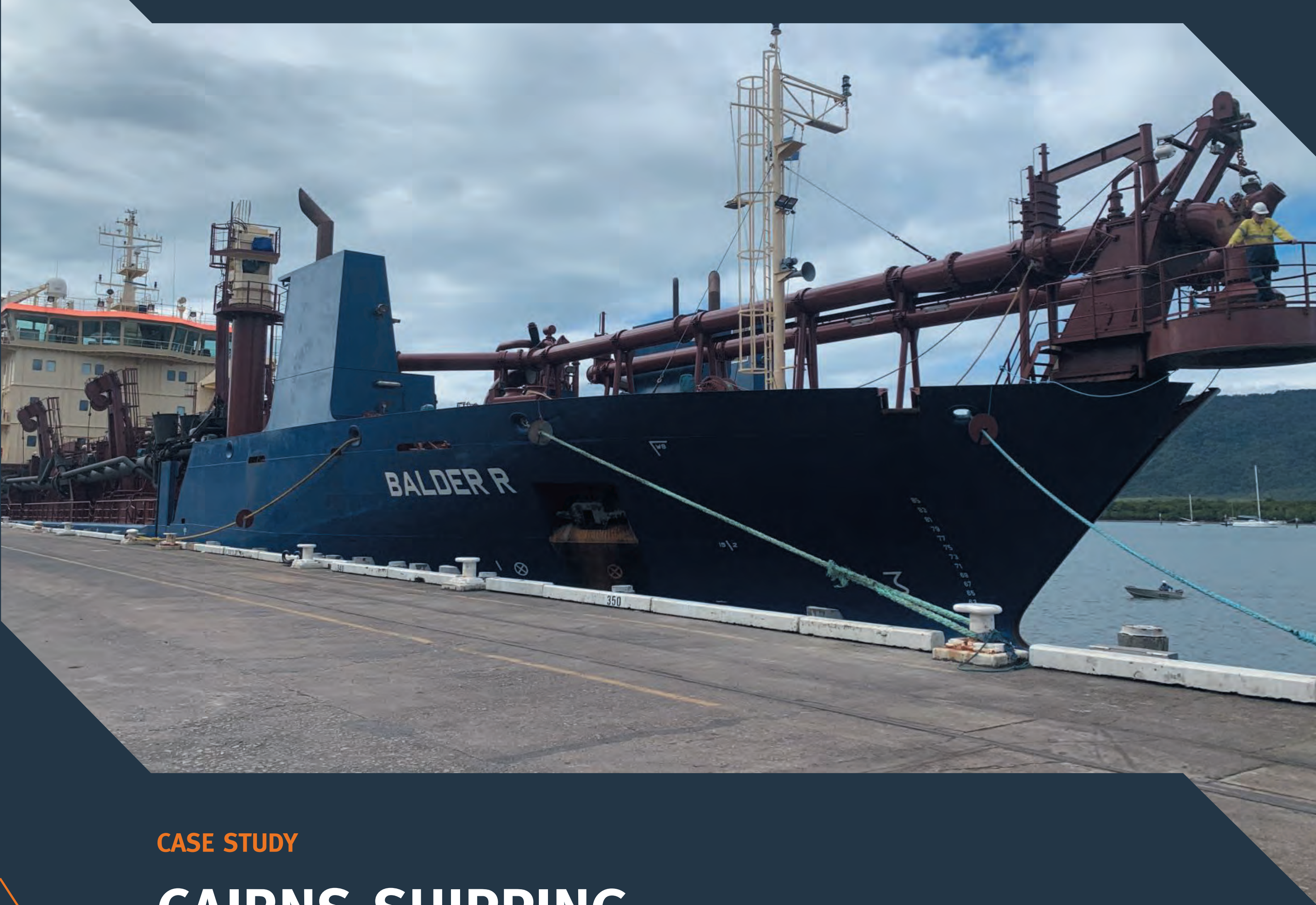
The department has assisted not-for-profit organisation IntelliHQ to operate as an innovation and commercialisation hub to transform healthcare through trusted AI. IntelliHQ is based at the Gold Coast Health and Knowledge Precinct, Asia-Pacific's emerging health and innovation hub.

As an accelerator, IntelliHQ supports the growth of the AI industry in Queensland in an ecosystem that enables access to critical research data, capital and other arrangements, resulting in commercial outcomes.

Future priorities

- Ensure that the review and approvals process for projects such as the Cairns Shipping Development Project, Guthalungra Aquaculture Project and Agripower Fertiliser Expansion continues in a timely manner.
- Progress assessment and delivery of large-scale and complex infrastructure projects through the Coordinator-General's statutory powers and whole-of-government coordination.
- Implement the *Resource Recovery Industries 10-Year Roadmap and Action Plan*.
- Continue to support and grow the biomedical industry to work towards the vision that by 2027 Queensland will be a globally competitive Asia-Pacific biomedical hub.
- Enhance the business capabilities of small-to-medium sized METS companies through business capability development programs.
- Development of a space strategy to support the Queensland Government's focus on growing this industry.

Image: Dredge vessel *Balder R* at the Port of Cairns (Ports North)



CASE STUDY

CAIRNS SHIPPING DEVELOPMENT PROJECT

The Port of Cairns caters for a diverse range of vessels, including cruise ships. Despite being one of Australia's busiest cruising destinations, the Port could not accommodate mega class cruise ships (up to 300 metres in length) which are increasingly common globally.

Following the Queensland Government's approval of the project business case in December 2018, Ports North is delivering the $127 million Cairns Shipping Development Project. The project involves dredging a wider and deeper shipping channel and swing basin, allowing visits by up to 150 cruise ships through the Port of Cairns by 2031.

The Coordinator-General approved the project in early 2018, subject to conditions to manage potential impacts on Trinity Inlet. The Minister for State Development, Manufacturing, Infrastructure and Planning declared the project a prescribed project on 29 January 2019.

On 1 July 2019, the dredge vessel *Balder R* started work on the shipping channel, with the backhoe dredge *Woomera* in place soon after to start dredging the inner harbour. This work is expected to be completed by mid-September 2019.

The project will grow the tourism industry in Far North Queensland and contribute $848.5 million to the regional economy by 2043.

2. Create a diverse, productive and sustainable economy for a fairer Queensland

Key strategies

- Develop growth strategies and provide support for emerging industries with high-growth potential.
- Support traditional and transitioning industries to maintain and increase productivity.
- Ensure the sustainability of our communities and industries by balancing economic growth and development with protecting our environment.
- Build the economic capacity and capability of regional and disadvantaged communities.

Defence supply chain hubs

The defence and aerospace industries are key sectors in Townsville and Ipswich. To support these industries and assist in their growth, Defence supply chain hubs are being established in both regions.

Hub staff will deliver services to help build SME capabilities and maximise opportunities to grow their business in the defence and aerospace sectors including linking them with industry primes and other key stakeholders.

North West Minerals Province

The department is leading the whole-of-government implementation of *A Strategic Blueprint for Queensland's North West Minerals Province*. Released in 2017 and supported by $39 million over four years, the blueprint contains a suite of actions across three strategic priorities:

1. facilitating continued resources sector development
2. diversifying the regional economy and creating employment opportunities
3. working with businesses and the community to deliver integrated and appropriate services.

During 2018–19, the department finalised detailed investigations including the Mine Tailings Audit and Common User Infrastructure Assessment that supported the launch of the *North West Queensland Economic Diversification Directions Statement* at the North West Futures Forum, held in Mount Isa in August 2018. The forum attracted more than 100 people from across government, industry and the community. It enabled stakeholders to discuss regional challenges and opportunities and to help shape the *Draft North West Queensland Economic Diversification Strategy*.

The department convened regional stakeholder advisory committee meetings comprising representatives from industry, business, regional economic development groups, community leaders, local and Australian governments and traditional owners, to facilitate input to the blueprint's implementation.

North West Queensland Economic Diversification Strategy

Release of the *Draft North West Queensland Economic Diversification Strategy* in May 2019 incorporated extensive consultation with local government and other key regional representatives. This strategy will be finalised following community consultation.

Strong and sustainable resource communities

In a Queensland first, the Coordinator-General acted under the *Strong and Sustainable Resource Communities (SSRC) Act 2017* to assess the social impacts of a large resource project undergoing an EIS process under the *Environmental Protection Act 1994*.

The Saint Elmo Vanadium project has an investment of $467 million and is predicted to create more than 200 construction jobs and 150 operational jobs. The Coordinator-General's assessment will consider the requirements of the *SSRC Act 2017* to ensure that the residents of Julia Creek, located 24 kilometres west of the mine, benefit from the project.

On 13 May 2019, the Coordinator-General applied the 100 per cent fly-in fly-out prohibition and anti-discrimination provisions of the *SSRC Act 2017* to the construction workforce for the Olive Downs Project. This was the first time the Coordinator-General required a project's construction workforce to be subject to the provisions of that Act.

The Olive Downs Project is a greenfield metallurgical coal mine located 40 kilometres south-east of Moranbah. The Coordinator-General set stringent conditions under the Act to manage the social impacts of the project and to ensure that local residents benefit from its construction and operation, including a recruitment hierarchy to encourage workers to live in nearby towns including Moranbah, Nebo, Middlemount or Dysart.

Transitioning paper-based plans to digital

As the construction sector moves from paper-based plans to digital, the department's *Digital Enablement for Queensland Infrastructure - Principles for BIM (Building Information Modelling) Implementation*, released in November 2018, will guide the Queensland Government's consistent adoption of this new approach, giving certainty to industry for investment and training decisions.

The principles set out requirements for each agency to develop a framework using an Open BIM approach. This will ensure all information is managed securely, supports a collaborative approach to drive best practice, and supports capacity development. A whole-of-government framework will meet the goal of implementing BIM on major government infrastructure projects by 2023.

This applies from 1 July 2019 to government construction projects with an estimated capital cost of $50 million or greater.

Industrial land development

EDQ is the department's specialist land use planning and property development unit. It functions to continuously plan and develop industrial real estate across Queensland to ensure the long-term supply of industrial land is managed in a way that enables future private sector investment.

During 2018–19, EDQ settled $32.9 million in land sales, generating 51 new jobs, supporting 464 existing positions with $250.3 million of capital invested in the state's economy.

Industrial estates where development has been enabled through land sales are located at Caloundra, Yandina, Moonaboola, Bohle, Coolum, Crestmead, Laidley, Nordale, Warwick, Narangba, and Woree.

Mount Emerald Wind Farm

Ratch Australia's $380 million Mount Emerald Wind Farm, located in Far North Queensland, was completed in November 2018, providing a clear demonstration of the Queensland Government's commitment to a 50 per cent renewable energy target by 2030.

The department provided facilitation support to Ratch Australia from project inception to approval to assist construction commencement dates to be met. Work packages for the 180-megawatt wind farm were promoted through the ICN Gateway and supplier capability development workshops.

The project resulted in $35 million spent locally during the two-year construction period, with 135 local jobs created. Port of Cairns received eight cargo vessels containing blades, wind towers and more than 450 components during the project.

Fraser Coast and Gympie regional office

In order to grow regional economic capacity, the department set up a Fraser Coast and Gympie Regional Office in 2018. The office is focused on developing the competitive advantages, opportunities and challenges within the immediate Fraser Coast and Gympie region.

A primary objective is to strengthen relationships with the Fraser Coast and Gympie Regional Councils as well as collaboration with the Wide Bay Burnett Regional Organisation of Councils (WBBROC) and its advisory committees.

Activation of resource sector opportunities in the Wide Bay Burnett minerals region

Since 2012, the department led support for the Wide Bay Burnett Minerals Group, formed to activate the Wide Bay Burnett minerals region.

Small minerals projects present significant regional opportunities. The resource sector offers economic diversification, supply chain growth opportunities and can drive infrastructure development for the benefit of other industries and the community.

The Wide Bay Burnett region has a broad range of minerals including gold, coal, ilmenite, bauxite, zinc, copper, nickel, cobalt, silica sands, kaolin and limestone.

A two-year action plan was developed by the group in 2019 with support from a wide range of stakeholders to guide activity addressing the challenges to growth.

Future priorities

- Continue to enable economic development in Queensland and assess the environmental impacts of major projects. In particular, the Coordinator-General will progress the assessment of the CopperString Project, a 1100-kilometre transmission line connecting the North West Minerals Province to the National Electricity Market grid, enabling economic development in the region through the delivery of reliable and competitively priced energy.
- The Coordinator-General will continue to support a diverse economy through the progression of a number of recently declared coordinated projects across the state including the Gladstone Energy and Ammonia Project, the Scenic Rim Agricultural Industrial Precinct, the North Queensland Country Club Resort and Equestrian Centre, and the Winchester South project.
- The Coordinator-General will continue to implement the *Strong and Sustainable Resource Communities Act 2017* by keeping the list of large resource projects and nearby regional communities to which the Act applies up to date. The Coordinator-General will monitor compliance with the 100 per cent fly-in-fly-out (FIFO) prohibition and anti-discrimination provisions to ensure the residents of these regional areas benefit from the mines nearby.
- Support the development of a Skills Implementation Plan for Advanced Manufacturing to drive the development of skills and capabilities to support the ongoing development of Queensland's advanced manufacturing sector.
- Support the transition to advanced manufacturing through delivery of various programs and services to improve the adoption of innovative technologies, processes and practices and showcasing the opportunities and achievements of the manufacturing industry.
- Continue to work with the beef processors to support the uptake of new technologies, investment opportunities and address industry impediments through the *Beef Processing Strategy*.
- Deliver a rail manufacturing strategy to transform the sector and position Queensland as a centre of excellence in rail manufacturing.
- Finalise the *North West Queensland Economic Diversification Strategy*, a key action of *A Strategic Blueprint for Queensland's North West Minerals Province*.
- Continue delivery of the three-year $100 million Resource Recovery Industry Development Program.
- Ensure Queensland remains at the forefront of the nation's bioenergy sector through its proactive leadership, world-class research and development, and strategic global relationships.
- Finalise fitout and establish Defence Supply Chain Hub facilities.
- Acquire land in Cairns to secure long-term development and meet future industrial land needs to support jobs and economic growth in the region.

3. Enable the development of public and private infrastructure projects that provide enduring benefits

Key strategies

- Set a clear vision for infrastructure investment and provide a framework for planning and prioritising infrastructure investment and delivery.
- Facilitate timely, coordinated and environmentally responsible infrastructure planning and development that supports Queensland's economic strategy.
- Deliver key public infrastructure projects and support the delivery of private infrastructure projects.
- Provide funding support for critical infrastructure in regional areas.
- Monitor and report on government's capital spending program.

State Infrastructure Plan

The annual update of the State Infrastructure Plan (SIP) Part B provides a coordinated and integrated approach to planning, funding and delivering infrastructure. It outlines the forward pipeline of regionally significant investment strategies across all infrastructure classes, providing business and all levels of government with the confidence to invest in Queensland.

SIP Part B, which was coordinated and compiled during the 2018–19 financial year and released on 23 July 2019, highlights a near-zero per cent under-spend for 2018–19, the best performance in 10 years; the second highest pipeline of public and private infrastructure projects ($147 billion) in the country, as reported in the March 2019 Deloitte Access Economics Investment Monitor; and the facilitation of significant private investment throughout Queensland.

The service area provides policy, coordination, planning and prioritisation of infrastructure activities, including monitoring and updating the SIP's Part A, driving infrastructure innovation and best practice across government and coordinating the state's input and advice on infrastructure-related issues to the Australian Government.

Monitoring the delivery of the capital program will continue to support the successful roll-out of $49.5 billion in infrastructure over the next four years.

Yeppoon Station Quarter Precinct

Yeppoon's rich rail history is back on track with the state government investing almost $1 million to restore the heritage-listed railway station building and construct an extension to the Capricorn Coast Pineapple Rail Trail. Funding was allocated through the Growth Area and Regional Infrastructure Investment Fund.

The 429-metre extension of the rail trail along James Street is part of a proposed 53-kilometre rail trail from Rockhampton that follows the heritage rail line. This investment is part of the broader reinvigoration of the historic Yeppoon precinct. EDQ is working closely with Livingstone Shire Council and the local community to redevelop the 2.4-hectare site.

Assisting the Department of Education's Building Future Schools Fund

The Coordinator-General is assisting the Department of Education with the acquisition of properties and access as part of the government's $808 million Building Future Schools Fund projects.

The Coordinator-General has acquired six properties for the new Inner City South State Secondary College, at Dutton Park, and has been requested by the Department of Education to open and close multiple roads as part of this school's development.

The Coordinator-General's powers to acquire land and open and close roads will help deliver on a key government commitment for the opening of the ICSSSC for Term 1 2021.

On 11 April 2019, the Coordinator-General permanently closed part of Horan Street, West End to facilitate the expansion of the West End State School.

Albert Street Cross River Rail Priority Development Area

A major milestone in the delivery of the $5.4 billion Cross River Rail project was achieved with the declaration of the Albert Street Cross River Rail PDA in December 2018. The new underground inner-city station, which will be the first to be built since Central Station opened in 1889, will transform the southern end of the Brisbane CBD.

Designed to alleviate a bottleneck at the core of South East Queensland's rail network, the new, distinctive rail station and proposed arrival plaza will integrate with the streetscape characteristics of Albert and Mary streets, while reflecting Brisbane's outdoor lifestyle.

Declaration of the station and surrounding land as a PDA will enable the Cross River Rail Development Authority to proceed with the station and surrounds redevelopment quickly and effectively.

Assisting with development of trunk infrastructure in Ripley Valley PDA

On 29 March 2019, the Coordinator-General acquired two easements in the Ripley Valley PDA for trunk sewer infrastructure. These easements were vested to Queensland Urban Utilities as the operator.

The trunk sewer infrastructure is critical to unlocking the development of the Ripley Valley PDA, servicing a total development of 10,600 dwellings and 5,000 square metres of gross floor area for commercial development.

The ability to acquire and access land gives proponents greater certainty about their ability to deliver and adhere to construction timeframes. Without the Coordinator-General's acquisition powers being used, these projects would not have been able to proceed in the time required, if at all.

Ensuring economic outcomes for regional communities

The Building our Regions (BoR) program provides funding for regional infrastructure projects that create flow-on economic development opportunities and jobs.

The program works with local governments to identify projects that will deliver local growth, support local businesses and create more liveable regional communities throughout Queensland.

At the end of the 2018–19, the $365 million BoR program administered by the department had approved 223 infrastructure projects across the state, generating an estimated 2419 jobs and attracting almost $487 million in additional investment from councils and other organisations. This includes $70 million for Round 5 announced in June 2019 to continue the success of the program.

Round four focused on funding regionally significant economic infrastructure projects that will deliver sustainable economic outcomes for regional communities.

Of the 223 projects approved under BoR, a total of 117 are now complete, with 61 of these completed during 2018–19.

These included:

- Aramac Aquatic Centre
- Biloela Pool Upgrade
- Birdsville Sewer Network Improvement Project
- Blackall's Pathway to Health
- Blackall-Tambo Internet Project
- Blackwater Sewage Effluent Irrigation Extension
- Boulia Sewer Upgrade Project
- Boyne Island Car Park
- Burdekin Sewerage Switchboard Upgrade
- Burnett Heads Town Centre Redevelopment
- Carnarvon Gorge Road Upgrade
- Cathro Park Railway Parklands Linkage Project
- Central Highlands Regional Floodways Program
- Cherbourg Historical Precinct Revitalisation
- Chinchilla Botanic Gardens
- Deep Creek Bridge Replacement
- Edwards Street Drainage Upgrade (Burdekin)
- Effective Effluent Reuse Project, St George
- Eulo Water Security Project

- Expansion of the Les Wilson Barramundi Discovery Centre, Karumba
- Forsayth Water Treatment Plant
- Gregory Water Treatment Plant Solar Power Project
- Horn Island Airport Boundary Fence
- Hughenden Aerodrome Security Fence
- Hughenden Landfill Upgrade
- Kenneally Road Sewer Upgrade
- Kershaw Gardens Revitalisation – Stage 2
- Kirkwood Reservoir, Gladstone
- Lake Eyre Rangers Office Building Upgrade
- Longreach East Water Main Upgrade
- Longreach Water Main Replacement
- Mission Beach Aquatic Facility
- Mogor Well Pump Station Upgrade
- Moranbah Reservoir and Associated Works
- Mornington Shire Council Service Station Upgrade
- Mornington Shire Fuel Facility Upgrade
- Mount Isa Civic Centre and Library Upgrade
- Mount Morgan Sewerage Extension Project
- Nikenbah Water and Sewerage Infrastructure
- Outdoor Extension to the Napranum PCYC Building
- Palm Island Sports Precinct
- Pittsworth Industrial Precinct Enabling Project
- Pormpuraaw Land and Sea Management Base
- Port Douglas Wastewater Treatment Plant – Sludge Handling System Upgrade
- Port Douglas Water Supply Reservoir
- Reeves Creek Water Main Upgrade
- Rockhampton CBD Smart Technologies and Working Hub
- Roma Airport Runway Upgrade
- Roma Sewer Main Upgrade
- Roma Water Main Augmentation
- Runway Lighting, Charters Towers Airport
- Shellgrit Creek Drainage Upgrades
- Stage 1A Rubyanna Wastewater Treatment Plant
- Steger Road Infrastructure Enabling Project, Toowoomba Enterprise Hub
- Toowoomba Enterprise Hub Stimulus Project
- Townsville Airport Industrial Area Water Main
- Urangan Pedestrian/Cycle Shared Pathway
- Weigh Bridge Facility, Horn Island Quarry
- Wyandra Water Security Project
- Yarrabah CCTV Security Project
- Yowah Water Security Project.

Royalties for the Regions

The Royalties for the Regions infrastructure funding program has now closed. As at 30 June 2019, 96 per cent of projects funded under this program were completed. The department continues to work closely with local governments to deliver and acquit the remaining five projects.

Elliot Springs, Townsville

Under the state government's catalyst infrastructure program, $15 million was co-invested in the construction of essential catalyst infrastructure in Townsville's major master-planned residential development, Elliot Springs.

The funding provided for the construction of a signalised intersection and approximately 700 metres of major collector road, creating about 30 jobs and providing greater access for the development.

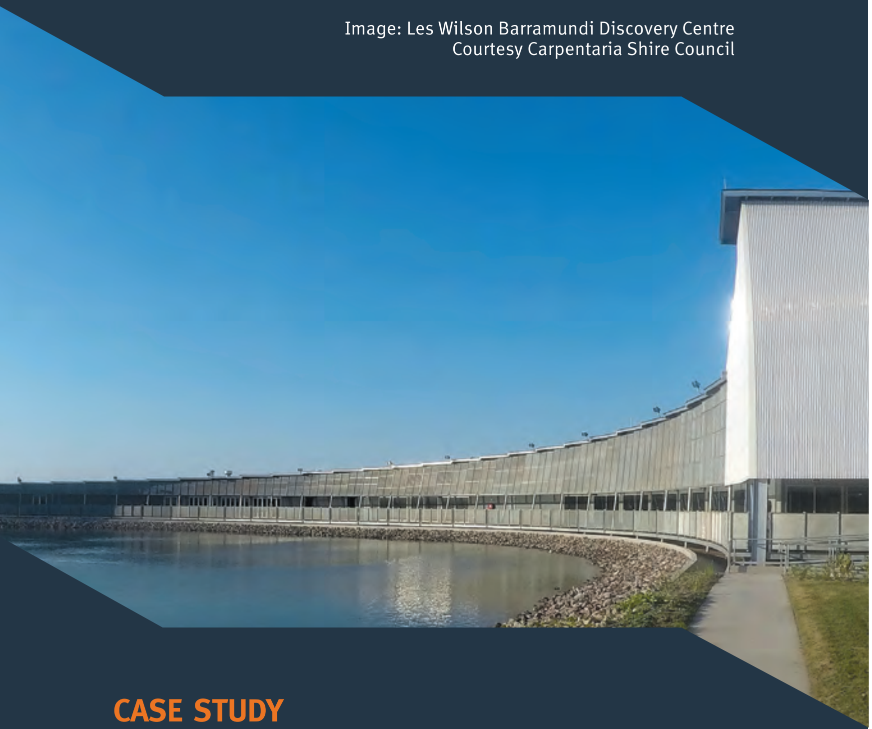
Toowoomba Second Range Crossing

The department has been working with stakeholders on the Toowoomba Second Range Crossing (TSRC) project, completed in the second half of 2019.

Keen to ensure local businesses were able to participate in the project, the department undertook a strong capability development campaign, working with NEXUS to achieve its target of 76.25 per cent local content. NEXUS has exceeded its target as a result of a genuine commitment to engage with the department, councils, chambers of commerce and local businesses.

The TSRC has provided extraordinary benefits to the local business community with those delivering work directly on the project seeing growth in capability. More broadly, feedback highlighted the positive flow-on effects to businesses who did not work on the project, reporting increased trade and customers.

Image: Les Wilson Barramundi Discovery Centre
Courtesy Carpentaria Shire Council



CASE STUDY

EXPANSION OF THE LES WILSON BARRAMUNDI DISCOVERY CENTRE

The Les Wilson Barramundi Discovery Centre at Karumba is now a substantial regional tourist and community facility since its redevelopment and expansion officially opened in May 2019.

The project—funded with more than $4.2 million from Building our Regions—comprises an interpretive centre exploring the life cycle of the barramundi, ponds to grow hatchlings and provide a fishing experience for visitors, along with a souvenir and merchandise shop, cafe and event space.

Transformation of the existing centre into a high-quality visitor attraction better meets the expectations of the domestic and international tourist markets, and provides recreation and social opportunities for local residents as well as sustainable job options and growth for the local economy. Council estimates the centre has potential to support up to 26 ongoing jobs, including a full-time tourism officer, tour operators and hospitality staff.

The new centre gives council opportunities to work with tourism, retail and fishing operators as well as education institutions. For example, local school students can now learn about the sustainable fishing and the unique Gulf environment in an interactive and engaging setting.

Expansion of aged care facilities at Nareeba Moopi Pa, Dunwich

This project responds to strong demand for additional aged care facilities on North Stradbroke Island (Minjerribah) with the aim of delivering an additional 10 beds.

The Queensland Government has provided $2.7 million for the project, with the Australian Government contributing $1.18 million.

Preliminary studies have been completed, including a review of Building Act compliance, a town planning report and an initial environmental assessment. The principal consultant/architect and quantity surveyor have been appointed and are undertaking detailed design work with construction anticipated to start later in 2019.

Growth areas social infrastructure planning

The Community Hubs and Partnerships (CHaPs) program facilitates collaborative partnerships to deliver social and economic outcomes through social infrastructure investment and cost-efficient use of community assets.

CHaPs works with state and federal agencies, local councils, non-government organisations and the private sector to facilitate place-based social service and infrastructure solutions. Existing and developing communities with high population growth and changing social and economic needs are benefiting from this innovative program.

CHaPs is responding to rapid population growth in South East Queensland’s four PDAs—Yarrabilba, Caloundra South, Greater Flagstone and Ripley Valley—by leading a cross-sector, collaborative approach to the timely delivery of social infrastructure and services to meet growing community needs.

The $3.6 million Yarrabilba Family and Community Place located next to the new Yarrabilba State School, opened in October 2018, providing timely access to a range of services for families, children and the broader community.

CHaPs is facilitating planning of a shared government and non-government schools and community precinct and the development of a partnership model for education, training and employment pathways for students and the broader community.

The program is also facilitating collaborative opportunities to maximise efficiencies in land and infrastructure use within the Baringa (Aura) State High School.

In Ripley Valley, CHaPs is facilitating feasibility planning of the Providence (Ripley) integrated services hub, an integrated services hub proposed to be co-located with the first primary and secondary state schools in the development.

CHaPs is a partner in the University of Melbourne-led Schools as Community Hubs National Research Project, investigating how to best plan, design, govern and manage infrastructure to maximise schools as community hubs, enabling resilient and connected communities.

CHaPS is developing the capability of partners and stakeholders across Queensland to implement best practice approaches to collaborative social infrastructure planning, investment and delivery.

Infrastructure Innovation Challenge

An Infrastructure Innovation Challenge was held in September 2018 in conjunction with the Infrastructure Association of Queensland's (IAQ) Infrastructure Summit. This challenge was a partnership of the Queensland Government, IAQ and QUT to innovatively explore the growing trend of shared mobility.

Participants from government, industry and academia pooled their knowledge sparking several innovative solutions that emphasised the role technology can play in future infrastructure planning and delivery.

The challenge demonstrates the government's continued commitment to innovative solutions to a range of infrastructure challenges and the importance of collaboration.

Future priorities

- Assist the Department of Education with access to land for projects under the Building Future Schools Fund to enable the delivery of vital community infrastructure.
- Deliver the $70 million round five of the BoR program funding job-creating infrastructure in regional communities to improve liveability and economic conditions.
- Continue to work closely with the Cross River Rail Delivery Authority and Brisbane City Council to investigate and plan for PDA declarations around several of the nominated Cross River Rail stations.

Image: Cedar Grove Environmental Centre under construction

CASE STUDY

GREATER FLAGSTONE AND YARRABILBA PRIORITY DEVELOPMENT AREAS

The Greater Flagstone and Yarrabilba PDAs are in the state's fastest growing population corridor, with an estimated 200,000 people moving to the two areas over the next 30 to 40 years.

The Queensland Government, Logan City Council and nine major developers finalised a $1.28 billion Sub-Regional Infrastructure Agreement (SRIA) for the PDAs in May 2019. It was the largest infrastructure agreement of this type executed by any government in Australia and will secure the needs of the community over the next 45 years.

The SRIA provides a funding framework to progressively deliver essential services like water, sewer and roads to support development and connect residents to surrounding communities.

Significant funding already committed to the delivery of infrastructure within these PDAs includes:

- $5 million for construction of the Homestead Drive Bridge across the Brisbane to Sydney railway line, connecting 7500 future residents to Flagstone City Centre
- $10.07 million in upgrades along key roads to ensure car, bus, pedestrian and cycle access into and throughout the PDAs
- $4.25 million for construction of the Travis Road Reservoir providing water supply for up to 20,000 homes in Yarrabilba
- $40 million towards stage one of a state-of-the-art wastewater treatment plant at the Cedar Grove Environmental Centre
- $19.6 million for subsidised public transport over 10 years.

4. Create well-planned Queensland communities that are prosperous, resilient and sustainable

Key strategies

- Develop and administer sustainable state and regional planning policies and frameworks.
- Provide planning leadership and best practice advice to state government, local government, industry and community.
- Integrate land use, transport and infrastructure planning to improve connectivity and optimise economic growth and job access potential across the state.
- Develop the state's surplus property portfolio to improve community wellbeing and drive local economic growth.
- Ensure adequate land supply through the planning framework and use surplus state land to contribute to housing and land affordability.
- Lead economic recovery efforts following adverse weather events.

ShapingSEQ implementation

The department continues to investigate, implement and report on key principles and actions outlined in ShapingSEQ, the regional plan for South East Queensland (SEQ).

An SEQ Growth Monitoring Program has been established, along with the SEQ Housing Supply Expert Panel (HSEP) which supports the provision of sufficient land supply to address housing affordability in the region. The SEQ HSEP consists of nine experts from the fields of planning, economics, demographics and property across Australia.

In December 2018, the department released the first annual Land Supply and Development Monitoring online report for SEQ. The SEQ HSEP commented that the report was nation-leading in its collection, analysis and reporting on land supply and development activity, and noted that SEQ local governments had planned to cater for the next 15 years of expected dwelling growth.

The department also published two online dashboards, *Measures that Matter* which compares aspects of the natural, economic and social environment against the region's preferred future; and the regional plan progress report which tracks the progress of implementation actions identified in *ShapingSEQ*.

Other significant implementation actions are being developed in consultation with key stakeholders. These include investigating under-utilised land within the SEQ Urban Footprint, the Northern Inter-Urban Break and Beerwah East Major Development Area.

Economic Development and Other Legislation Amendment Act 2019

The department has responded to industry feedback addressing a range of operational matters identified in the first 12 months of Queensland's new planning system. Local government and industry stakeholders supported a range of amendments to the *Planning Act 2016* to clarify various technicalities and remove unnecessary regulatory burden in the planning system.

The *Economic Development and Other Legislation Amendment Act 2019* (EDOLA) amended a number of Acts. The amendments to the *Planning Act 2016* expanded the use of electronic information-sharing in the planning system and also reduced obligations on submitter appellants.

The amendments to the *Economic Development Act 2012* further streamlined and improved the planning and development assessment framework that applies to declared priority development areas (PDAs) within the state.

Image: Toowoomba Wellcamp Airport, home to the new Qantas Group Pilot Academy (DSDMIP)

CASE STUDY

QANTAS GROUP PILOT TRAINING ACADEMY

Qantas is bringing its first world-class pilot training facility in regional Australia to Toowoomba following department-led efforts to win the project.

More than 60 regional airports across Australia vied to be chosen as home base for two proposed Qantas Group Pilot Training Academies for the next generation of commercial pilots.

The department assisted the Queensland regional airports who wanted to get the jump on the competition and land the Flying Kangaroo, coordinating a state proposal to attract the pilot training facilities to Queensland.

Toowoomba was announced in September 2018 as the successful location for the first pilot academy–a team effort from the department, Toowoomba Wellcamp Airport and Toowoomba Regional Council.

The Toowoomba academy will jet in hundreds of highly skilled jobs, training and aviation career opportunities to the Darling Downs. The academy will have the capacity to train up to 250 pilots annually from early 2020, creating up to 160 jobs in training and support roles.

In addition, up to 100 direct and 300 broader construction industry jobs are being created as hangar, classroom and student accommodation facilities are built at Toowoomba Wellcamp Airport.

In another win for Queensland aviation, Qantas announced the central Queensland city of Mackay was its preferred location for the second pilot training academy in July 2019. The department will continue its work with Qantas to deliver the second academy.

Strong and Sustainable Resource Communities Act 2017

The *Strong and Sustainable Resource Communities Act 2017* commenced on 30 March 2018 and is aimed at ensuring that residents of communities near large resource projects benefit from these projects.

The Act:

- prohibits 100 per cent fly-in-fly-out workforce arrangements on large resource projects
- prevents discrimination against locals in the future recruitment of workers through amendments to the *Anti-Discrimination Act 1991*
- makes an enhanced social impact assessment mandatory for large resource projects.

Since the Act commenced, the Coordinator-General has declared 61 large resource projects and 271 nearby regional communities to which the Act applies, including six nearby regional communities added in response to stakeholder requests. The Coordinator-General has also consulted on the declaration of an additional eight mines that would comply with the Act and on what their nearby regional communities may be, to ensure local benefits.

Innovation and Improvement Fund

The department established the Innovation and Improvement Fund in 2017 as part of its planning reform agenda. The funding supports councils to deliver innovative ways to improve their planning systems and practices, and to engage with their customers and communities about planning.

Round one allocated $2.55 million in funding benefitting 40 councils across the state to deliver 33 innovative projects. Most of these were completed during 2018–19, including the Sunshine Coast Regional Council's *Development.i.* system which allows the public to readily access information about development applications in the Sunshine Coast. In November 2018, the Minister approved 24 applications under round two with a total allocation of $2.057 million.

Ministerial Infrastructure Designations

The Ministerial Infrastructure Designation process sees the Planning Minister decide requests for community supporting infrastructure developments. The process provides a pathway for developments that service the needs of local communities and deliver necessary social, environmental and economic benefits to Queenslanders. Under the process, the Minister must be satisfied that adequate environmental assessment and consultation has occurred, including consultation with the community and targeted consultation with local government.

During the 2018–19 financial year, the Planning Minister made 66 Ministerial Infrastructure Designations worth approximately $990 million in capital expenditure including 48 new and expanded schools, nine emergency services facilities and three hospital and health care facilities.

Development assessment

The department, through the State Assessment and Referral Agency (SARA), balances protecting state interests with facilitating sustainable development across Queensland. During 2018–19, 2356 decisions were issued including:

- 1632 referral agency responses
- 362 assessment manager decisions
- 161 minor changes
- 57 other changes
- 3 extension requests
- 141 early referal responses.

A significant part of SARA's role is also the provision of pre-lodgement advice to applicants before a development application is lodged. During 2018–19, SARA issued a total of 1166 pre-lodgement advices.

The Spit Master Plan

The department, in collaboration with the City of Gold Coast and the Gold Coast Waterways Authority, finalised a master plan for The Spit establishing a shared vision for the long-term future of this renowned destination.

The master plan provides a blueprint to revitalise The Spit and increase its benefit to the Gold Coast as a community asset. It sets aside 138 hectares of green space, unlocks the potential for 1800 new jobs and 800 new short-term accommodation rooms, and the creation of vibrant community spaces and outstanding natural areas. It also creates the stability to encourage private sector investment in new and existing businesses on The Spit.

The state government has committed $60 million to commence implementation of the master plan over the next four years. These funds will support delivery of key community infrastructure outcomes identified in the master plan to improve public amenity and enhance the tourism experience on The Spit.

Dunwich (Goompi) Master Plan

The department is preparing a master plan for Dunwich (Goompi) on North Stradbroke Island (Minjerribah) in partnership with Quandamooka Yoolooburrabee Aboriginal Corporation and the Redland City Council.

The master plan is a key initiative under the North Stradbroke Island Economic Transition Strategy (NSIETS), which aims to assist the island transition to a more sustainable economy as sand mining is phased out. Preparation of the master plan has been guided by significant engagement with the community and project partners, with a draft plan expected to be released for community consultation in late 2019.

Remote Area Boards

Remote Area Boards (RABs) aim to support economic development projects across remote Queensland.

Projects funded under the two-year 2016–18 RAB Funding Program have been acquitted. In July 2018, the Minister approved $2.25 million in funding over three years, with eight projects endorsed in the first year of funding.

The RAB forum arranged by the department in Cairns in May 2019 was attended by members of all five RABs, including the latest member, the Torres and Cape Indigenous Councils Alliance, and key program stakeholders including the Queensland Reconstruction Authority, James Cook University and the Regional Australia Institute.

A total of $1.5 million will be made available for Years 2 and 3 of the 2018–21 funding program. This funding will provide certainty for RABs to continue to deliver projects that will contribute significantly to economic development in their respective regions and to wider regional Queensland.

Government Champion program – Aurukun

The Government Champion program provides an opportunity for chief executives of Queensland Government agencies to work together with identified communities towards improving life outcomes for Aboriginal people and Torres Strait Islander people, in a collaborative partnership.

During 2018–19, the department assisted the Director-General to coordinate improved government services and initiatives to deliver innovative, efficient, effective and integrated services to the Aurukun community. Achievements included:

- progressing construction of the Archer River barge ramp south of Aurukun to reduce travel time to the Southern Wik homelands and opening the area for cultural visits and potential economic benefits including small scale tourism, increased ranger programs and cattle operations
- providing impetus for the Wik Kath Min Aurukun good stories project that works with community members to create a community values statement to guide actions and interactions.

Economic Functional Recovery Group

The department is the lead agency for the Economic Functional Recovery Group (EFRG) which provides strategic advice to the Queensland Government and stakeholders on the economic impacts of a disaster and the proposed response to advance recovery. Membership is drawn from relevant government agencies, mayors and peak industry groups and businesses.

The EFRG met three times following the monsoon trough event in North and North West Queensland in January and February 2019. The department worked with EFRG representatives to pinpoint economic recovery priorities for inclusion in an economic recovery plan that formed part of the State Recovery Plan. The department appointed the Executive Regional Director – North Queensland to the role of Senior Executive for Economic Recovery to fast-track recovery efforts.

Yeronga PDA

The redevelopment of the unused former Yeronga TAFE site is now underway following declaration of the PDA and the demolition of the old, unsafe buildings. Since 2017, EDQ has been working with the neighbouring Yeronga State High School and the local community, gathering meaningful feedback to guide the redevelopment.

As a result, the proposed rejuvenation of the approximately three-hectare site will include a predominantly mixed-use community, offering a range of diverse and innovative housing options, public open space, and localised retail and small business opportunities.

The cornerstone of the renewal is the delivery of a new permanent facility for the Yeronga Community Centre and any co-located community uses, providing ongoing access to services and social and cultural activities in the area.

Oxley PDA

The Oxley PDA will allow for the redevelopment of a former secondary college into a liveable, connected and environmentally responsive community. Declared a PDA in August 2018, the site was identified as an urban renewal precinct under the *Advancing our cities and regions* strategy. Works to demolish and remove disused buildings and remediation were completed in June 2019.

Significant community engagement has been undertaken which has shaped the renewal of the 19-hectare parcel of land. Redevelopment will include the preservation of significant bushland, detached houses on average 800 square metre lots and

Image: Southport beach (DSDMIP)

CASE STUDY

THE SPIT MASTER PLAN COMMUNITY-LED ENGAGEMENT

The Spit is one of South East Queensland's most treasured places for locals and visitors alike. However for many years the area had lacked clear direction for its future.

Between February 2018 and May 2019 the Queensland Government, in collaboration with the City of Gold Coast and Gold Coast Waterways Authority, undertook a community-led engagement process to develop a master plan for The Spit.

Rather than starting with a set of options, community members were asked what they valued about The Spit. This information later informed an options report and final master plan.

Up to 50 people from varying backgrounds took part in a series of workshops which adopted an enquiry-by-design approach, allowing them to provide feedback at key stages in the process.

A series of pop-up sessions in locations across the Gold Coast was supported by online engagement for those unable to attend public events.

Over the course of the consultation, discussions about The Spit moved to being a platform for shared values and a shared future, where ideas secured in the final master plan were developed by the community, for the community.

More than 31,000 people contributed to the engagement process which resulted in the final master plan, a single vision for the area.

CASE STUDY

COORDINATED PLANNING TO PROTECT SEA TURTLES

Bundaberg is home to the largest rookery for the endangered loggerhead turtle on the east coast mainland of Australia. The Mon Repos rookery is an important ecological and economic resource for the region, attracting more than 30,000 visitors each year.

In May 2019 the Minister for Planning made a Temporary Local Planning Instrument (TLPI) to protect nesting turtles in the region from adverse impacts of new development along the coastline. The TLPI provided certainty for tourism in the area, which means certainty for jobs.

The TLPI was made shortly after the Minister made a decision on the development application for the Esplanade Jewel development at Bargara. The approved design delivered a better outcome for local marine life, the community and local businesses.

Recognising that sea turtles also frequent other parts of the Queensland coast, the state government released a Sea Turtle Sensitive Area Model Code, based on the provisions from the Bundaberg TLPI.

The coordinated planning approach strikes a balance between supporting coastal development and protecting sea turtles. This recognises sea turtles are a major economic and environmental asset for the Bundaberg region. The model code has also raised the profile of sea turtle conservation in Queensland.

an aged care/retirement precinct including a neighbourhood community facility. Another key aspect of the project will relocate the existing flood prone C&K Yuingi Community Childcare Centre to a flood free site.

Fitzgibbon Chase

The final chapter in the Fitzgibbon Chase story is now complete with The Nest, a new retail and commercial precinct, open for business. Designed for a community that continues to flourish, The Nest precinct provides residents and the local community with convenient services and amenities.

It seamlessly mixes community conveniences with outdoor spaces and unique business residences that offer locals flexibility in their home and work life, creating an environment where small business can thrive. Fitzgibbon PDA was declared in 2008 and has since delivered innovative, affordable housing and inviting, usable parks and green space to its 3500 residents.

Transport for Caloundra South and Ripley Valley PDAs

Residents in the booming Caloundra South and Ripley Valley PDAs are enjoying the early delivery of public transport services providing a link to broader bus and train services in the area and greater transport flexibility.

For Sunshine Coast residents, the new route 606 bus service was introduced in March 2019 providing more than 200 weekly trips between Baringa, the greater Caloundra South area and Caloundra West.

In the Ripley Valley PDA, the new 531 bus service features seven stops connecting Springfield Central Station and Orion Shopping Centre to Yamanto via the PDA.

Carseldine Urban Village

Development is underway on the former QUT Carseldine campus grounds with a new $6.5 million sport and recreation precinct to promote health and wellbeing.

The project will deliver three new rectangular fields, volleyball and tennis courts, a half-court basketball court, turf cricket-pitch and synthetic practice nets. It will also include a children's all abilities playground, exercise equipment, barbecues, shaded seating, new toilet and change room amenities, and more than 120 new car parking spaces.

A further $1 million has been committed for a new pedestrian and cycle bridge to be built across nearby Cabbage Tree Creek to give local residents and students safe, direct access to the sporting precinct.

Yeerongpilly Green

Yeerongpilly Green is set to become a new mixed-use lifestyle precinct over the next decade. Located adjacent to the Queensland Tennis Centre and Tennyson Reach, this new urban village will be well connected with green parks and walkways providing access to the Brisbane River, the high-street shopping area and to the Yeerongpilly Railway Station.

Substantial completion of the $17.7 million Stage 2 urban realm works was achieved in 2018–19, delivering a riverside park and upgraded and realigned King Arthur Terrace, Mooney Street, Bedivere Street, and connections to the road network delivered during Stage 1.

At completion, the urban village will include up to 1200 residential apartments, boutique shopping and dining spaces, a supermarket and specialty stores, a boutique hotel, including the restoration and reuse of existing heritage buildings.

Future priorities

- Establish a governance framework and commence implementation of The Spit Master Plan by releasing development opportunities to the market and establishing appropriate governance arrangements to oversee delivery of the community infrastructure identified in the Master Plan.
- Finalise the draft North Queensland Regional Plan, including formal public consultation on the draft.
- Continue to facilitate the planning and delivery of master planned communities in partnership with the community and development industry.
- Under the SEQ Growth Monitoring Program, publish the second annual Land Supply and Development Monitoring online report and the measures contained with the *Measures that Matter* online dashboard.

Image: New house, Springfield Lakes

CASE STUDY

SEQ GROWTH MONITORING PROGRAM

By 2041 South East Queensland is expected to be home to nearly two million additional people, requiring approximately 794,000 new dwellings to be delivered during that time.

To help manage this growth, the Queensland Government committed $5 million over two years to establish the Growth Monitoring Program.

During 2018–19, the department delivered core elements of the Growth Monitoring Program.

The Housing Supply Expert Panel met three times and provided invaluable independent advice to the Queensland Government on a range of land supply issues in South East Queensland.

The first Land Supply and Development Monitoring report and *Measures that Matter* dashboard were also released. The online report compiles a wide range of data to monitor land supply and development trends in one central location.

Together, the online report and dashboard help to better monitor growth to ensure land across the region is allocated appropriately and that the region is tracking towards its preferred future for 2041.

5. Attract and stimulate investment in Queensland to grow the economy and create secure, long-term jobs

Key strategies

- Lead a whole-of-government approach to increase private sector investment in Queensland.
- Attract high-growth industries, such as advanced manufacturing and knowledge-based industries, to provide secure, well-paid jobs for the future.
- Strengthen investor confidence by coordinating and communicating a pipeline of Queensland's major projects.
- Strengthen Queensland's supply chain infrastructure to improve Queensland's attractiveness to the private sector.
- Ensure that Queensland's planning system gives confidence for investors and supports investment attraction.

Major project facilitation

The department continued to deliver tailored facilitation services on project approval pathways, supporting infrastructure requirements and coordination across all three levels of government to advance major private sector projects. These services can be integral to the timely delivery of projects to maximise the economic and employment benefits for Queensland. Activities included:

- assisting industrial manufacturer Incitec Pivot to secure arrangements for the continued operation of its chemical plant near the Port of Brisbane, and the jobs of 400 workers at the plant
- continuing to support development and construction of the Port of Brisbane's $158 million new international cruise terminal in Brisbane, supporting an estimated 245 jobs each year during construction, with an additional 49 jobs to be created each year over the next 20 years.

During 2018–19, 18 private sector projects being facilitated by the department commenced operation or were under construction, generating approximately $2.1 billion in direct capital investment and creating approximately 2400 direct construction jobs and 900 direct operational jobs.

As at 30 June 2019, 53 private sector projects (including nine under construction) were receiving facilitation support with a potential to generate approximately $10.4 billion in investment, 8000 construction jobs and 5000 operational jobs. Of these, 89 per cent are located outside of South East Queensland.

Regional export distribution centre

The Queensland Government made an election commitment to provide up to $10 million through the Jobs and Regional Growth Fund (JRGF) for development of an export distribution centre pilot in regional Queensland. The pilot aims to boost rapid air freight access to international markets for agricultural producers, supporting job creation and enhancing agricultural productivity.

An Invitation for Expressions of Interest process attracted 10 proposals from areas including Cairns, Townsville, Whitsundays, Rockhampton, Bundaberg and Toowoomba.

Two companies were selected to receive initial funding support to develop business cases: Wagner Group Holdings Pty Ltd, based in Toowoomba, and Air Freight Handling Services Pty Ltd, in Cairns. Outcomes of the selection process for the distribution centre pilot are expected in late 2019.

Coordinator-General facilitated projects

The Coordinator-General has wide-ranging powers under the *State Development and Public Works Organisation Act 1971 (SDPWO Act)* to assess, decide and facilitate major projects.

The coordinated project process provides certainty for industry and communities, while ensuring environmental, social and economic benefits and costs are properly managed.

As at 30 June, the Coordinator-General was facilitating 30 major projects. Of these, 18 were prescribed projects with a combined capital expenditure of $25 billion and around 15,400 construction jobs and 14,200 operational jobs.

During 2018–19, five prescribed project declarations were made:

- Cairns Shipping Development Project
- Sconi Project
- South Rockhampton Flood Levee Project
- Guthalungra Aquaculture Project
- Agripower Fertiliser Expansion Project.

Seven existing projects were extended to facilitate timely delivery of projects:

- Gold Coast International Marine Project
- Great Keppel Island Resort
- Isaac Plains Mining Complex
- Ravenswood Expansion Project
- Shute Harbour Marine Project
- Capricorn Copper Mine Refurbishment and Restart Project
- Kidston Project.

Coordinated project delivery

Coordinated projects play a key role in the resources, energy, manufacturing, transport, tourism, agricultural and infrastructure sectors. The projects are typically large, complex and require a comprehensive and coordinated whole-of-government assessment.

Since 1 July 2018, the Coordinator-General declared seven coordinated projects across diverse sectors. The projects have a combined value of approximately $4.4 billion and are estimated to create over 6900 jobs during construction and operation. These projects are:

- 15 Mile Irrigated Agricultural Development project
- Kidston Pumped Storage Hydro Project
- Gladstone Energy and Ammonia (coal gasification plant)
- Winchester South (coal mine)
- North Queensland Country Club Resort and Equestrian Centre
- CopperString Project (electricity transmission infrastructure)
- Scenic Rim Agricultural Industrial Precinct.

During 2018–19, the Coordinator-General also approved four coordinated projects including:

- China Stone Coal
- Kidston Pumped Storage Hydro Project
- Olive Downs
- Six Mile Creek Dam Safety Upgrade.

These projects have a total capital expenditure of around $8.1 billion and potential for around 4900 construction jobs and 4400 operational jobs.

Cross River Rail Project

The Coordinator-General manages, coordinates and evaluates environmental and social impact assessments of the Cross River Rail project—a declared coordinated project under the *SDPWO Act*.

The Cross River Rail project is Queensland's highest priority infrastructure project, with a new north-south 10.2 kilometre rail line connecting Dutton Park to Bowen Hills that includes 5.9 kilometres of tunnel under the Brisbane River and CBD and new rail stations at Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition showgrounds. The Cross River Rail project will transform public transport in the region and revitalise the precincts around the new rail stations.

The Coordinator-General's successful on-time delivery of approved change reports has enabled the Cross River Rail Delivery Authority to proceed through project detailed design phases and into contract negotiation with relevant consortia so this important infrastructure project can be delivered, for the benefit of South East Queensland and the state.

The preparation and approval of the most recent Coordinator-General's change report enabled the state government to sign-off on construction contracts with the consortium selected to deliver the project, locking in the delivery of this key infrastructure project for Queensland.

Brisbane International Cruise Terminal

The $158 million Brisbane International Cruise Terminal will support expansion of the cruise ship market in Queensland, stimulating the economy and bringing more tourists to the state. The facility will cater to cruise ships of all sizes, including the largest ocean-going cruise ships in the world.

The Port of Brisbane is building and financing the cruise terminal and will operate it once complete. The Queensland Government is continuing to help support this landmark project, with the department responsible for managing a development agreement with the Port of Brisbane.

Site preparation work was completed in mid-January 2019. Piling for the terminal wharf structure started in February 2019 and construction of the terminal and car parks began in April 2019. The terminal is expected to be ready to commence operations in the third quarter of 2020.

Townsville Industrial Development Board

Establishment of the Townsville Industrial Development Board (TIDB) delivers on a commitment under the Townsville City Deal. Key community leaders working in the areas of industrial land and project development and facilitation were engaged in September 2018 to form the TIDB, which is chaired by the department's Director-General.

Since then, the TIDB has established an agreed position on strategic issues and is developing a strategy to attract and facilitate industrial development in Townsville's medium and heavy-industry precincts.

The TIDB provides advice to relevant decision-making authorities on potential and planned industrial projects, identifies strategic links between stakeholders and liaises with government, industry and community groups.

Local content supply chain development

The department's local content supply chain development services have assisted local suppliers to win $84.6 million worth of contracts on major project supply opportunities through facilitation and engagement with project proponents across Queensland.

Information sessions delivered by the Industry Capability Network (ICN) Queensland were attended by 2786 attendees from 1886 businesses to gain insights into competitive tender processes and to develop their capability to bid for future government and private works.

In addition, the department delivered 57 workshops to increase the knowledge and capabilities of 629 participants to enter supply chains for major projects and procurement opportunities.

Strengthening Queensland's defence industry supply chain

In August 2018, Rheinmetall Defence Australia was awarded the $5.2 billion LAND 400 Phase 2 project to deliver new military vehicles for the Australian Army. Under a long-term partnership with the Queensland Government, Rheinmetall is now establishing its Australia-New Zealand Headquarters and Military Vehicle Centre of Excellence (MILVEHCOE) in Ipswich.

The Queensland Government is overseeing construction of the $170 million MILVEHCOE, which will be Australia's state-of-the-art military vehicle manufacturing facility. The Queensland Government is working with Rheinmetall to maximise opportunities for local suppliers and jobs.

Rheinmetall has been shortlisted for the $10–$15 billion LAND 400 Phase 3 project and should it be successful, will deliver those vehicles from the Ipswich facility.

In addition, the department continues to attract major defence projects to Queensland. Examples include a proposal by Rheinmetall-Nioa Munitions to build a $60 million shell forging plant in Maryborough, which may create up to 100 new jobs in the region, and the recently-established Defence Cooperative Research Centre for Trusted Autonomous Systems at its Brisbane-based headquarters.

The department continues to support the contributions of Queensland capability to key national defence projects including F-35 strike fighters program, SEA 1180 (Offshore Patrol Vessels) and AIR 6000 (Joint Strike Fighters).

During 2018–19, the department delivered around 20 defence business capability workshops across Queensland, attracting more than 300 industry participants.

The department also worked with TAFE Queensland and the Defence Materials Technology Centre to enable the delivery of critical training programs and infrastructure to build the technical welding capability of businesses looking to gain defence work.

Showcasing Queensland's defence industry's capabilities, 51 companies partnered with the department at four international trade shows during the year including the 2018 LandForces Exposition and the 2019 Avalon Airshow. Significantly, the Australian Army's premier defence industry conference, LandForces, has been attracted back to Queensland in 2020. The state will also host the inaugural maintenance, repair and overhaul (MRO) Australasia event in March 2020.

Q-Gen Cell Therapeutics

The Queensland Government invested $1.4 million in the upgrade of cell manufacturing facility, Q-Gen Cell Therapeutics at the QIMR Berghofer Medical Research Institute, to strengthen the state's push into the sophisticated advanced manufacturing of cell therapy products.

The funding injection will allow the world-class facility to comply with the stringent regulatory standards of the U.S. Food and Drug Administration (FDA) and the European Medicines Agency, enabling QIMR to secure an agreement with NASDAQ-listed U.S. biopharmaceutical company, Atara Biotherapeutics Inc. As well as leading to better health outcomes for Queenslanders, the agreement has the potential to support 155 new jobs.

Manufacturing Hubs

To support the growth of regional manufacturers, $30 million is being invested into Manufacturing Hubs in Cairns, Townsville and Rockhampton to assist local manufacturers adopt world-leading technologies, processes and practices.

Each hub will provide a place for local manufacturing businesses to receive expert advice and support to expand their manufacturing business.

The hubs will develop strong links with local universities, schools, TAFE Queensland and the Advanced Robotics for Manufacturing Hub to develop a workforce with strong skills in science, technology, engineering and mathematics (STEM).

The Manufacturing Hub delivery model was launched in December 2018 following consultation with local businesses, local governments, unions and education institutions. Cairns, Townsville and Rockhampton staff are delivering services to build a strong and collaborative regional ecosystem with industry partners to accelerate the growth of several specialised existing industries. The hubs commenced operation in April 2019.

Manufacturing Ministerial Council

The Manufacturing Ministerial Council (MMC) was established in May 2018 to provide high-level industry advice on strategic matters in relation to growing manufacturing in Queensland.

The council recognises that Queensland is a manufacturing powerhouse and that government and industry working together will help drive and optimise the transition to advance manufacturing.

Four MMC meetings were held to provide advice on key manufacturing issues including the revised *Advanced Manufacturing 10-Year Roadmap and Action Plan* manufacturing hubs, manufacturing skills, beef processing, craft brewing, rail manufacturing, hydrogen and other initiatives.

Fabricated wood manufacturing sector support

On 6 February 2019, Carter Holt Harvey (CHH) announced it was closing operations at its fibreboard processing plant in Gympie, potentially displacing 60 employees.

Direct action by the department and other agencies enabled these operations to be successfully transferred to Laminex Group and the Corbett Group through site leasing and plant management and operational arrangements during April 2019. Financial support was provided for employment of displaced workers.

The immediate effects of this support included the re-employment of 42 of the former CHH employees, and the opportunity to fast-track feasibility and business cases to inform investment decisions to put before the Laminex Group's Board for a significant site expansion. This may lead to further employment opportunities.

Sunshine Coast Industrial Park

The Queensland Government supports long-term industrial development by ensuring an adequate supply of appropriately zoned industrial land to help create and retain jobs within local economies.

During 2018–19, Economic Development Queensland (EDQ) sold 12.3 hectares of land in the Sunshine Coast Industrial Park (SCIP) at Caloundra, supporting an upturn in industry demand for land generated by strong activity in the construction sector, including development in the Caloundra South Priority Development Area (PDA), and strong local economic conditions.

The SCIP supports over 430 direct and indirect jobs and contributes $52 million annually to the local economy. Upon completion it will employ, or have directly contributed to, close to 4500 full-time equivalent roles and contribute $540 million annually to the local economy.

Gold Coast Health and Knowledge Precinct

The development by EDQ of 9.5 hectares of state-owned land into a vibrant health and knowledge community is expected to contribute an extra 12,000 jobs and an additional $1.4 billion to the state's economy when fully developed.

During 2018–19, key milestones for this major economic and jobs driver were realised, including the first land sales contract for the $80 million Advanced Design and Prototyping Technologies (ADaPT) Institute, being developed by Griffith University.

COHORT, a coworking and innovation space, was launched in May 2019. This space will accommodate more than 200 people to empower health and technology growth on the Gold Coast.

Transforming the former Gold Coast Hospital site

Since the former Gold Coast Hospital was decommissioned in September 2013, the department has managed the demolition of the hospital structure—the biggest demolition works in Queensland prior to Queen's Wharf—and the disposal strategy for the site.

The redevelopment opportunity was released to the open market following extensive investigations. In March 2016, the state entered into a contract of sale for a three-staged settlement. In November 2018, the sale contract was concluded with the last remaining lot being settled. During the settlement period, the developer was able to lodge development applications that will deliver a vibrant, mixed-use precinct through multi-million-dollar investment in the heart of Southport.

Targeted industry support and incentives

Advance Queensland Industry Attraction Fund

The $150 million Advance Queensland Industry Attraction Fund (AQIAF) aims to increase private sector investment and create jobs in a strong economy. AQIAF attracts and retains contestable business projects to Queensland generating significant economic benefits, including the creation of new jobs, bringing regional growth, increasing the take up of innovation and technology and, growing global value and local supply chains.

In 2018–19, AQIAF paid $21.688 million toward projects that will deliver 670 jobs and leverage over $241.20 million in capital investment over the life of these projects.

Successful projects announced 2018–19 include:

- Tumbuh's $10 million advanced bioreactor manufacturing facility on the Sunshine Coast, creating up to 25 jobs
- Alliance Airlines' $12.5 million maintenance and aviation base in Rockhampton creating up to 58 jobs
- Qantas Group's $35 million Pilot Training Academy in Toowoomba, creating up to 160 new aviation jobs in regional Queensland
- Hanson Australia's global best practice facility creating up to 34 jobs.

Biofutures Acceleration Program

The $4 million Biofutures Acceleration Program facilitates investment in biorefineries in Queensland. Following an international Expression of Interest process, six proponents were selected to receive support to investigate the feasibility of proposed biorefineries.

The program is well progressed with three of the six proponents completing programs during 2018–19. Completed work included:

- feedstock validation studies by U.S. company Mercurius
- prefeasibility studies for a Bundaberg biorefinery by developer, Utilitas

- prefeasibility studies by Brisbane-based biotech company Leaf Resources.

Biofutures Industry Development Fund

This fund helps well-advanced industrial biotech companies to advance new projects so they can better access venture capital. It supports companies pursuing innovative industrial biotech and bioproducts projects and enhances Queensland's reputation as a supportive investment location for the biofutures industry.

From the Biofutures Industry Development Fund, repayable loan advances totalling $969,000 were made in 2018–19. The projects receiving loans aim to generate 573 operational jobs and $1.72 billion in capital expenditure.

Biomedical Assistance Fund

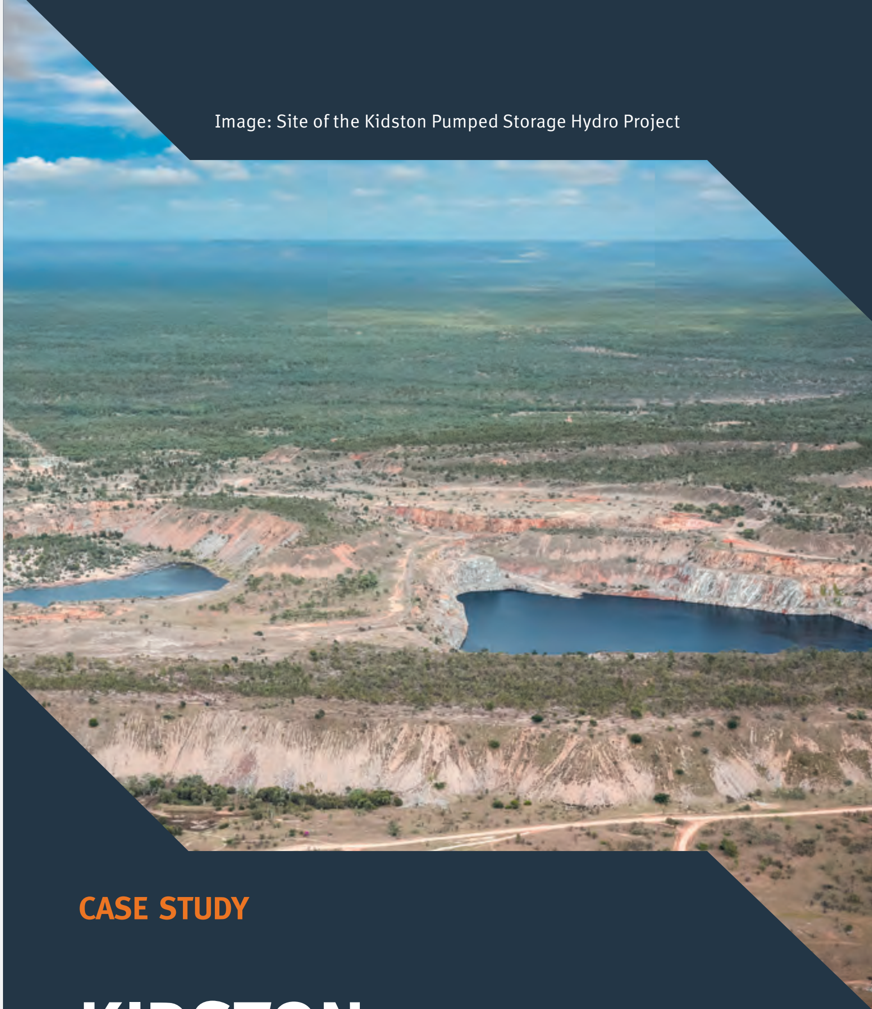
The $2 million Biomedical Assistance Fund continued to provide businesses with support to progress their new technologies to a stage where they can attract follow-on funding from private and public sources. Recipients included BiVACOR, which received investment from OneVentures (as part of the Commonwealth Biomedical Translation Fund) to continue the development of its artificial heart controller, and The University of Queensland, which received National Health and Medical Research Council funding to progress development of its broad-spectrum flu vaccine.

During 2018–19, 11 projects received a total of $918,000 under the Biomedical Assistance Fund.

Recipients that received funding 2018–19:

- Arthritis Relief Plus Limited
- BiVACOR Pty Ltd
- Cancure Ltd
- Ellume Pty Ltd
- Implicit Bioscience Limited

Image: Site of the Kidston Pumped Storage Hydro Project



CASE STUDY

KIDSTON PUMPED STORAGE HYDRO PROJECT

The Coordinator-General's evaluation report for the 250-megawatt Kidston Pumped Storage Hydro project was released on 5 April 2019. The project was the first coordinated project approved using the Impact Assessment Report (IAR) method under the *State Development and Public Works Organisation Act 1971*.

An IAR is an alternative to the Environmental Impact Statement (EIS) process and is regarded as a more streamlined form of assessment, applying a 'fitness for purpose' approach for each situation.

The Coordinator-General enabled the regulation of water releases by setting conditions of approval to protect the Copperfield River where other regulatory frameworks could not.

From start to finish, the IAR process for the Kidston Pumped Storage Hydro Project took only six months.

- NuNerve Pty Ltd
- Specialist Airway Solutions Pty Ltd
- StickyCell Pty Ltd
- The University of Queensland (three projects).

Queensland Biomedical Voucher Program

The $1.6 million Queensland Biomedical Voucher Program continued its success in bringing customers and capital to Queensland and embedding the state's world-class biomedical infrastructure and capabilities in the national and international biomedical product value chain.

This program enables Queensland businesses to attract new customers by providing support of up to 50 per cent of the fees they would charge a national or international client to develop its biomedical product.

Round one leveraged substantial national and international investment of $4.86 million for Queensland Government support of $579,367 and attracted to Queensland the Montreal-based drug developer, Formation Biologics, by Patheon Biologics Australia Pty Ltd, part of Thermo Fisher Scientific. In 2018–19, $33,000 was expended to these two projects.

Round two of the program opened on 5 April 2019 and closed on 27 June 2019.

Hydrogen Industry Development Fund

The $15 million Hydrogen Industry Development Fund is part of the Queensland Hydrogen Industry Strategy 2019–2024, released in May 2019.

The fund opened in July 2019 and will help position Queensland at the forefront of renewable hydrogen production in Australia by 2030.

Jobs and Regional Growth Fund

The $175 million Jobs and Regional Growth Fund (JRGF) is designed to assist businesses to grow and expand throughout regional Queensland. The Fund aims to accelerate private sector projects which promote investment and improve ongoing employment outcomes in regions facing economic and employment challenges.

In 2018–19, JRGF paid $7.799 million toward projects that will deliver 596 jobs and leverage over $117.34 million in capital investment over the life of these projects.

Successful projects announced in the 2018–19 financial year will create 358 operational jobs and leverage over $328 million in capital investment. Some examples include:

- Rheinmetall Nioa Munitions' $60 million proposed projectile forging facility, in Maryborough, which may create up to 100 operational jobs
- Mort and Co's $35 million expansion of its beef processing operations at Grassdale near Dalby creating 34 long-term jobs
- Hyne Timber's new and innovative $13.4 million glue laminated timber manufacturing facility in Maryborough creating up to 42 new ongoing jobs
- Lexagold to expand their pork and beef processing facility at Jimbour creating 35 new jobs and boosting annual production capacity from 3,000 to 20,000 tonnes.

Projects funded during 2017–18 have begun to reach notable milestones. For example:

- Construction has commenced on the cable landing station for the $35 million Sunshine Coast International Broadband Submarine Cable Network
- Gin Gin and Dry's commissioning of equipment to process, dry and package fruit and support expansion into Asian export markets and creating 11 operational jobs.

Made in Queensland

The Made in Queensland (MIQ) program provides matched grants to enable small-to-medium enterprises (SMEs) to implement leading-edge technologies and processes to become more internationally competitive, innovative and productive.

During 2018–19, MIQ expended $9.808 million in funding, which is expected to generate capital expenditure of $79.1 million.

MIQ has identified that local manufacturing firms see the benefit of adopting new technologies, processes and systems to transform their businesses on the journey to becoming advanced manufacturers.

Resource Recovery Industry Development Program

The three-year, $100 million Resource Recovery Industry Development Program, was established to support Queensland to become a world leader in recovery projects.

The program has three streams: Resource Recovery Grants Fund; Resource Recovery Project Fund; and the Resource Recovery Investment Pipeline Fund.

Funding supports Queensland local governments, waste recovery businesses, not-for-profits and consortia looking to employ proven technologies along the entire supply chain, from collection and transfer to sorting, re-manufacturing and waste to energy. The support for resource recovery projects and initiatives helps to divert waste from landfill, reduce stockpiling and create jobs.

Superyacht Industry Development Fund

As part of Queensland's Superyacht Strategy, six state-based businesses received funding of around $41,000 through the Superyacht Industry Development Fund to build their capability and access international markets.

Waste to Biofutures Fund

The $5 million Waste to Biofutures Fund opened during 2018–19 to support the development of waste to biofutures projects in Queensland.

The fund provides targeted grants for pilot, demonstration or commercially scalable projects in Queensland that use conventional waste streams or biomass to produce bioenergy, biofuels and high-value bioproducts.

The fund will help Queensland companies to find innovative ways to convert waste into bio-based products, creating investment opportunities and more long-term, high-value jobs across the state.

Glendower land disposal strategy

During 2018–19, the department concluded the return of surplus government land near Beaudesert to private and community ownership. The land was originally purchased for the former Glendower Dam site and consisted of approximately 2600 hectares (58 lots) of quality agricultural land.

The department undertook extensive consultation with key stakeholders to determine the best divestment strategy. This included making offers to purchase land first to qualifying tenants such as the Scenic Rim Regional Council, community users, agricultural and residential tenants. With this process completed, the department then undertook three auctions offering the remaining lots on the open market.

The final auction was in November 2018, completing the successful return of all land to the community and unlocking private investment in the region.

Fortitude Valley PCYC redevelopment

The department is partnering with the Queensland Police-Citizens Youth Welfare Association and Silverstone Developments to deliver a new Police-Citizens Youth Club (PCYC) facility in Brisbane's Fortitude Valley. Recognising an opportunity to renew the ageing infrastructure, the department in consultation with PCYC Queensland ran a competitive bid process, seeking private sector participants to deliver the project.

The development will be funded by Silverstone Developments. As well as creating construction jobs, the purpose-built facilities will ensure PCYC Fortitude Valley continues to be an iconic part of the local landscape. Construction is expected to begin in late 2019.

Aldoga renewable energy project

Work has continued with global energy giant Acciona Energy to facilitate the development of its $400 million solar energy project on a 762-hectare vacant, government-owned site at Aldoga in the Gladstone State Development Area (SDA).

The project, approved by the Coordinator-General in May 2019, will support 240 jobs during construction and 10 jobs in operation. At maximum capacity, the project will deliver up to 250 megawatts (AC)—the equivalent amount of energy needed to supply up to 122,000 households.

The solar resource is strong in Gladstone and two meteorological stations have been installed on site by Acciona Energy to gather data on the site's climatic conditions. This will help to fine-tune the solar farm design and ensure it is as productive as possible.

Aurukun Bauxite Project

The Aurukun bauxite resource in western Cape York is estimated to contain up to 480 million tonnes of dry beneficiated bauxite. Glencore secured the rights to develop the Aurukun bauxite resource in January 2015, after a competitive bid process to select a preferred proponent for the project.

The company was granted a mineral development licence in December 2017 to assess the feasibility of mining the resource. During 2018–19, Glencore progressed investigative studies including flora and fauna surveys, ground-truthing waterways, bathymetry studies, metallurgical analysis and flood modelling.

The Aurukun Bauxite Project has the potential to deliver significant benefits to local communities, as well as royalty contributions to the state. Glencore is engaging directly with Traditional Owners, providing opportunities for training and employment and has a community partnership agreement with Aurukun Shire Council.

Northshore

Northshore, located six kilometres from the Brisbane CBD, is Queensland's largest waterfront urban renewal project and will deliver up to 10,000 jobs and more than 12,000 residences when fully developed.

During 2018–19, work began on a major piece of community infrastructure, the $10 million Hercules Street Park, while the new Northshore Tennis Park opened in partnership with Tennis Australia. A Waterfront Activation Strategy was also implemented, building on partnerships with QUT, Griffith University, Eat Street Northshore, Cirque de Soleil and Zirk Russian Big Top Circus.

To facilitate future development, 16,000 square metres of industrial buildings were removed and recycled, while private commercial and residential development continued to thrive. An A-grade office building leased and sold, and 166 residential units were completed on land transformed by EDQ from former port operations.

Bowen Hills PDA

After extensive community and stakeholder consultation, amendments to the Bowen Hills PDA Development Scheme were adopted and will guide the future development of this major Brisbane growth area.

The plan provides for long-term growth including new homes and commercial, retail and industrial floor space for new business investment and employment-generating services.

An innovative and progressive approach to planning was adopted so future development will deliver housing diversity, achieve best practice sustainability standards and provide high-quality community spaces. The PDA also capitalises on significant health, education and transport infrastructure investment in the surrounding area.

Mackay Waterfront PDA

The revitalisation of Mackay's waterfront and city centre took another major step forward with the Queensland Government approving Mackay Regional Council's proposed development scheme for the approximately 172-hectare PDA.

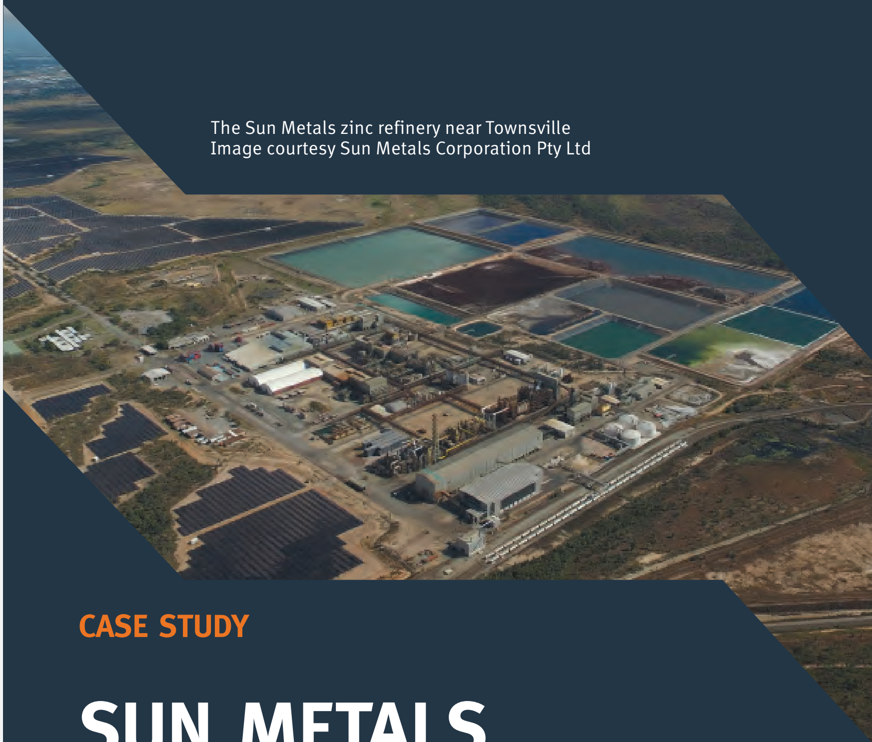
Approval of the development scheme is a catalyst for the rejuvenation of the five precincts in the PDA: Mackay City Centre, Riverside, Enterprise, Queens Park and Beachside.

The PDA will provide certainty to the Mackay community and help deliver better opportunities for business and entrepreneurial industries. It will also allow for new tourism, retail, residential and public recreational spaces, creating new jobs while also improving overall liveability in the city of Mackay.

Future priorities

- Continue activation of 9.5 hectares of development-ready land in the Gold Coast Health and Knowledge Precinct, including spearheading the development of fit-for-purpose projects aimed at accommodating health and knowledge occupants and associated support services.
- Maintain Queensland's crucial momentum in the biofutures sector by supporting the Queensland Biofuels Mandate, leveraging the state's strengths and first-mover advantages.
- Highlight Queensland's defence industry capability at Landforces 2020.
- Host the first MRO Australasia event in 2020.
- Continue to support major private sector investment by providing tailored project facilitation services such as advice on appropriate and efficient statutory approval pathways, site selection, infrastructure needs, coordination across all levels of government and communication with other key project stakeholders.
- Continue to support Rheinmetall Defence Australia's LAND 400 Phase 3 bid to the Department of Defence for the manufacture of 383 infantry fighting vehicles and 17 manoeuvre support vehicles that would be manufactured at the MILVEHCOE in Ipswich should Rheinmetall be successful.

The Sun Metals zinc refinery near Townsville
Image courtesy Sun Metals Corporation Pty Ltd



CASE STUDY

SUN METALS REFINERY UPDATE AND EXPANSION

On 27 November 2018, the Coordinator-General approved Sun Metals Corporation Pty Ltd's SDA application for a material change of use for high impact industry (refinery upgrade and expansion) in the Townsville SDA. The project creates opportunities to implement advancements in refining processes and increase operational efficiencies.

Support for Sun Metals was also provided by the department's project facilitation officers in Townsville and Brisbane who negotiated timely outcomes with relevant state agencies, local government, and service providers on amended access to the port, water supply, and upgrades to road and energy infrastructure.

Sun Metals' $267 million expansion represents the largest investment in the refinery since its commission. The upgrade and expansion will accommodate the introduction of a new zinc leaching process increasing the 'zinc recovery' from 88 per cent to 98 per cent. The increase in zinc recovery equates to the extraction of an additional 75,000 tonnes per annum (tpa), increasing the refinery's production capacity to 300,000 tpa of zinc metal.

Sun Metals estimates it will require a peak construction workforce of 310 jobs with the operational phase generating 100 full-time equivalent positions, including logistic and related jobs. The construction phase commenced in January 2019 and is expected to be completed by July 2021.

FINANCIAL PERFORMANCE

Chief Finance Officer statement

In overseeing the financial activities of the Department of State Development, Manufacturing, Infrastructure and Planning, I assert that I have fulfilled the responsibilities of Chief Finance Officer listed in section 77 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 as required by section 77 of the *Financial Accountability Act 2009*.

Chris Breitkreuz
Chief Finance Officer

Summary of Financial Performance

This section provides an overview of the financial statements of the department for the 2018–19 financial year, which are detailed in the Financial Statement section of this report.

Understanding the financial statements

The Project Delivery and Office of the Queensland Government Architect functions were transferred out to the Department of Housing and Public Works due to Machinery of Government changes effective 1 September 2018. This has attributed to a decrease in net assets as at 30 June 2019.

The following comparison of the 2018–19 financial results with 2017–18 were considered and noted by the department's Audit and Risk Management Committee at the August 2019 meeting.

The *Financial and Performance Management Standard 2019* came into effect from 1 September 2019. Since the department's financial statements were certified prior to this date, the financial statements refer to *Financial and Performance Management Standard 2009*.

Analysis—operating result

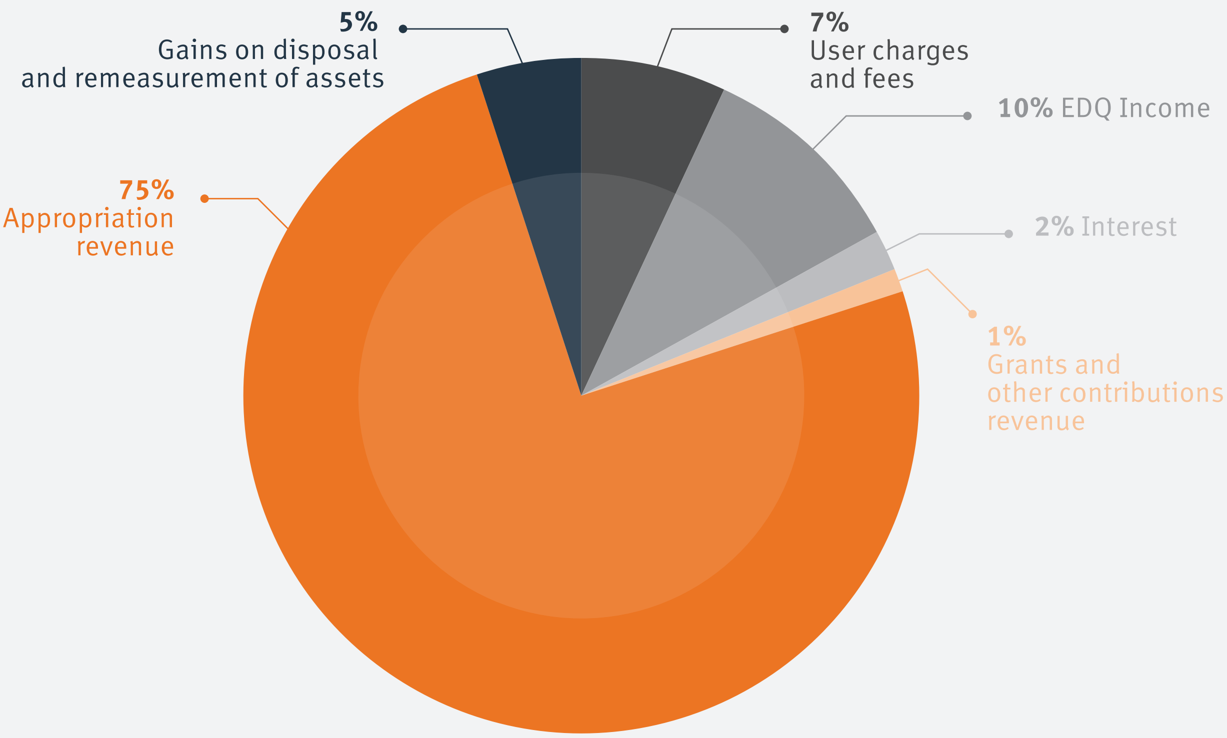
	2019 $'000	2018 $'000	Variance $'000
Total income	508,552	470,357	38,195
Total expenses	(507,531)	(507,926)	(395)
Operating result before income tax equivalent	**1,021**	**(37,569)**	**38,590**
Income tax equivalents	(9,796)	15,594	(25,390)
Total comprehensive income	**(8,775)**	**(21,975)**	**13,200**

Income

Total income for the year ended 30 June 2019 is $508.552 million. The 2019 appropriation revenue increased by $24.667 million predominantly due to transactions relating to additional funding received for projects including Building our Regions, Royalties for the Regions, Made in Queensland and the Advance Queensland Industry Attraction Fund.

The department's significant income categories are appropriation revenue, user charges and fees and income from the property development business of EDQ.

Figure 1: Income by category for the year ended 30 June 2019



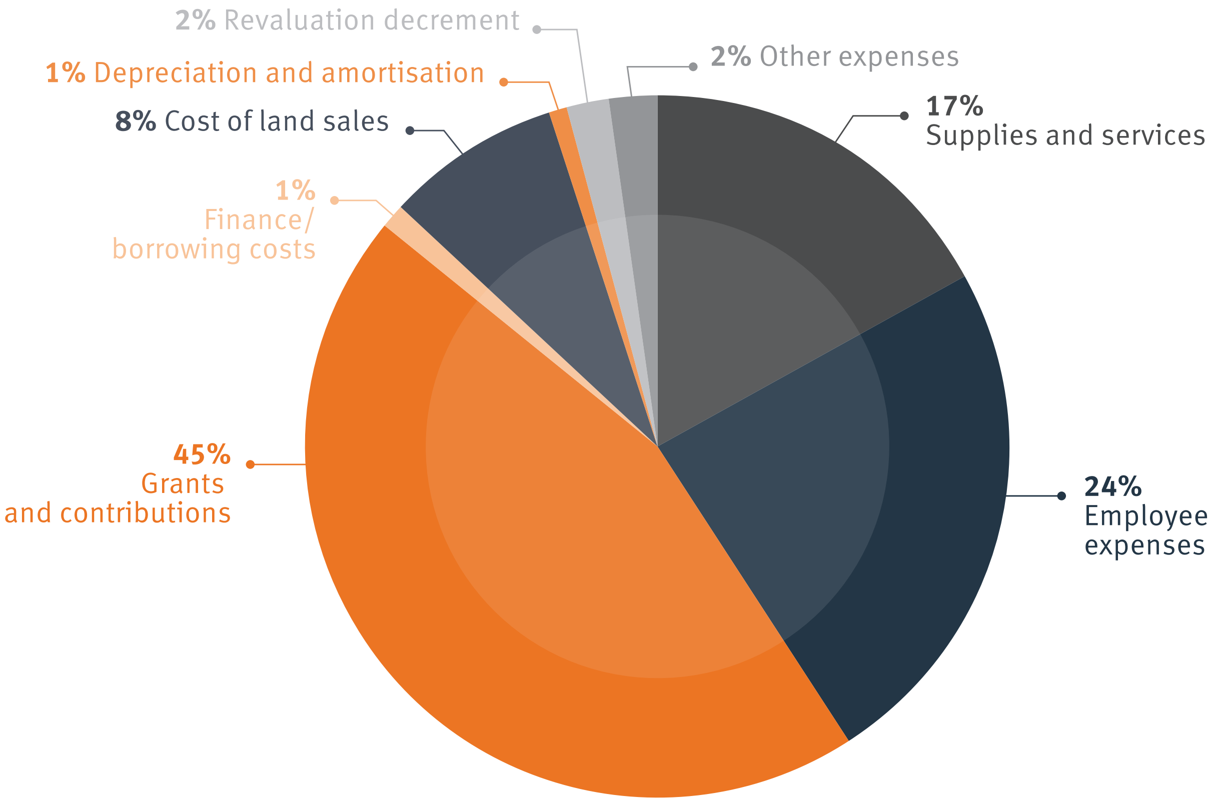
Expenses

Total expenses for the year ended 30 June 2019 are $507.531 million. This is a decrease of $395,000 from 2018, predominantly due to the winding down of Commonwealth Games Venues and Village projects activity and decrease in revaluation decrement.

The decrease is offset by additional grant activity, particularly for the Building our Regions, Royalties for the Regions, Made in Queensland and the Advance Queensland Industry Attraction Fund programs, increased employee expense and cost of sales associated with the transfer in of EDQ to the department effective 1 January 2018.

The department's significant expenses categories are grants and contributions, employee expenses, and supplies and services.

Figure 2: Expenses by category for the year ended 30 June 2019



Statement of Financial Position—Assets and liabilities

	2019 $'000	2018 $'000	Variance $'000
Total Current Assets	333,739	347,474	(13,735)
Total Non-Current Assets	1,012,480	997,635	14,485
Total Assets	**1,346,220**	**1,345,108**	**1,112**
Total Current Liabilities	212,990	200,670	12,320
Total Non-Current Liabilities	241,632	229,271	12,361
Total Liabilities	**454,621**	**429,941**	**24,680**
Total Equity	**891,599**	**915,168**	**(23,569)**

Total assets as at 30 June 2019 are $1,346.22 million. Total assets increased by $1.112 million in 2019 predominantly due to an increase in land inventory as a result of transfer from other government agencies. The increase is offset by transfer out of property, plant and equipment due to 2018 Machinery of Government changes to Department of Housing and Public Works.

Total liabilities as at 30 June 2019 are $454.621 million. The 2019 total liabilities increased by $24.680 million from 2018 predominantly due to the recognition of liabilities for project related contractual obligations of EDQ. This is offset by a decrease in provisions for land acquisition claims, unwinding of Commonwealth games provision and decrease in Queensland Treasury Corporation interest-bearing liabilities due to the transfer of these to Queensland Treasury in 2019.

DEPARTMENT STRUCTURE

Office of the Director-General
Executive Director

Economic and Infrastructure Strategy
Deputy Director-General

- **Economic Strategy and Policy** – Executive Director
- **Infrastructure Policy and Coordination** – General Manager
- **Infrastructure Performance and Innovation** – Executive Director
- **Policy, Legislation and Indigenous Advisory** – Executive Director

Investment Facilitation and Partnerships
Deputy Director-General

- **Investment Strategy** – General Manager
- **Investment Facilitation** – Executive Director
- **Investment Transactions** – Executive Director
- **Social Investment and Partnerships** – Executive Director
- **Investment Attraction** – Executive Director

Manufacturing, Industry and Regions
Deputy Director-General

- **Defence Jobs Queensland** – Executive Director
- **Industry Development** – Executive Director
- **Manufacturing Development** – Executive Director
- **Regional Development North** – Executive Regional Director
- **Regional Development South** – Executive Regional Director

Business, Commercial and Performance
Deputy Director-General

- **Business Systems and Solutions** – Executive Director
- **Finance, Grants and Commercial Services** – Chief Finance Officer
- **Marketing, Communication and Media** – Executive Director
- **People and Performance** – Executive Director
- **Legal Services** – Executive Director
- **Internal Audit** – Director and Head of Internal Audit

Department of State Development, Manufacturing, Infrastructure and Planning
Director-General

- **Planning**
  Deputy Director-General
  - **Business Systems Development Assessment** — Executive Director
  - **Planning and Development Services** — Executive Director
  - **Policy and Statutory Planning** — Executive Director
  - **Priority Planning Projects** — Executive Director
  - **Regional and Spatial Planning** — Executive Director
  - **Southbank Corporation** — Executive Director
- **Economic Development Queensland**
  General Manager
  - **Development Strategy** — Executive Director
  - **Planning Services** — Executive Director
  - **Project Support** — Executive Director
  - **Regional Developments** — Executive Director
  - **SEQ Developments** — Executive Director
  - **Technical Services** — Executive Director

Office of the Coordinator-General
Coordinator-General

- **Coordinated Project Delivery** — Assistant Coordinator-General
- **Project Assessments and Facilitation** — Executive Director
- **Project Assessments and Operations** — Executive Director
- **Land Acquisition and Project Delivery** — Assistant Coordinator-General
- **State Development Areas** — Assistant Coordinator-General

GOVERNANCE AND EXECUTIVE

Executive positions (as at 30 June 2019)

Rachel Hunter

Director-General

Appointed April 2018

Under the *Financial Accountability Act 2009*, the Director-General is accountable to the Minister for State Development, Manufacturing, Infrastructure and Planning and to the Premier for the efficient, effective and financially responsible performance of the department.

Toni Power

Acting Director-General

February – August 2019

(whilst Rachel Hunter was Acting Director-General, Department of the Premier and Cabinet)

Barry Broe

Coordinator-General

Appointed April 2012

The Coordinator-General has wide-ranging powers to plan, deliver and coordinate large-scale infrastructure projects which are of economic significance to the state, and for ensuring that the environmental impacts of these projects are properly managed.

Maree Parker

Deputy Director-General, Economic and Infrastructure Strategy

Appointed May 2019

This group leads a coordinated and strategic approach to Queensland's medium to long-term economic development by developing an economic strategy for Queensland, encompassing regional and infrastructure strategies and industry roadmaps. The group's responsibilities are Economic and Regional Strategy; Infrastructure; Performance and Innovation; and Policy, Legislation and Indigenous Advisory.

Toni Power

Deputy Director-General, Investment Facilitation and Partnerships

Appointed May 2017

IFP has a strong commercial focus to increase private sector investment in Queensland through the attraction and facilitation of private sector projects. The group ensures a coordinated approach to stakeholder management strategy across the department.

Executive positions (as at 30 June 2019)

Colin Cassidy

General Manager, Investment Strategy

Appointed December 2018

The Office of Strategic Projects provides strategic leadership and coordinates delivery of major new investment opportunities for Queensland, including projects aligning with the department's targeted increase in private sector investment.

Kerry Doss

Deputy Director-General, Planning

Appointed September 2017

Planning provides the coordinated and integrated delivery of planning functions and services for the State of Queensland. The group also provides management of the Queensland Government's administrative responsibilities under the *South Bank Corporation Act 1989*.

Jason Camden

Acting General Manager, Economic Development Queensland (EDQ)

Appointed August 2018

EDQ engages with state and local government, the development industry and the public to identify, plan, facilitate and deliver property development and infrastructure projects to create prosperous, liveable and connected communities. EDQ drives a range of development projects including large complex urban sites, regional residential projects, industrial and infrastructure projects.

Michele Bauer

Deputy Director-General, Manufacturing, Industry and Regions (MIR)

Appointed April 2019

MIR implements the regional and industry elements of the economic strategy and develops and drives execution of industry roadmaps for prioritised industries identified in the Queensland economic strategy. The group provides leadership to coordinate the delivery of services and engage with regional stakeholders. MIR also provides project facilitation services and coordinates state and local government responses to adverse events.

Michael McKee

Deputy Director-General, Business, Commercial and Performance (BCP)

Appointed November 2015

BCP provides business and corporate services support to the department. Working collaboratively with internal stakeholders, the focus is to support the delivery of outcomes on behalf of the department and the Queensland Government's strategic objectives.

GOVERNANCE FRAMEWORK

Corporate Governance

The department's Corporate Governance Framework ensures systems, policies, procedures and resources are in place to provide assurance that all activities are conducted in an ethical, accountable and transparent manner.

Specialist advice and services are provided by Governance, Performance and Risk in relation to:

- corporate policy coordination and review
- corporate delegations and authorisations
- corporate legislative compliance
- the department's internal approach to corporate governance.

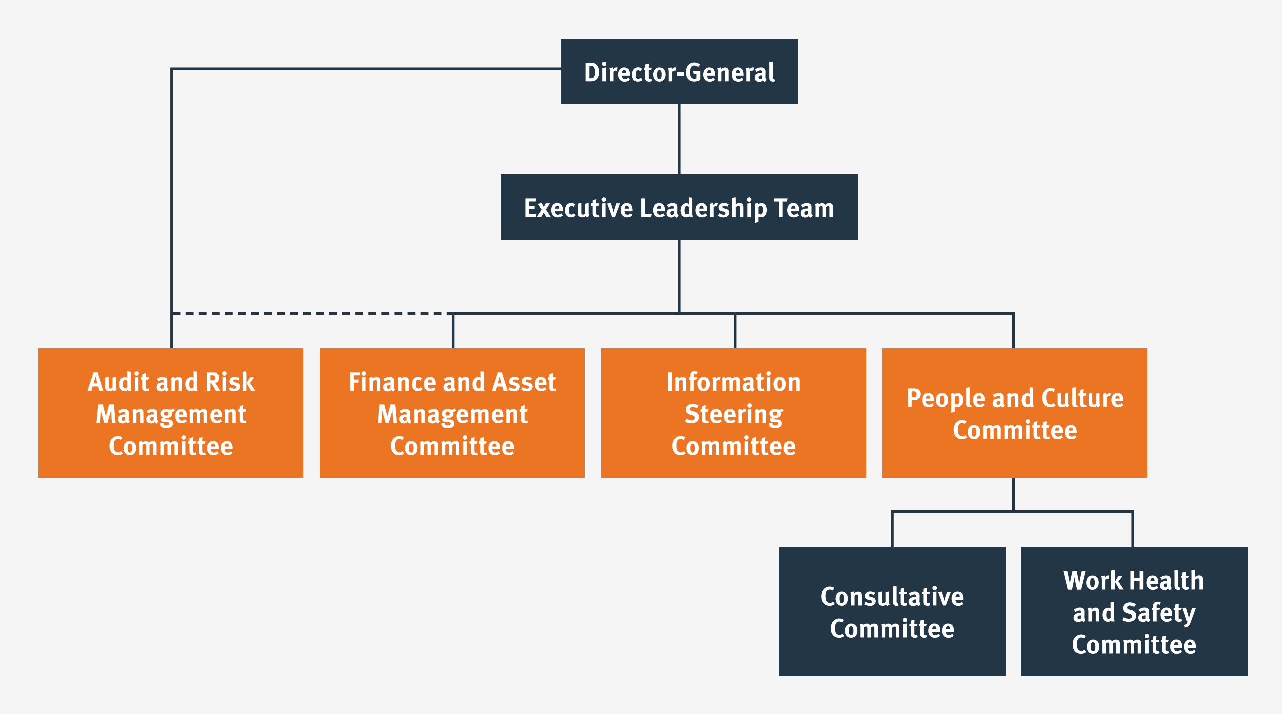
The department's corporate policies and procedures were reviewed during 2018–19 to support legislative requirements as well as the ethical principles in the *Public Sector Ethics Act 1994*. Corporate delegations were also reviewed to ensure the department's business operations are supported, that delegated functions and powers are clear, business needs are balanced with risk and enable decisions to be made at the most appropriate levels of the department.

Image: Regional Export Distribution Centre (DSDMIP)

Accountability

The department adheres to the *Public Sector Ethics Act 1994* and the *Financial and Performance Management Standard 2019*. At the highest level, the Executive Leadership Team and the four supporting governance committees oversee organisational performance and risk, ensuring the department operates efficiently, effectively and transparently.

Governance committees



Committee	Membership as at 30 June 2019
Executive Leadership Team	• Director-General (Chair) • Coordinator-General • Deputy Director-General, Business, Commercial and Performance • Deputy Director-General, Economic and Infrastructure Strategy • Deputy Director-General, Investment Facilitation and Partnerships • Deputy Director-General, Manufacturing, Industry and Regions • Deputy Director-General, Planning • General Manager, Economic Development Queensland • General Manager, Investment Strategy
The Executive Leadership Team (ELT) is an advisory committee that meets weekly, assisting the Director-General (as the accountable officer) in managing the strategic direction and day-to-day operations of the department. This includes Cabinet and Cabinet Committee preparation, information sharing and notifying leadership of potential changes to risk or strategy. ELT provides leadership in relation to emerging and/or contentious issues that require departmental action.	

Committee	Membership as at 30 June 2019
Audit and Risk Management Committee	• Eric Muir (Chair and External Member, completion of tenure 8 October 2019). Remuneration: $2145 (excl GST) • Ian Rodin (Chair and External Member, appointed 8 October 2019). Remuneration: $10,538 (excl GST) • Marita Corbett, Partner, BDO Australia (External Member). Remuneration: $5250 (excl GST) • Michael Farrell, Department of Innovation, Tourism, Industry Development and the Commonwealth Games (External Member) • Toni Power, Deputy Director-General, Industry Partnerships (Member, resigned 8 February 2019) • Colin Cassidy, General Manager, Investment Strategy (Member appointed 22 February 2019) • Jason Camden, A/General Manager, Economic Development Queensland (Member)

The Audit and Risk Management Committee (ARMC) was established pursuant to the *Financial and Performance Management Standard 2019* (FPMS). The objective of ARMC is to provide independent assurance and assistance on the department's risks, control and compliance frameworks and external accountability responsibilities, as prescribed in legislation and standards.

The ARMC Charter establishes the authority and responsibilities of the committee and was prepared with reference to:

- relevant provisions of the *Financial Accountability Act 2009* (FAA) and FPMS
- Queensland Treasury Audit Committee Guidelines—Improving Accountability and Performance.

The ARMC does not replace or replicate established line management responsibilities and delegations, the responsibilities of other executive management groups or committees within the department, or the reporting lines and responsibilities of functions associated with risk management, internal audit or external audit.

Key achievements during 2018–19 included:

- reviewing and endorsing the department's annual report for the year to end 30 June 2019
- reviewing and endorsing the department's financial statements for the year to end 30 June 2019
- reviewing and endorsing the department's *Internal Audit Strategic Plan 2019–22* and *Annual Audit Plan 2019–20*
- endorsing the ARMC Charter and the Internal Audit Charter for 2019–20
- receiving regular reports on Internal Audit activities, including audits and reviews completed as part of the *Internal Audit Annual Audit Plan 2018–19*
- reviewing and considering the Queensland Audit Office (QAO) Strategic Audit Plan and the Client Strategy for the department
- considering the scheduling, status, findings and audit recommendations of QAO financial and performance audits
- receiving regular reports on the implementation status of internal and external audit recommendations
- receiving regular reports on the department's risk status
- enhancing management's oversight of risk management.

The ARMC considers that it has observed the terms of its Charter and has had due regard to Queensland Treasury's *Audit Committee Guidelines: Improving Accountability and Performance*. The committee meets quarterly.

<table>
<tr><th>Committee</th><th>Membership as at 30 June 2019</th></tr>
<tr><td>Finance and Asset Management Committee</td><td>• Director-General (Chair)
• Assistant Coordinator-General, State Development Areas
• Deputy Director-General, Business, Commercial and Performance
• Deputy Director-General, Investment Facilitation and Partnerships
• Deputy Director-General, Manufacturing, Industry and Regions
• General Manager, Economic Development Queensland
• Chief Financial Officer (observer)</td></tr>
<tr><td colspan="2">The Finance and Asset Management Committee (FAMC) was established pursuant to the requirements of the Financial Accountability Act 2009 and the Financial Management Performance Standard 2019 to assist the Director-General in the management of the department’s finances and assets. FAMC is a strategy committee focussing on strategic resource decisions including budget development, financial management and controls, emerging risks to funding, reporting, assets or resourcing. The committee meets quarterly.</td></tr>
<tr><td>Information Steering Committee</td><td>• Deputy Director-General, Business, Commercial and Performance (Chair)
• Deputy Director-General, Manufacturing, Industry and Regions
• Deputy Director-General, Planning
• Executive Director, Infrastructure, Economic and Infrastructure Strategy
• Executive Director, Project Support, Economic Development Queensland
• Chief Information Officer
• Chief Finance Officer
• Head of Internal Audit (observer)
• Executive Director, Business Systems and Solutions (observer)</td></tr>
<tr><td colspan="2">The Information Steering Committee (ISC) provides advice to the Director-General on the strategic management of information and technology resources to ensure all new and existing investments support the department’s strategic plan and provide security oversight. ISC is designed to meet quarterly.</td></tr>
</table>

Committee	Membership as at 30 June 2019
People and Culture Committee	• Director-General (Chair) • Assistant Coordinator-General, State Development Areas • Deputy Director-General, Business, Commercial and Performance • Deputy Director-General, Economic and Infrastructure Strategy • Deputy Director-General, Investment Facilitation and Partnerships • Deputy Director-General, Manufacturing, Industry and Regions • Deputy Director-General, Planning • General Manager, Economic Development Queensland • Executive Director, People and Performance (observer)
The People and Culture Committee (PCC) provides strategic management of human resources and fosters the development of a workplace culture that is collaborative, agile, flexible, innovative and operates ethically with strong governance. The PCC meets quarterly and is supported by the Consultative Committee and the Workplace Health and Safety Committee.	

CORPORATE SERVICES

Government bodies

The department administers the grant funding itemised below on behalf of the state for the following organisations:

- Building Queensland Board ($7.513 million)
- GasFields Commission Queensland ($2.9 million)
- Queensland Reconstruction Authority ($553.623 million)
- Brisbane City Council for management of South Bank and Roma Street Parklands ($30.309 million).

Further information about the operations, priorities and achievements of these bodies can be found in their annual reports, with a link to these provided on the department's website: www.dsdmip.qld.gov.au

Risk management

Risk management is effectively managed in accordance with the *Financial Accountability Act 2009 (FAA)* and aligns with the international standard for risk management (ISO 31000:2018 Risk Management – Guidelines).

The department is committed to a robust integrated risk management system that reflects our vision, values, objectives and resources while supporting accountability obligations and good governance and decision-making practices.

The department is also focused on developing a strong risk culture that embeds risk management as part of day-to-day business activities and supports staff capability to deliver consistent and effective management of risk across the department.

A new departmental Risk Appetite Statement and corresponding Risk Analysis Matrix have been implemented and provide a transparent and integrated risk appetite directive that influences a strong culture of good decision-making in order to maximise the department's capacity to achieve strategic objectives.

During 2018–19, the department invested in risk management training as part of its goal to achieve a formal accreditation offered through the Risk Management Institute of Australia. This investment enables quality risk management techniques to be shared across the department, including through the internal Risk Management Working Group.

Internal audit

Pursuant to section 29 of the *Financial and Performance Management Standard 2019* (FPMS), the department has established an independent Internal Audit function.

Through its assurance activities, Internal Audit aids the accountable officer in the discharge of that officer's functions and duties under the relevant provisions of the FAA and FPMS.

Internal audit provides an independent, objective assurance and consulting activity designed to add value and improve the department's operations and assists the department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit operates under an approved charter that sets the purpose, authority and responsibilities of the department's internal audit function. It has been prepared with reference to:

- the relevant provisions of the FAA and the FPMS
- the Institute of Internal Auditors (IIA) International Professional Practice Framework
- the Queensland Treasury *Audit Committee Guidelines: Improving Accountability and Performance*
- better practice guidance issued by the Australian National Audit Office.

The scope of Internal Audit coverage for 2018–19 was set out in the approved *Internal Audit Strategic Plan 2018–21* and *Annual Audit Plan 2018–19*. This plan followed a risk-based methodology, balancing emerging issues against reviews of core business and transactional processes. Auditable areas were identified based on consultation and assurance mapping.

Achievements of Internal Audit during 2018–19 included:

- developing and delivering a risk-based strategic and annual plan of audits covering assurance about, and improving effectiveness of, governance, financial controls, systems, project management, operations, compliance and risk management
- providing advisory services to the department in order to improve risk management, control and governance, and business operations
- completing audits and reviews as detailed in the annual audit plan and as directed by the Director-General resulting in recommendations for improving governance processes and business operations
- assessing the effectiveness and efficiency of key departmental financial and operating systems, reporting processes and activities
- proactively following-up with management regarding their timely implementation of internal and external audit recommendations
- managing a co-sourced service delivery model for the provision of an effective internal audit function.

External scrutiny

In addition to an annual audit of the department's financial statements, the Auditor-General conducted performance audits and whole-of-government audits, in accordance with the QAO Strategic Audit Plan and advice to the Director-General.

QAO audit reports tabled in the Legislative Assembly during 2018–19 directly applicable to the department included:

- Auditor-General's Report 1: 2018–19, *Monitoring and managing ICT projects* — tabled in Parliament 10 July 2018
- Auditor-General's Report 3: 2018–19, *Delivering shared corporate services in Queensland*—tabled in Parliament 27 September 2018
- Auditor-General's Report 12: 2018–19, *Market-led proposals*—tabled in Parliament 13 December 2018
- Auditor-General's Report 14: 2018–19, Queensland State Government: 2017–18 results of financial audits—tabled in Parliament 28 February 2019.

Recommendations addressed to the department were accepted and management plans are in place to implement those recommendations. Progress in implementing all recommendations is monitored and followed-up by Internal Audit and reported to the ARMC for review and noting.

Other external reviews

In March 2019, the Economics and Governance Committee wrote to the Acting Director-General seeking an update on the implementation of audit recommendations from the Auditor-General's Report No. 8: 2017–18—*Confidentiality and disclosure of government contracts*. The department provided its response in early April 2019.

In May 2019, the Transport and Public Works Committee wrote to the Director-General seeking an update on the implementation of audit recommendations and related information from the Auditor-General's Report No 1: 2018–19—*Monitoring and Managing ICT projects*. The department provided its response in May 2019.

Ethics

The department's Ethics and Integrity Framework ensures systems, policies, procedures and resources are in place to provide assurance that the department's activities are conducted in an ethical, accountable and transparent manner.

The ethics function plays a key role in supporting and enabling an ethical culture across the organisation. Ethics provides a range of services aimed at ensuring that the department's ethics requirements and standards remain central to the department's operations. Specialist advice and services are provided in relation to:

- complaints management (both customer and employee complaints)
- registering declarations of interests and managing conflicts of interest
- gifts and benefits
- contact with lobbyists
- preventing fraud and corruption
- liaising with the Crime and Corruption Commission (CCC), the Queensland Police Service and the Queensland Ombudsman's Office
- the management of public interest disclosures and complaints related to corrupt conduct
- training and development related to ethics.

Departmental employees uphold the Code of Conduct for the Queensland Public Service and receive regular training on the code, starting at induction. During 2018–19, there were a range of workshops, presentations and training sessions delivered to employees and contractors on topics related to Ethics and the Code of Conduct. Six short videos were produced featuring the Director of Ethics discussing conflicts of interest, complaints and public interest disclosures and gifts and benefits. Additionally, a seventh video was produced featuring the Queensland Integrity Commissioner discussing conflicts of interest, gifts and benefits and contact with lobbyists. These videos allowed flexible learning for employees and were an effective method to reach our regional employees.

Employees also have access to other training and development opportunities in relation to ethics. During 2018–19, more than 95 per cent of staff completed online code of conduct training. Information on ethics was also embedded in quarterly corporate induction sessions. Ethics has also provided tailored advice and information sessions to staff across the department on request, with over 300 pieces of specialist advice being provided.

Ethics assisted in reassessing the department's fraud and corruption risks following the departmental restructure. The history of each business unit was profiled in terms of alleged fraud and corruption cases, complaints, ethics advice, declarations of interests and contact with lobbyists. The ethics profiles assisted business areas and the Risk team to identify, assess and manage the relevant areas' fraud and corruption risks.

Each financial year, the customer complaints that have been received, resolved and under management are reported, and this information is available on the department's website **www.dsdmip.qld.gov.au**. During 2018–19, there were 64 complaints lodged against the department, of which 14 resulted in business improvement and/or management action.

Information systems and records management

The department's information management strategic intent is to comply with the *Public Records Act 2002*, *Public Service Act 2008* and the Records Governance Policy which outlines responsibilities for recordkeeping and retention and disposal of public records.

Departmental staff use an electronic Document Records Management System (eDRMS) to systematically capture, manage and secure business records in an accountable, transparent and evidence-based manner.

The department's journey towards managing business processes digitally continued with:

- an increase in the volume of electronic records being captured and managed in the department's eDRMS
- a sizeable percentage of records being received electronically and managed through internal electronic approval processes
- a minimal number of physical files moved to storage compared to the previous year, an indicator of the increasingly digital nature of transactions.

Continual improvements to information security and associated security protocols have been a priority during 2018–19 and key initiatives included:

- implementation of stage one of an information security management system (ISMS) compliant with ISO27001:2013 as a governance framework for assessing information security and business systems risk
- incorporation of the ISMS risk framework as part of the departmental governance and risk frameworks
- improved methodologies for assessing business information risk.

Queensland Government open data

The department is committed to open and transparent business practices and publishes some information relating to its annual reporting requirements via the Queensland Government Open Data website.

For a complete list of datasets published by the department, visit **https://data.qld.gov.au/organisation/state-development-manufacturing-infrastructure-and-planning**

OUR WORKFORCE

Workforce planning and performance

The Workforce Plan 2018–2022 was developed to support implementation of the department's strategic objectives by ensuring:

- a workforce with the capability and capacity to efficiently and flexibly ensure service delivery outcomes are met now and into the future by considering workforce design, size and composition
- a focused and strategic approach to talent management and succession planning to attract, develop and retain a suitable workforce and address critical skills gaps
- strong leadership practices and behaviours
- a workforce that is agile, flexible, responsive, resilient and adaptable to change in volatile, complex and ambiguous environments with initiatives that address workforce demand and supply issues
- a positive organisational culture in which inclusion and diversity is valued and supported, that enables new ways of thinking and encourages innovative solutions
- happy, healthy, engaged employees that are recognised and rewarded for their contributions
- link to whole of government priorities and outcomes
- initiatives are in line with the industrial relation framework and environment.

Initiatives in the Workforce Plan are implemented in keeping with Queensland Public Service values:

Customer first

Ideas into action

Unleash potential

Be courageous

Empower people

In line with the department's governance framework, the People and Culture Committee provides oversight of the Workforce Plan. Successful implementation of the plan is achieved through operational and business planning frameworks and processes and is monitored through performance indicators.

The Workforce Plan includes four objectives that reflect the department's levers for change, supported by detailed initiatives.

These objectives are:

1. Talent management

Position the department as an employer of choice that attracts the best talent, diverse applicant pools, motivates, retains, and engages employees; and where people are recognised and rewarded for their contributions, achievements and values-based behaviour.

Achievements for 2018–19 included:

- three graduate rotation placements through participation in the Department of the Premier and Cabinet Policy Future Graduate Program
- availability of an online Recruitment and Selection training module and delivery of face-to-face training to employees, with a focus on contemporary recruitment practices, inclusion and diversity through the *People Matters* program
- more visible advertising of roles that are suitable to support flexible working arrangements
- ongoing opportunities available internally and externally through the reward and recognition framework for employees who have demonstrated our public service values or excellence in service delivery.

2. Leadership and capability

Create a workplace culture that champions and is committed to high performance, employee development and empowerment, business improvement, collaboration, and workforce flexibility; and where our leaders are open and transparent, model our values, and manage change to get the best out of people and to deliver on our strategic objectives.

During 2018–19, the department:

- refreshed the formal and online induction program
- continued implementation of an enhanced performance management framework 'My Conversations' to strengthen performance management and development culture; comprising of five themed conversations that line managers should have with their employees; one theme per month, for five months out of six months, with each topic covered twice in a year
- added an additional MyConversations topic (My Workforce Plan) to build understanding of the role all leaders and employees have in contributing to the successful outcomes being sought under each of these above objectives to ensure all staff are happy, healthy and engaged
- continued to focus on learning and development activities emphasising a balance between:
  - workplace learning—70 per cent of time
  - social learning—20 per cent of time
  - formal learning—10 per cent of time.
- continued enhancement of the department's learning and talent management system 'ELMO', a platform that provides online training content
- piloted the Queensland Public Sector leadership and assessment development program LEAD4QLD
- completed a mentoring program to build a highly skilled workforce with increased succession planning opportunities. The program allowed individuals to learn the importance of fostering relationships, dealing with constructive advice and ultimately enabling job success
- delivered a refreshed contemporary Leadership Development Strategy, with a focus on developing emerging leaders. The strategy is reviewed annually through the strategic planning process and incorporated into future leadership development offerings
- provided senior leaders with an executive coaching panel enabling a tailored and flexible development tool
- facilitated ongoing participation in internally and externally provided programs including those offered by the Public Service Commission (PSC).

3. New ways of working

Create an agile, flexible and adaptive workforce which aligns and focuses resources on collaboratively delivering the department's strategic objectives and priority projects and uses information and actionable analysis to support decision making in a changing work environment.

Achievements during 2018–19 included:

- a continued focus on a workforce agility strategy to achieve effective workforce planning, and utilisation of departmental workforce resources; meet capability requirements and increase workforce capacity
- an expressions of interest process to deploy highly skilled employees to internal priority projects
- progression of the Data Sharing and Analytics Strategy to provide the department with robust information, analysis and insight to help achieve strategic objectives
- continued commitment to red tape reduction supported by delegation reform, increased process improvement, and automation across a range of corporate services functions
- provision of employee information sharing and collaboration opportunities including regular staff forums
- the launch of a leadership video series featuring leaders and subject matter experts in various contemporary topics.

Flexible working

Of particular focus was the department's commitment to promoting, encouraging and embedding flexible working practices, where practicable, to achieve strong attraction and retention of a highly capable, innovative and diverse workforce, and support the health and wellbeing of employees.

Flexible work practices include providing employees access to flexible hours of work arrangements, various leave types, a compressed working week, part-time arrangements, job sharing and telecommuting.

Initiatives included:

- participation in the Whole-of-Government Distributed Work Centres pilots at Robina, Maroochydore, Ipswich and the Sunshine Coast.
- leadership panel discussion on:
  - 'How I like to be led' —a perspective from a diverse panel on flexible working
  - Women in Leadership: 'Are Women in leadership achieving work life balance where it is output-based, not face-time based'
- regular internal workshops and information sessions for leaders and managers on how to support flexible work arrangements and meet the new industrial relations provisions for flexible work requests
- promotion of flexible working through the MyConversations performance management framework
- promotion of 'National Flexible Working Day'
- inclusion in the Gender Equality Action Plan
- referenced in the 'Employee Benefits' policy.

White Ribbon Australia

Achieved accreditation as a White Ribbon Australia Workplace

4. Culture

The department strives to employ a workforce that:

- reflects the community we serve
- embraces and fosters inclusiveness
- harnesses diversity and the benefits of diversity for innovation and decision making
- embraces change
- manages risk and holds a reputation characterised by ethical conduct and decision making
- holds accountability and behaviours that reflect the public service values
- is committed to the health and wellbeing and work-life balance of our employees.

Achievements during 2018–19 included:

- participation in the annual whole-of-government confidential employee opinion survey – ‘Working for Queensland’, including an analysis of results to inform Workforce Plan priorities
- conducted values sessions with more than 600 employees to help identify behaviours that will help make our workplace more successful
- continued enhancement of the ethics and integrity framework and practices, including the on-gong roll-out of refreshed online code of conduct training, management of gifts and benefits and conflicts of interest
- capability development programs and awareness campaigns to support and build a constructive workplace culture, including fair and reasonable performance management practices, flexible working arrangements, complaints management and positive employee interactions with colleagues and clients
- continuation of a multi-dimensional health and wellbeing program ‘Live Well Work Well’ focusing on physical, psychological, social, work and financial employee wellbeing. The program included:
    - skin cancer checks available to all employees
    - flu vaccinations
    - ergonomic and posture care assessments
    - information sessions and online promotions
    - availability of the employee assistance program including support for employees impacted by domestic and family violence
    - launch of an online mentally healthy workplaces promotion
    - International Women’s Day event focusing on financial well-being promotion of community awareness events including RUOK day, Mental Health Awareness month, Safe Work Month, and Domestic Family Violence Awareness Month
    - continued collaboration through the ‘Wellness Warriors’ cohort.

Inclusion and diversity

The department’s commitment to diversity and inclusion is captured through a number of internally and externally focused strategies and action plans and supported internally by a *Creating an Inclusive Workplace* policy.

In 2016, the PSC required all agencies to establish targets for representation in the workforce of people with a disability, Aboriginal and/or Torres Strait Islander people, people from a non-English speaking background and for women in Senior Officer and Senior Executive Service job roles. Annual reporting on progress against these targets is provided externally to the PSC and internally to the People and Culture Committee.

During 2018–19, the department:

- undertook ongoing promotion in support of LGBTIQ+ initiatives and events
- updated the Gender Equality Action Plan focused on visible and vocal leadership commitment, recruitment, retention and capability development activities and opportunities
- continued promotion of the Workplace Adjustment Passport to assist employees with impairments to document agreed reasonable workplace adjustments
- made closed captioning available at staff forums and events
- released a new online disability awareness module
- provided opportunities to attend various cultural capability awareness building activities
- provided opportunities for young Aboriginal and Torres Strait Islander peoples to participate in a traineeship program

- reviewed internal recruitment and selection procedures in support of providing diverse and inclusive work practices
- undertook a number of internal staff events, forums and activities such as Domestic and Family Violence Prevention and Veterans' Employment Pathways.

Industrial and employee relations framework

All employees are covered by the *Industrial Relations Act 2016* and the *Public Service Act 2008*.

The *State Government Entities Certified Agreement 2015* (Core Agreement 2015) and the *Queensland Public Service Officers and Other Employees Award – State 2015* provisions apply to all employees except for Senior Executive Service and Senior Officers.

The department has implemented and complied with the new Employment Security and Union Encouragement policies.

Advice and support are provided to managers and employees in relation to terms and conditions of employment, policies and processes.

During 2018–19, two employees lodged appeals with the Queensland Industrial Relations Commission (QIRC) under section 194(1)(e) of the *Public Service Act 2008*. The appeal matters related to temporary employment review decisions. One matter was dismissed by the QIRC and the second matter was resolved prior to the appeal being heard in the QIRC.

Consultative Committee

The Committee is a consultative body established pursuant to Part 9 of the Core Agreement 2015 to facilitate meaningful consultation between management and unions on matters arising under the Core, or matters that otherwise impact or may impact upon the workforce of the department. The committee meets quarterly. The parties to the Committee are:

- Department of State Development Manufacturing, Infrastructure and Planning
- Together Queensland Industrial Union of Employees.

Extensive consultation with the union was undertaken in mid to late 2018 to discuss potential impacts on employees arising from the implementation of a departmental-wide organisational restructure.

In addition to the above, the department transferred via Departmental Arrangements Notice (DAN) to Housing and Public Works responsibility for the portfolio entities of:

- Queensland Government Architect
- Project Delivery.

White Ribbon Australia Workplace

The department achieved accreditation as a White Ribbon Australia Workplace in May 2019. This is in line with the Queensland Government's commitment to prevent violence, support employees affected by domestic and family violence (DFV) and promote safe and respectful workplace cultures.

During 2018–19, the department:

- provided training to help individuals recognise and respond to people affected by DFV
- revised and improved practices, policies and support resources
- encouraged individuals to take an active role in creating a positive and safe workplace through awareness campaigns, surveys and fundraising activities
- helped empower our staff to stand up, speak out and act to stop DFV.

Work Health and Safety

The department takes an integrated approach to achieving and continuously improving employees' health, safety, rehabilitation, return to work and injury management systems, processes and practices. Initiatives are also implemented with the aim of reducing absenteeism.

The department has an active Work Health and Safety (WHS) Committee which:

- contributes to departmental compliance with the *Work Health and Safety Act 2011* (WHS Act), the *WHS Regulations 2011* (WHS Regulations) and applicable Codes of Practice; and compliance with s.75 to s.78 of the WHS Act

- provides a consultative forum where WHS issues can be identified, discussed and solutions identified including recommendations for adoption by senior management
- identifies, assesses and manages WHS risks in accordance with the department's risk management framework
- reviews quarterly health and safety data to identify where action can be taken to address issues or trends
- implements appropriate preventative actions where required and prompt intervention when issues are reported to support affected employees
- promotes excellence and best practice in WHS management and applies a continuous improvement approach to the department's WHS performance for the benefit of all employees.

The WHS Committee meets quarterly. During 2018–19, the WHS Committee furthered implementation of a departmental WHS Action Plan to promote and improve the safety of our workplaces and build a healthy and resilient workforce in line with the WHS Act, WHS Regulations, the Codes of Practice and the Queensland Public Sector *Be healthy, be safe and be well* framework. The objectives of the plan are to 'Establish, Promote and Maintain a safe and healthy work environment'. Implementation progress is monitored by the Committee.

Workforce profile

The department has a workforce of 946 full-time equivalent employees with a permanent separation rate of 5.75 per cent. This is an increase from 2017–18.

The department's workforce profile is depicted in Figure 3 and Figure 4.

Retirements, redundancies and retrenchments

During 2018–19, two employees received voluntary medical retirement packages at a total cost of $123,101.72.

Figure 3:
Workforce distribution by salary and gender as at 30 June 2019

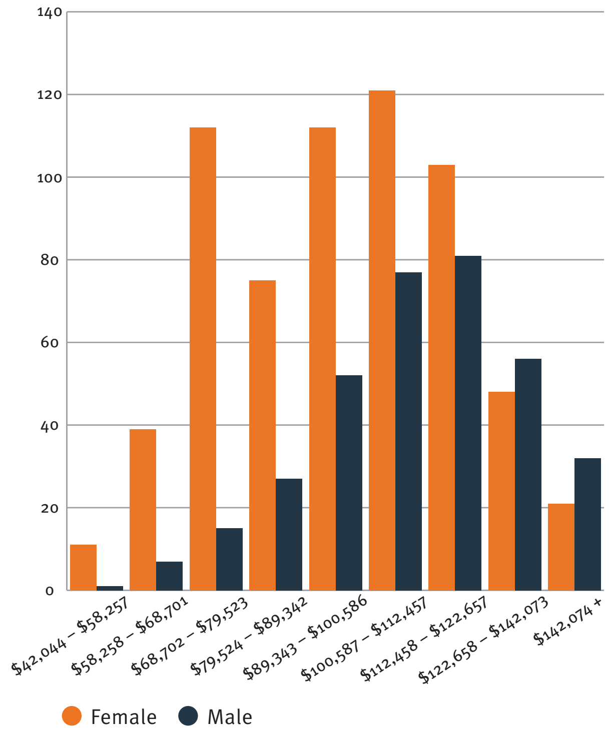
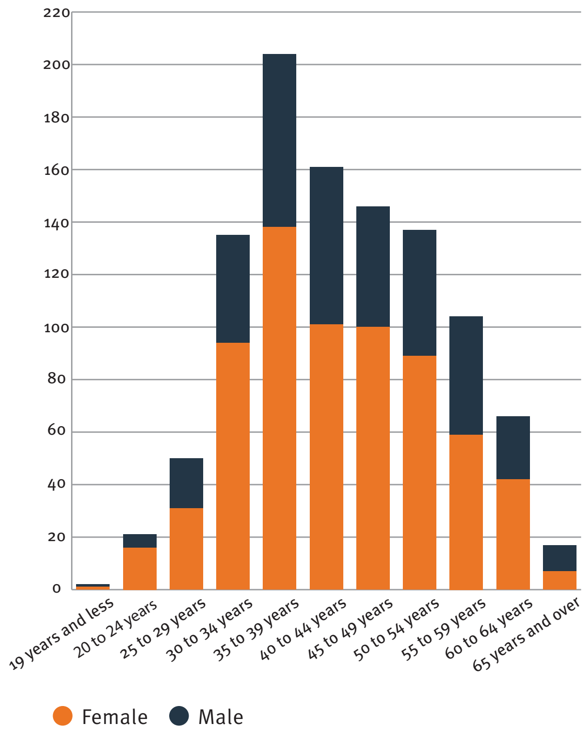


Figure 4:
Workforce distribution by age and gender as at 30 June 2019



FINANCIAL STATEMENTS

Department of State Development, Manufacturing, Infrastructure and Planning

Financial Statements for the year ended 30 June 2019

Contents

General information

The Department of State Development, Manufacturing, Infrastructure and Planning (the department) is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is Level 38, 1 William Street, Brisbane QLD 4000.

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

For information in relation to the department's financial statements please call +61 7 3452 6930, email financedsdmip@dsdmip.qld.qov.au or visit the department's website www.dsdmip.qld.qov.au.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Comprehensive Income for the year ended 30 June 2019

OPERATING RESULT	Note	2019 Actual $'000	2019 Adjusted Budget $'000	Budget Variance* $'000	2018 Actual $'000
Income					
Appropriation revenue	4	383,236	474,550	(91,314)	358,569
User charges and fees	5	33,920	34,791	(871)	79,917
Land sales		48,511	58,879	(10,368)	23,168
Interest		11,008	12,460	(1,452)	4,430
Grants and other contributions revenue	6	5,946	319	5,627	3,080
Other revenue		1,109	251	858	260
Total revenue		483,730	581,250	(97,520)	469,423
Gains on disposal and remeasurement of assets	7	24,822	-	24,822	934
Total income		**508,552**	**581,250**	**(72,698)**	**470,357**
Expenses					
Supplies and services	8	84,228	183,066	(98,838)	194,742
Grants and contributions	9	227,293	222,089	5,204	138,010
Employee expenses	10	121,493	120,180	1,313	99,939
Revaluation decrement	16 ,17	12,320	-	12,320	35,072
Finance/borrowing costs		6,079	8,092	(2,013)	2,115
Cost of land sales	15	38,004	38,500	(496)	10,354
Depreciation and amortisation		4,676	2,328	2,348	1,896
Impairment losses		-	-	-	86
Land inventory written off	15	2,159	-	2,159	26
Other expenses	12	11,280	24,690	(13,410)	25,686
Total expenses		**507,531**	**598,945**	**(91,413)**	**507,926**
Operating result before income tax equivalent		**1,021**	**(17,695)**	**18,715**	**(37,569)**
Income tax equivalents	19	(9,796)	5,678	(15,474)	15,594
Operating result after income tax equivalent		**(8,775)**	**(12,017)**	**3,241**	**(21,975)**
TOTAL OTHER COMPREHENSIVE INCOME		**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME		**(8,775)**	**(12,017)**	**3,241**	**(21,975)**

** An explanation of major variances is included at Note 24.*
The accompanying notes form part of these financial statements.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Financial Position as at 30 June 2019

	Note	2019 Actual $'000	2019 Adjusted Budget $'000	Budget Variance* $'000	2018 Actual $'000
Current assets					
Cash and cash equivalents	13	235,689	80,728	154,961	196,728
Receivables	14	58,348	54,720	3,628	108,355
Land inventories	15	38,879	383,256	(344,377)	38,543
Prepayments		823	240	583	1,006
		333,739	518,944	(185,205)	344,632
Non-current assets classified as held for sale		-	-	-	2,842
Total current assets		333,739	518,944	(185,205)	347,474
Non-current assets					
Receivables	14	120,058	129,188	(9,130)	82,006
Land inventories	15	320,489	-	320,489	272,821
Property, plant and equipment	16	299,604	295,470	4,134	350,736
Investment property	17	228,113	243,200	(15,087)	250,575
Intangible assets	18	16,464	16,942	(478)	17,720
Deferred tax equivalent asset	19	27,752	20,078	7,674	23,777
Total non-current assets		1,012,480	704,878	307,602	997,635
Total assets		**1,346,220**	**1,223,822**	**122,398**	**1,345,108**
Current liabilities					
Payables	20	127,918	38,852	89,066	82,220
Interest-bearing liabilities	21	15,090	29,566	(14,476)	21,430
Accrued employee benefits		5,221	7,003	(1,782)	4,490
Provisions	22	39,344	25,578	13,766	53,383
Deferred tax equivalent liability	19	-	-	-	3,065
Other liabilities	23	25,417	18,532	6,885	36,082
Total current liabilities		212,990	119,531	93,459	200,670
Non-current liabilities					
Payables	20	39,028	3,028	36,000	25,622
Interest-bearing liabilities	21	98,727	184,922	(86,195)	102,173
Provisions	22	-	7,913	(7,913)	13,126
Deferred tax equivalent liability	19	94,070	65,650	28,420	80,378
Other liabilities	23	9,807	2,316	7,491	7,972
Total non-current liabilities		241,632	263,829	(22,197)	229,271
				-	
Total liabilities		**454,621**	**383,360**	**71,261**	**429,941**
				-	
Net assets		**891,599**	**840,462**	**51,137**	**915,168**
Equity					
Contributed equity		1,339,330	1,269,063	70,267	1,354,124
Accumulated deficit		(447,731)	(428,601)	(19,130)	(438,956)
Total Equity		**891,599**	**840,462**	**51,137**	**915,168**

** An explanation of major variances is included at Note 24.*
The accompanying notes form part of these financial statements.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Changes in Equity for the year ended 30 June 2019

	Note	Contributed Equity $'000	Accumulated Deficit $'000	Total $'000
Balance as at 1 July 2017		**465,481**	**(416,981)**	**48,500**
Operating Result		-	(21,975)	(21,975)
Total Comprehensive Income for the Year		-	(21,975)	(21,975)
Transactions with Owners as Owners:				
Appropriated equity injections/(withdrawals)	4	93,904	-	93,904
Net transfers in/(out) from other Queensland Government entities		(205)	-	(205)
Balance transferred in/(out) through machinery-of-Government change		799,039	-	799,039
Non-appropriated equity injections/(withdrawals)		(4,096)	-	(4,096)
Net Transactions with Owners as Owners		888,642	-	888,642
Balance as at 30 June 2018		**1,354,124**	**(438,956)**	**915,168**
Operating Result		-	(8,775)	(8,775)
Total Comprehensive Income for the Year		-	(8,775)	(8,775)
Transactions with Owners as Owners:				
Appropriated equity injections/(withdrawals)	4	15,047	-	15,047
Net transfers in/(out) from other Queensland Government entities		13,104	-	13,104
Balance transferred in/(out) through machinery-of-Government change	3	(63,350)	-	(63,350)
Non-appropriated equity injections/(withdrawals)		20,406	-	20,406
Net Transactions with Owners as Owners		(14,793)	-	(14,793)
Balance as at 30 June 2019		**1,339,330**	**(447,731)**	**891,599**

The accompanying notes form part of these financial statements.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 Actual $'000	2019 Adjusted Budget $'000	Budget Variance* $'000	2018 Actual $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Inflows:					
Appropriation receipts	4	413,857	473,240	(59,383)	283,950
User charges and fees		58,033	38,132	19,901	65,143
Land sales		48,511	58,879	(10,368)	23,168
Grants and other contributions revenue		563	-	563	2,546
GST input tax credits from ATO		50,086	23,205	26,881	21,357
GST collected from customers		25,865	7,445	18,420	12,825
Interest receipts		7,419	12,460	(5,041)	3,222
Other inflows		1,348	251	1,097	586
Outflows:					
Supplies and services		(121,237)	(278,015)	156,778	(133,314)
Employee expenses		(111,080)	(120,234)	9,154	(99,426)
Grants and contributions		(232,748)	(222,089)	(10,659)	(114,430)
GST paid to suppliers		(49,747)	(22,557)	(27,190)	(22,228)
GST remitted to ATO		(25,903)	(8,915)	(16,988)	(10,740)
Finance/borrowing costs		(5,055)	(8,092)	3,037	(2,988)
Income tax equivalents		(3,662)	(6,823)	3,161	(331)
Other outflows		(23,543)	(5,943)	(17,600)	(2,992)
Net cash provided by/(used in) operating activities		**32,707**	**(59,056)**	**91,763**	**26,348**
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Sales of property, plant and equipment		13,996	7,578	6,418	10,981
Loans and advances redeemed		9,727	1,955	7,772	3,107
Outflows:					
Payments for property, plant and equipment		(4,110)	(27,541)	23,431	(51,579)
Payments for investments		(996)	-	(996)	(4,222)
Payments for intangibles		(1,065)	-	(1,065)	(1,125)
Loans and advances made		(32,115)	(37,707)	5,592	(28,457)
Net cash provided by/(used in) investing activities		**(14,563)**	**(55,715)**	**41,152**	**(71,295)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Inflows:					
Equity injections		16,552	35,357	(18,805)	87,351
Proceeds from borrowings		64,679	49,928	14,751	10,407
Outflows:					
Equity withdrawals		(37,213)	(7,588)	(29,625)	(1,500)
Borrowing redemptions		(18,411)	(78,558)	60,147	(12,018)
Net cash provided by/(used in) financing activities		**25,607**	**(861)**	**26,468**	**84,240**
Net increase/(decrease) in cash and cash equivalents		43,750	(115,632)	159,382	39,293
Increase/(decrease) in cash and cash equivalents from restructuring		(4,787)	(4,383)	(404)	147,867
Cash and Cash Equivalents – opening balance		196,728	200,743	(4,015)	9,568
Cash and Cash Equivalents – closing balance	13	**235,689**	**80,728**	**154,963**	**196,728**

** An explanation of major variances is included at Note 24.*
The accompanying notes form part of these financial statements.

Notes to the Statement of Cash Flows for the year ended 30 June 2019

Reconciliation of operating result to net cash provided by operating activities

	2019 $'000	2018 $'000
Operating Surplus/(deficit)	(8,775)	(21,975)
Non-cash items included in operating result:		
Depreciation and amortisation expense	4,676	1,896
Net gain on disposal of property, plant and equipment and intangible assets	199	(715)
Gain on revaluation of investment property	-	-
Impairment loss reversals—receivables	(460)	(195)
Impairment losses	-	86
Revaluation decrement	12,320	35,072
Revaluation increment	(23,583)	-
Notional Interest	(3,519)	(967)
Loss on discounted loans advanced at concessional rates	2,829	9,711
Other non-cash items	11,732	1,234
Change in assets and liabilities		
(Increase)/decrease in appropriation revenue receivable	30,101	(53,065)
(Increase)/decrease in receivables	24,912	(64,208)
(Increase)/decrease in inventories	(48,005)	(5,887)
(Increase)/decrease in deferred tax	6,651	(15,925)
(Increase)/decrease in prepayments	184	(201)
Increase/(decrease) in payables	58,709	74,388
Increase/(decrease) in accrued employee benefits	731	642
Increase/(decrease) in other liabilities	(8,830)	4,680
Increase/(decrease) in provisions	(27,165)	61,776
Net cash provided by operating activities	**32,707**	**26,348**

Changes in liabilities arising from financing activities

2019		***Non-Cash Changes***		***Cash Flows***		
	Closing Balance 2018 $'000	**Transfers due to machinery-of-Government changes $'000**	**Other $'000**	**Cash Received $'000**	**Cash Repayments $'000**	**Closing Balance 2019 $'000**
Borrowings	123,603	-	(56,054)	64,679	(18,411)	**113,817**
Total	**123,603**	**-**	**(56,054)**	**64,679**	**(18,411)**	**113,817**

2018		***Non-Cash Changes***		***Cash Flows***		
	Closing Balance 2017 $'000	**Transfers due to machinery-of-Government changes $'000**	**Other $'000**	**Cash Received $'000**	**Cash Repayments $'000**	**Closing Balance 2018 $'000**
Borrowings	65,577	64,637	(5,000)	10,407	(12,018)	**123,603**
Total	**65,577**	**64,637**	**(5,000)**	**10,407**	**(12,018)**	**123,603**

Further details on borrowings is provided in Note 21.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2019

	Driving Enterprise Development, Economic Growth and Job Creation *		Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth *		Economic and Infrastructure Strategy, Policy and Planning *		Better Planning for Queensland *	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Income								
Appropriation revenue	228,235	206,961	59,061	118,178	36,335	7,631	59,605	25,799
User charges and fees	1,573	2,151	13,105	83,711	288	77	4,525	2,013
Land sales	-	-	-	-	-	-	-	-
Interest	63	19	-	-	-	-	-	-
Grants and other contributions revenue	830	2,699	102	69	29	8	65	37
Other revenue	100	53	97	53	39	4	87	59
Total revenue	**230,802**	**211,884**	**72,365**	**202,012**	**36,690**	**7,720**	**64,282**	**27,908**
Gains on disposal and remeasurement of assets	339	-	(130)	476	-	-	-	-
Total income	**231,141**	**211,884**	**72,235**	**202,488**	**36,690**	**7,720**	**64,282**	**27,908**
Expenses								
Supplies and services	24,431	25,564	22,117	95,966	5,650	3,628	14,764	8,312
Grants and contributions	156,284	127,869	28,811	70,371	18,880	7	23,106	705
Employee expenses	43,389	43,425	21,373	30,252	13,348	3,426	28,054	14,985
Revaluation decrement	14,215	-	940	(13,331)	-	-	-	-
Finance/borrowing costs	-	82	496	1,740	-	-	-	-
Cost of land sales	-	-	-	-	-	-	-	-
Depreciation and amortisation	730	392	813	535	243	12	547	942
Impairment losses	-	-	-	-	-	-	-	-
Land inventory written off	-	-	-	-	-	-	-	-
Other expenses	530	5,532	144	12,790	57	405	210	2,088
Total expenses	**239,578**	**202,864**	**74,694**	**198,322**	**38,178**	**7,478**	**66,681**	**27,033**
Operating result before income tax equivalent	**(8,437)**	**9,020**	**(2,459)**	**4,166**	**(1,488)**	**242**	**(2,399)**	**875**
Income tax equivalents	-	-	-	-	-	-	-	-
Operating result after income tax equivalent	**(8,437)**	**9,020**	**(2,459)**	**4,166**	**(1,488)**	**242**	**(2,399)**	**875**
TOTAL OTHER COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME	**(8,437)**	**9,020**	**(2,459)**	**4,166**	**(1,488)**	**242**	**(2,399)**	**875**

* Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2019

	Business and Economic Growth *[1]		Inter-Service/Unit Eliminations		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Income						
Appropriation revenue	-	-	-	-	383,236	358,569
User charges and fees	15,612	8,774	(1,183)	(16,809)	33,920	79,917
Land sales	48,511	23,168	-	-	48,511	23,168
Interest	10,945	4,411	-	-	11,008	4,430
Grants and other contributions revenue	7,739	70,682	(2,820)	(70,415)	5,946	3,080
Other revenue	1,087	190	(300)	(99)	1,109	260
Total revenue	**83,894**	**107,224**	**(4,303)**	**(87,324)**	**483,730**	**469,423**
Gains on disposal and remeasurement of assets	39,564	458	(14,949)	-	24,822	934
Total income	**123,458**	**107,682**	**(19,252)**	**(87,324)**	**508,552**	**470,357**
Expenses						
Supplies and services	18,632	78,178	(1,365)	(16,907)	84,228	194,742
Grants and contributions	3,032	9,474	(2,820)	(70,415)	227,293	138,010
Employee expenses	15,447	7,853	(118)	(2)	121,493	99,939
Revaluation decrement	12,115	48,403	(14,950)	-	12,320	35,072
Finance/borrowing costs	5,583	293	-	-	6,079	2,115
Cost of land sales	38,004	10,354	-	-	38,004	10,354
Depreciation and amortisation	2,342	15	-	-	4,676	1,896
Impairment losses	-	86	-	-	-	86
Land inventory written off	2,159	26		-	2,159	26
Other expenses	10,339	4,872	-	-	11,280	25,686
Total expenses	**107,654**	**159,554**	**(19,252)**	**(87,324)**	**507,531**	**507,926**
Operating result before income tax equivalent	**15,804**	**(51,872)**	**-**	**-**	**1,021**	**(37,568)**
Income tax equivalents	(9,796)	15,594	-	-	(9,796)	15,594
Operating result after income tax equivalent	**6,008**	**(36,278)**	**-**	**-**	**(8,775)**	**(21,975)**
TOTAL OTHER COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME	**6,008**	**(36,278)**	**-**	**-**	**(8,775)**	**(21,975)**

* Refer to Note 2 of the financial statements for a description of major departmental services.
[1] This relates to Economic Development Queensland (EDQ), a CBU of the department.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2019

	Driving Enterprise Development, Economic Growth and Job Creation *		Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth *		Economic and Infrastructure Strategy, Policy and Planning *		Better Planning for Queensland *	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current assets								
Cash and cash equivalents	15,663	10,024	24,483	32,200	6,063	747	13,642	3,627
Receivables	13,688	25,568	20,385	49,333	3,874	2,191	8,353	10,679
Land inventories	-	-	-	-	-	-	-	-
Prepayments	161	272	171	79	60	2	136	419
	29,512	35,864	45,040	81,612	9,996	2,940	22,131	14,725
Non-current assets classified as held for sale	-	-	-	2,842	-	-	-	-
Total current assets	**29,512**	**35,864**	**45,040**	**84,455**	**9,996**	**2,940**	**22,130**	**14,724**
Non-current assets								
Receivables	280	1,557	-	-	-	-	19,524	19,524
Land inventories	-	-	-	-	-	-	-	-
Property, plant and equipment	45,427	345	75,716	184,632	66	26	148	125
Investment property	-	-	-	-	-	-	-	-
Intangible assets	1,799	1,585	12,162	10,417	937	-	1,567	5,718
Deferred tax equivalent asset	-	-	-	-	-	-	-	-
Total non-current assets	**47,506**	**3,487**	**87,878**	**195,049**	**1,002**	**26**	**21,237**	**25,365**
Total assets	**77,018**	**39,351**	**132,918**	**279,504**	**10,998**	**2,966**	**43,369**	**40,091**
Current liabilities								
Payables	42,594	7,630	26,192	29,200	1,573	2,945	1,890	24,758
Interest-bearing liabilities	-	-	-	7,936	-	-	-	-
Accrued employee benefits	1,893	960	929	1,143	555	316	1,217	1,446
Provisions	-	-	23,439	30,002	-	-	-	-
Deferred tax equivalent liability	-	-	-	-	-	-	-	-
Other liabilities	267	12	14,805	25,938	-	1	168	351
Total current liabilities	**44,754**	**8,602**	**65,364**	**94,219**	**2,129**	**3,261**	**3,275**	**26,556**
Non-current liabilities								
Payables	-	6,663	-	4,579	-	497	-	2,411
Interest-bearing liabilities	-	-	-	49,992	-	-	-	-
Provisions	-	-	-	-	-	-	-	-
Deferred tax equivalent liability	-	-	-	-	-	-	-	-
Other liabilities	1,490	1,399	1,442	962	577	104	1,298	506
Total non-current liabilities	**1,490**	**8,063**	**1,442**	**55,533**	**577**	**601**	**1,298**	**2,918**
Total liabilities	**46,244**	**16,665**	**66,806**	**149,752**	**2,706**	**3,862**	**4,573**	**29,474**

* Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Manufacturing, Infrastructure and Planning
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2019

	Business and Economic Growth* [1]		Inter-Service/Unit Eliminations		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current assets						
Cash and cash equivalents	175,837	150,129	-	-	235,689	196,728
Receivables	32,130	60,611	(20,082)	(40,028)	58,348	108,355
Land inventories	40,864	38,543	(1,984)	-	38,879	38,543
Prepayments	295	234	-	-	823	1,006
	249,127	249,517	(22,065)	(40,028)	333,739	344,632
Non-current assets classified as held for sale	-	-	-	-	-	2,842
Total current assets	**249,127**	**249,517**	**(22,065)**	**(40,028)**	**333,739**	**347,473**
Non-current assets						
Receivables	119,778	94,599	(19,524)	(33,674)	120,058	82,006
Land inventories	320,489	272,821	-	-	320,489	272,821
Property, plant and equipment	178,248	165,608	-	-	299,604	350,736
Investment property	228,113	250,575	-	-	228,113	250,575
Intangible assets	-	-	-	-	16,464	17,720
Deferred tax equivalent asset	27,752	23,777	-	-	27,752	23,777
Total non-current assets	**874,380**	**807,381**	**(19,524)**	**(33,674)**	**1,012,480**	**997,635**
Total assets	**1,123,507**	**1,056,898**	**(41,589)**	**(73,702)**	**1,346,220**	**1,345,108**
Current liabilities						
Payables	77,734	62,501	(22,065)	(40,028)	127,918	82,220
Interest-bearing liabilities	15,090	13,494	-	-	15,090	21,430
Accrued employee benefits	626	625	-	-	5,221	4,490
Provisions	15,906	23,381	-	-	39,344	53,383
Deferred tax equivalent liability	-	3,065	-	-	-	3,065
Other liabilities	10,177	9,779	-	-	25,417	36,082
Total current liabilities	**119,533**	**112,845**	**(22,065)**	**(40,028)**	**212,990**	**200,670**
Non-current liabilities						
Payables	58,552	45,146	(19,524)	(33,674)	39,028	25,622
Interest-bearing liabilities	98,727	52,181	-	-	98,727	102,173
Provisions	-	13,126	-	-	-	13,126
Deferred tax equivalent liability	94,070	80,378	-	-	94,070	80,378
Other liabilities	5,000	5,000	-	-	9,807	7,972
Total non-current liabilities	**256,349**	**195,831**	**(19,524)**	**(33,674)**	**241,632**	**229,270**
Total liabilities	**375,882**	**308,676**	**(41,589)**	**(73,702)**	**454,621**	**429,941**

* Refer to Note 2 of the financial statements for a description of major departmental services.
[1] This relates to Economic Development Queensland (EDQ), a CBU of the department.

1. Basis of financial statement preparation

Compliance with prescribed requirements

The Department of State Development, Manufacturing, Infrastructure and Planning (the department) has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

The department is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards applied for the first time in these financial statements are outlined below.

Presentation

Currency and rounding: Amounts included in the financial statements are in Australian dollars and 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. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparatives: Comparative information reflects the audited 2017-18 financial statements except where restated as necessary to be consistent in disclosures in the current reporting period. Balances relating to department's commercialised business unit (CBU), Economic Development Queensland (EDQ), are included from 1 January 2018.

Current/Non-current classification: Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

Authorisation of financial statements for issue

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

Basis of measurement

Historical cost is used as a measurement basis in this financial report except for the following:

- Land, buildings and investment property which are measured at fair value; and
- Inventories, which are measured at the lower of cost and net realisable value.

Historical cost: Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present value: Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net realisable value: Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

First Year Application of New Accounting Standards or Change in Accounting Policy

Changes in accounting policies - AASB 9 *Financial Instruments*

The department applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continue to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard are disclosed below.

Classification and measurement

Under AASB 9, financial assets are categorised into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent 'solely payments of principal and interest'; and
- the department's business model for managing the assets.

The department's financial assets comprise of receivables disclosed in Note 14. They were classified as Loans and Receivables as at 30 June 2018 (under AASB 139) and were measured at amortised cost. These receivables, except for loans with contingent repayment terms, are held for collection of contractual cash flows that are solely payments of principal and interest. As such, they continue to be measured at amortised cost beginning 1 July 2018. The loans with contingent repayment terms have been measured under FVTPL beginning 1 July 2018.

1. **Basis of financial statement preparation (continued)**

AASB 139 measurement category	Balances at 30 June 2018 $'000	AASB 9 measurement category (Balances at 1 July 2018) Amortised cost $'000	Fair value through profit or loss $'000
Loans and receivables			
- Receivables *	190,361	188,804	1,557
	190,361	**188,804**	**1,557**

* Change in carrying amount is immaterial.

Impairment
AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all financial assets other than those held at FVTPL.

On adoption of AASB 9's new impairment model, identified additional impairment losses were immaterial.

Accounting standards early adopted
No Australian Accounting Standards have been early adopted for 2018-19.

Accounting standards applied for the first time
Other than AASB 9 *Financial Instruments,* which is detailed above, no accounting standards that apply to the department for the first time in 2018-19 have any material impact on the financial statements.

The reporting entity
The financial statements include all income, expenses, assets, liabilities and equity of the department, except for those functions transferred through machinery-of-Government changes as outlined in Note 3.

The department shares an interest in a jointly controlled operation, Woodlands Andergrove, in partnership with the Mackay Regional Council to develop and sell land lots located at Bedford Road, Andergrove in Mackay. In accordance with the partnership agreement, the department's interest in the joint venture is 50% which is not material and therefore not disclosed in the notes to the financial statements.

The department also shares an interest in a jointly controlled operation, Toondah Harbour, in partnership with the Redland City Council to facilitate the efficient and effective development of project land located at the Toondah Harbour Priority Development Area, Cleveland. In accordance with the joint venture agreement, the department's interest in the joint venture is 50%. The department's share of transactions and balances from this agreement are not considered to be material for the 2018-19 financial year.

2. **Department objectives**

The department brings together the functions of the Coordinator-General; Economic and Infrastructure Strategy; Investment Facilitation and Partnerships; Manufacturing, Industry and Regions; Planning; Business Commercial and Performance; and Economic Development Queensland. Our objectives are to lead a coordinated and strategic approach to Queensland's medium to long-term economic development; attract and stimulate investment in Queensland to grow the economy and create secure, long-term jobs; create a diverse, productive and sustainable economy for a fairer Queensland; enable the development of public and private infrastructure projects that provide enduring benefits; and create well-planned Queensland communities that are prosperous, resilient and sustainable.

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

Driving Enterprise Development, Economic Growth and Job Creation
This service area's objective is to deliver 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.

Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth
This service area's objective is to 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 to create jobs in a strong economy, protect the Great Barrier Reef and be a responsive Government.

Economic and Infrastructure Strategy, Policy and Planning
This service area's objective is to lead the Queensland Government's efforts in developing a medium to long-term economic strategy that provides direction for policy, planning and prioritisation to maximise the benefits to Queensland of infrastructure activities, regional economic development and industry roadmaps. The service area includes coordinating the Government's infrastructure program and infrastructure policy and contributes to national infrastructure agendas and whole-of-state infrastructure planning. The service area engages with government and industry to develop economic strategy that is integrated with regional land-use, infrastructure and industry development planning, with the aim to deliver on our vision for a thriving and inclusive Queensland, where the economy, industry and communities prosper. The service area is responsible for ensuring infrastructure is prioritised on the basis that it provides a clear economic or service delivery benefit and will deliver the best possible value for money to Queenslanders on infrastructure investment.

Better Planning for Queensland
This service area's objective is to drive the effectiveness of Queensland's planning system by ensuring accessible and transparent requirements and efficiency of State assessment functions.

Business and Economic Growth
This CBU's objective is to initiate a range of development projects to drive economic growth, facilitate renewal and generate ongoing employment opportunities, consistent with the Queensland Government's economic development agenda.

3. Machinery-of-Government changes

As a result of *Public Service Departmental Arrangements Order (No.2) 2018* on 16 August 2018, the Project Delivery and Office of the Queensland Government Architect functions were transferred out of the department to the Department of Housing and Public Works (DHPW), effective 1 September 2018.

The assets and liabilities transferred out as a result of the machinery-of-Government (moG) are outlined below. Please note that the Office of the Queensland Government Architect did not have balances to transfer at 1 September 2018.

	Project Delivery $'000
Current assets	
Cash and cash equivalents	4,787
Receivables	(520)
Total current assets	4,267
Non-current assets	
Property, plant and equipment	63,350
Total non-current assets	63,350
Total assets	**67,617**
Current liabilities	
Payables	16
Other liabilities	4,251
Total current liabilities	4,267
Total liabilities	**4,267**
Net assets	**63,350**

The net decrease in assets of $63.350 million has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity.

As part of the machinery-of-Government changes, budgeted appropriation revenue of $2.190 million was reallocated from the department to DHPW.

4. Appropriation revenue

	Notes	2019 $'000	2018 $'000
Reconciliation of Payments from Consolidated Fund to Appropriated Revenue Recognised in Operating Result			
Budgeted appropriation receipts		475,430	319,348
Redistribution of government business		(2,190)	75,903
Lapsed appropriation receipts		(59,383)	(111,301)
Total Appropriation Receipts (cash)		**413,857**	**283,950**
Less: Opening balance of appropriation revenue receivable		(75,795)	-
Plus: Opening balance of deferred appropriation payable to Consolidated Fund		22,210	10,449
Plus: Closing balance of deferred appropriation receivable/(payable) to Consolidated Fund	14	22,964	53,065
Net Appropriation Revenue		**383,236**	**347,464**
Plus: Deferred appropriation payable to Consolidated Fund (expense)	12	-	11,105
Appropriation revenue recognised in Statement of Comprehensive Income		**383,236**	**358,569**
Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity			
Budgeted equity adjustment appropriation		139,917	43,193
Redistribution of government business		(108,000)	48,683
Lapsed equity adjustment appropriation		(13,800)	(6,025)
Total equity adjustment payments		**18,117**	**85,851**
Plus: Opening balance of equity adjustment payable/(receivable)		(7,960)	93
Plus: Closing balance of equity adjustment receivable/(payable)	14	4,890	7,960
Equity adjustment recognised in Contributed equity		**15,047**	**93,904**

Accounting policy
Appropriation revenue
Appropriations provided under the *Appropriation Act 2018* are recognised as revenue when received or when departmental service receivables are recognised after approval by Queensland Treasury.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' items in Note 31.

	2019 $'000	2018 $'000
5. User charges and fees		
Fee for service *	20,992	71,593
Property income	12,194	7,902
Other fees	734	422
Total user charges and fees	**33,920**	**79,917**

* Decrease due to reduced revenue from Project Delivery function which was transferred out to DHPW, effective 1 September 2018.

Accounting policy

User charges and fees are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised. Accrued revenue is recognised if the revenue has been earned but not yet invoiced.

	2019 $'000	2018 $'000
6. Grants and other contributions revenue		
Contributions	780	2,546
Goods and services received below fair value	536	533
Non-current assets received below fair value *	4,630	-
Total grants and other contributions revenue	**5,946**	**3,080**

* These are land received from Department of Natural Resources, Mines and Energy.

Accounting Policy

Grants, contributions and donations

Grants, contributions, donations and gifts are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the department obtains control over the grant/contribution/donation/gift. Control is generally obtained at the time of receipt.

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 an expense.

Contributed physical assets are recognised at their fair value.

	2019 $'000	2018 $'000
7. Gains on disposal and remeasurement of assets		
Revaluation increment of land reversing previous revaluation decrement in operating result	23,583	-
Gain on sale of property, plant and equipment	778	739
Reversal of impairment loss on receivables	461	195
Total gains	**24,822**	**934**

Accounting policy

Gains arising from changes in the fair value of investment property are included in the operating result for the period in which they arise.

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.

	2019 $'000	2018 $'000
8. Supplies and services		
Contractors and consultants *	46,237	140,302
Other project costs *	46	21,956
Property and building expenses	19,666	16,668
Information technology and computer equipment	8,799	7,479
Shared service provider fee	2,919	2,520
Travel and hospitality	1,825	1,519
Transport	1,341	1,232
Marketing and public relations	1,944	1,383
Other	1,451	1,683
Total supplies and services	**84,228**	**194,742**

* Decrease due to reduced costs from Project Delivery function which was transferred out to DHPW, effective 1 September 2018.

Accounting policy

Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the department must be of approximately equal value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note 9.

Operating lease rentals

Property and building expenses include operating lease payments. These operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities in Note 23 Other liabilities - Current. Lease payments are allocated between rental expense and reduction of the liability. The operating leases are recognised on a straight line basis over the period of the lease term.

	2019 $'000	2018 $'000
9. Grants and contributions		
Grants:		
Queensland and local government	87,104	113,328
Industry attraction	138,596	24,173
Universities	200	200
Commonwealth agencies	50	100
Contributions	1,343	209
Total grants and contributions	**227,293**	**138,010**

Accounting policy

Grants and contributions are recognised in accordance with the relevant funding agreement between the department and the recipient and are non-reciprocal. Grants are treated as an expense when the recipient can control the use of the resources or when the department's obligation for a transfer arises at that time.

	2019 $'000	2018 $'000
10. Employee expenses		
Employee benefits		
Salaries and wages	89,497	74,225
Employer superannuation contributions	12,511	10,370
Annual leave levy	9,972	8,097
Sick leave	3,386	2,613
Long service leave levy	1,957	1,619
Other employee benefits	1,030	857
	118,353	**97,782**
Employee related expenses		
Payroll tax	721	364
Workers' compensation premium	125	102
Other employee related expenses	2,294	1,690
Total employee expenses	**121,493**	**99,939**
Full time equivalent employees as at 30 June:	946	958

Accounting policy

Salaries and wages

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Sick leave

Prior history indicates that on average, sick leave taken each 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.

Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, the department is required to pay a levy to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for leave are claimed from the schemes, quarterly in arrears.

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting* .

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plans, as determined by the employee's conditions of employment. Accumulation plan contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting* . The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Workers' compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

11. Key management personnel (KMP) disclosures

Details of key management personnel

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures* . The Minister is the Minister for State Development, Manufacturing, Infrastructure and Planning.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2018-19 and 2017-18. Further information about these positions can be found in the body of the Annual Report under the section relating to Governance and Executive.

Position	Position responsibility
Director-General	The accountable officer is responsible for directing the overall efficient, effective and economical administration of the department and is financially responsible for the performance of the department.
Coordinator-General [1]	Responsible for planning, delivering and coordinating large-scale infrastructure projects which are of economic significance to the state and for ensuring environmental impacts are properly managed.
Deputy Director-General, Business Commercial and Performance (formerly Business Solutions and Partnerships) [1]	Responsible for enabling a high-performing department by providing systems, advice and governance to enable delivery and manage risk, opportunities, people and resources.
Deputy Director-General, Manufacturing, Industry and Regions (formerly Manufacturing and Industry Development) [1]	Responsible for implementing the regional and industry elements of the economic strategy, coordinating state and local government responses to adverse events and leading the Department's network of regionally-based offices.
Deputy Director-General, Planning [1]	Responsible for the coordinated and integrated delivery of planning functions and services of the State of Queensland; management of the Queensland Government's administrative responsibilities under the South Bank Corporation Act 1989.
Deputy Director-General, Economic and Infrastructure Strategy (formerly Regional Economic Development) [1]	Responsible for leading a coordinated and strategic approach to Queensland's medium to long-term economic development; harnessing the value of the department's economic development levers; promoting and influencing investment planning and decision-making to align with the economic strategy.
Deputy Director-General, Investment Facilitation and Partnerships (formerly Industry Partnerships) [1]	Responsible for keeping a strong commercial focus to increase private sector investment in Queensland through the attraction and facilitation of private sector projects; ensuring a coordinated approach to stakeholder management strategy across the department.
General Manager, Economic Development Queensland	Responsible for identifying, planning, facilitating and delivering property development and infrastructure projects across Queensland.
General Manager, Office of Investment Strategy [2]	Responsible for providing strategic leadership and coordinating delivery of major new investment opportunities for Queensland.
Assistant Coordinator-General [3]	Assists the Coordinator-General in planning, delivering and coordinating large-scale infrastructure projects while ensuring environmental impacts are properly managed.
Deputy Director-General, Infrastructure Policy and Planning [4]	Responsible for the infrastructure planning and prioritisation agenda including implementing the State Infrastructure Plan and overseeing infrastructure portfolio performance across government.
Deputy Director-General, Major Projects and Property [4]	Responsible for facilitating, developing and delivering projects and property solutions to achieve economic development and social outcomes across Queensland.
Project Chief Executive [5]	Responsible for the delivery of integrated resort developments in Queensland.

[1] These positions' responsibilities have been updated following a departmental restructure effective 3 December 2018.
[2] This is a new position under the new departmental restructure effective on 3 December 2018.
[3] This position is no longer recognised as a Key Management Personnel (KMP) following departmental restructure. Accordingly no remuneration beyond this date has been stated in the KMP Performance Remuneration Expenses.
[4] This position no longer exists following departmental restructure.
[5] This position was transferred as a result of the moG changes.

KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of the Minister. The majority of ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by the Ministerial Services Branch within the Department of the Premier and Cabinet. As all ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2018-19, which are published as part of Queensland Treasury's Report on State Finances.

The remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008* . Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

- Short-term employee expenses include salaries, allowances, and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position.
- Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual leave and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

The remuneration packages for all KMP do not provide for any non-monetary benefits, or for any performance or bonus payments.

KMP remuneration expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

11. Key management personnel (KMP) disclosures (continued)

2018-19

Position	Short-term employee expenses $'000	Long-term employee expenses $'000	Post-employment expenses $'000	Termination benefits $'000	Total expenses $'000
Director-General (from 13 February 2019)	178	3	16	-	197
Director-General (to 12 February 2019)	331	7	43	-	381
Coordinator-General	591	12	66	-	669
Assistant Coordinator-General (to 1 October 2018) [6]	63	2	10	-	75
Assistant Coordinator-General (from 2 October 2018 to 3 December 2018) [6]	66	1	4	-	71
Deputy Director-General, Business Commercial and Performance (formerly Business Solutions and Partnerships)	260	5	28	-	293
General Manager, Office of Investment Strategy (from 3 December 2018) & Deputy Director-General, Manufacturing and Industry Development (01 July 2018 to 2 December 2018)	264	5	28	-	297
Deputy Director-General, Manufacturing and Industry Development (from 3 December 2018 to 30 June 2019)	140	3	13	-	156
Deputy Director-General, Planning	274	6	31	-	311
Deputy Director-General, Infrastructure Policy and Planning (from 13 August 2018 to 2 December 2018) [7]	90	2	8	-	100
Deputy Director-General, Economic and Infrastructure Strategy (formerly Regional Economic Development)	226	5	23	-	254
Deputy Director-General, Investment Facilitation and Partnerships (to 12 February 2019) (formerly Industry Partnerships)	148	3	13	-	164
Deputy Director-General, Investment Facilitation and Partnerships (from 13 February 2019)	85	1	7	-	93
Deputy Director-General, Major Projects and Property (1 July 2018 to 30 November 2018) [8]	129	2	13	296	440
General Manager, Economic Development Queensland	205	4	18	-	227
Total	**3,050**	**61**	**321**	**296**	**3,728**

[6] These positions ceased to be KMP following new department restructure which took effect on 3 December 2018.
[7] This position has transferred to Economic and Infrastructure Strategy group and ceased to exist following new departmental restructure which took effect on 3 December 2018.
[8] This position has ceased following new departmental restructure.

The department does not have any non-monetary benefit to disclose in relation to its KMP.

2017-18

Position	Short-term employee expenses $'000	Long-term employee expenses $'000	Post-employment expenses $'000	Termination benefits $'000	Total expenses $'000
Director-General (to 02/04/2018)	236	5	29	153	422
Director-General (from 09/04/2018)	129	2	15	-	146
Coordinator-General	589	12	65	-	666
Assistant Coordinator-General	218	5	25	-	248
Deputy Director-General, Business Solutions and Partnerships	261	5	28	-	294
Deputy Director-General, Manufacturing and Industry Development*	223	5	28	-	256
Deputy Director-General, Planning (from 01/01/2018)**	149	3	16	-	168
Deputy Director-General, Infrastructure Policy and Planning (from	136	3	15	-	153
Deputy Director-General, Regional Economic Development (to 07/01/2018)	114	2	10	-	127
Deputy Director-General, Regional Economic Development (from 10/01/2018)	123	2	10	-	135
Deputy Director-General, Industry Partnerships	245	5	26	-	276
Deputy Director-General, Major Projects and Property (to 11/09/2017)	49	1	4	-	54
Deputy Director-General, Major Projects and Property (from 12/09/2017)	195	4	21	-	219
General Manager, Economic Development Queensland (from 01/01/2018) **	97	2	14	-	113
Project Chief Executive (until 31/12/2017)**	179	4	34	-	218
Total	**2,941**	**60**	**342**	**153**	**3,496**

* Changed position name from Economic and Industry Development on 1 March 2018.
** Position was transferred as a result of the machinery-of-Government changes.

	Notes	2019 $'000	2018 $'000
12. Other expenses			
Deferred appropriation payable to Consolidated Fund	4	-	11,105
Special payments:			
Ex-gratia payments		-	9,082
Taxes—land, rates and stamp duty		8,428	3,401
Loan—fair value adjustment		54	-
Sponsorships		272	295
External audit fee *		261	250
Insurance premiums—QGIF		189	153
Insurance premiums—other		246	86
Losses from disposal of property, plant and equipment		977	24
Donations and gifts		1	-
Other		852	1,290
Total other expenses		**11,280**	**25,686**

* Total audit fees quoted by the Queensland Audit Office relating to the 2018-19 financial statements are $256,000 (2018: $250,000).

Accounting policy
Special payments
Special payments represent 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.

	2019 $'000	2018 $'000
13. Cash and cash equivalents		
Cash at bank	112,719	21,592
Deposits at call—QTC	122,970	175,135
Total cash and cash equivalents	**235,689**	**196,728**

Accounting policy
For the purposes of the Statement of Financial Position and the 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.

The department has an overdraft facility with the Commonwealth Bank of Australia with an approved limit of $50 million (2018: $50 million). The operational cash at bank accounts are grouped within the whole-of-government set-off arrangement with Queensland Treasury where interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

Interest earned on Queensland Treasury Corporation (QTC) accounts is remitted to the proponents to which the balance relates, as the interest is earned, except for the EDQ QTC account where interest is retained by the CBU.

	Notes	2019 $'000	2018 $'000
14. Receivables			
Current			
Trade debtors		6,625	23,097
Loans and advances receivable - amortised cost *		5,819	7,415
Finance lease debtors		1,666	3,821
Operating lease debtors		1,067	839
Less: Allowance for impairment loss		(108)	(569)
		15,069	34,603
Appropriation revenue for services receivable	4	22,964	53,065
Reimbursements		9,776	9,263
Equity injection receivable	4	4,890	7,960
Loans and advances receivable - fair value through profit or loss		1,940	-
Annual leave reimbursements		1,838	1,432
GST receivable		1,061	1,346
Long service leave reimbursements		470	401
Interest receivable		336	266
Other		4	19
Total current receivables		**58,348**	**108,355**
Non-current			
Loans and advances receivable - amortised cost *		114,241	68,701
Finance lease debtors		5,537	13,306
Loans and advances receivable - fair value through profit or loss		280	-
Total non-current receivables		**120,058**	**82,006**

* $3.554 million of the current loans and advances and $80.681 million of the non-current loans and advances receivable is associated with loans to facilitate Catalyst infrastructure that are partially funded through borrowings with Queensland Treasury Corporation (2018: $4.158 million and $38.731 million respectively).

14. Receivables (continued)

Accounting policy

Receivables

Trade receivables, loans and advances - amortised cost, finance lease receivables, and operating lease receivables are measured at amortised cost. Due to the implementation of AASB 9 *Financial Instruments*, the concessional loans and advances containing contingent repayment terms will be measured at fair value through profit or loss from 1 July 2018.

Trade debtors are recognised at the amounts due at the time of sale or service delivery being the agreed purchase/contract price. Standard settlement terms require these amounts to be paid within 30 days from the invoice.

Where loans and advances are provided at concessional below market interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amount lent above the fair value is initially recognised as a loss in the Statement of Comprehensive Income as grants and contributions expense (Note 9). The additional amount lent above the fair value on initial recognition is $2.829 million (2018: $9.474 million). The notional interest income is recognised over the term of the loan as interest income. The notional interest income in the Statement of Comprehensive Income is $3.519 million (2018: $986,000).

Impairment of receivables

The loss allowance of trade receivables, except for receivables from Queensland Government agencies or Australian Government agencies, reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expect to impact the department's trade receivables, along with relevant industry and statistical data where applicable.

No loss allowance is recorded for receivables from Queensland Government agencies receivables on the basis of materiality. The receivables from Queensland Government agencies as at 30 June 2019 is $1.83 million.

For finance lease receivables and loans and advances receivables measured at amortised cost, the department will assess the 12-month expected credit losses if the credit risk has not significantly increased from initial recognition. Otherwise, the department will assess the lifetime expected credit losses on these receivables.

Where the department has no reasonable expectation of recovering an amount owed, the amount owed is written-off by directly reducing the receivable against the loss allowance. This occurs when the department determines that an amount owing to the department does become uncollectible (after an appropriate range of debt recovery actions). If the amount written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

The department has $1.355 million impaired receivables as at 30 June 2019 (2018: $699,000). All known bad debts were written-off as at 30 June 2019.

Disclosure

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and no credit enhancements relate to receivables held by the department.

The department's credit risk exposure of receivable measured at amortised cost is determined as outlined below:

Category	Assessment of expected credit losses	Information used
Trade receivables	The department uses both individual assessment and a provision matrix to measure the expected credit losses. Where a provision matrix is used, the loss rates are calculated separately for groupings of customers with similar loss patterns.	Review of historical debtor settlement period, debt collections and amount of bad debts.
Operating lease receivables	Operating lease customers with 30-day overdue payments are considered as being significantly risky and are assessed individually.	Review of historical debtor settlement period, debt collections and amount of bad debts.
Finance lease receivables	Finance lease receivables are assessed individually considering recoverability of debt and the risk of business failure.	Review of external credit reports and credit risk assessment to determine the expected fair value of the leased land and the outstanding balance of lease.
Loans and advances receivables	12-month expected credit losses are assessed on individual basis. The department's debt management policy and procedure outlines the consideration and action to take based on the days the amounts are outstanding. Individual loans are assigned with a risk level and probability of failure in the next 12 months based on external credit analysis reports. The risk level assigned as at 30 June 2019 were between very low risk to moderate risk. The probability of failure in the next 12 months were assessed between 0.00% to 2.93%. No impairment was recognised based on this assessment as at 30 June 2019.	Review of external credit reports, historical loan draw-down patterns and management assessment of the performance of the projects.

Set out below is the credit risk exposure on the department's receivables assessed using a provision matrix and individually, excluding Queensland Government trade debtors.

Credit risk exposure - provision matrix

	2019		
Ageing	**Gross receivables $'000**	**Loss rate**	**Expected credit losses $'000**
Current	284	0.00%	-
1 to 30 days overdue	36	0.23%	-
31 to 60 days overdue	-	0.61%	-
61 to 90 days overdue	2	1.28%	-
Greater than 90 days overdue	680	1.43%	9
Total	**1,002**		**9**

The credit risk exposure disclosure for 2019 where receivables are assessed individually for impairment are not disclosed as they are not material.

14. Receivables (continued)

The credit risk exposure disclosure for 2018 is made under AASB 139 impairment rules, where receivables are assessed individually for impairment. The 2018 credit risk exposure of individually impaired receivables are not disclosed as they are not material.

Disclosure - Movement in loss allowance

	2019 $'000	2018 $'000
Loss allowance as at 1 July	(569)	-
Transfer due to machinery-of-Government	-	(678)
(Increase)/decrease in allowance recognised in operating result	461	195
Amounts written-off during the year	-	(86)
Loss allowance as at 30 June	(108)	(569)

The movement in loss allowance relates to receivables assessed using lifetime expected credit losses methodology. There were no changes to the credit risk of operating lease receivables, finance lease receivables and loans and advances receivables since initial recognition. No allowance of impairment is recognised on these financial assets.

15. Land inventories

Current		
Land held for resale	38,879	38,543
Total current land inventories	**38,879**	**38,543**
Non-current		
Land held for resale	320,489	272,821
Total non-current land inventories	**320,489**	**272,821**
Land inventories reconciliation		
Carrying amount at 1 July	311,364	-
Transfer due to machinery-of-Government	-	311,527
Acquisition and development costs	50,633	14,748
Cost of land sales	(38,004)	(10,354)
Transfer between asset classes	24,923	(4,532)
Transfer from other government agencies	12,611	-
Land inventory written off	(2,159)	(26)
Carrying amount at 30 June	**359,368**	**311,364**

The department holds land inventories to facilitate development of industrial and residential projects.

Accounting policy
Land inventories
Land held for the purpose of resale is recognised at the lower of cost and net realisable value (NRV) in accordance with AASB 102 *Inventories*. Land cost includes the cost of acquisition and development of the land to a ready-for-sale condition.

Industrial land inventory is independently valued every 12 months by an external certified valuer. In addition, land that is being marketed for sale is subject to a review every six months. These values are monitored and assessed against the cost base to ensure compliance with AASB 102 *Inventories*. Where values have moved lower than the current carrying value, the asset value is written down to the net realisable value and a Land inventory written off expense is recorded in the Statement of Comprehensive Income.

Land sales and cost of land sales
Land sales revenue and cost of land sales are recognised in the operating result at the settlement of sales contract. Industrial inventory sales apply a cost of goods sold allocation based on actual cost (land acquisition and development cost).

Key estimate
Residential and urban land inventory balances are assessed on a biannual basis immediately following the relevant project business case reviews. The project business case reviews are project specific with management assessment of market based comparability of revenue and costs to determine the recoverability of inventory balances. The internal business case review process ensures the appropriate level of due diligence is in line with management assumptions. A cost of goods sold adjustment is made to the Statement of Comprehensive Income at this time, if required, to ensure the recoverability of inventory balances will be realised. Where the NRV of a project is below the current carrying value of inventory and future development costs, a NRV adjustment is recognised as a reduction to the value of inventory and as a Cost of goods sold expense in the Statement of Comprehensive Income.

Residential and urban land inventory sales apply a cost of goods sold methodology that allocates a cost value to the land sold based on an estimated gross profit percentage for the life of the project. This percentage is calculated from the business case reviews which are performed biannually on a project-by-project basis. This includes judgement in determining the future sales revenue, future development costs and timing of future cash flows for the project. Key inputs used for these forecasts are validated by management using relevant industry experts and/or observable market information. A cost of goods sold review is also completed at the time of the business case review and an assessment of the rate is undertaken to ensure the recoverability of inventory balances will be realised.

16. Property, plant and equipment

Closing balances and reconciliation of carrying amount
30 June 2019

	Land $'000	Buildings $'000	Plant and Equipment $'000	Capital Work in Progress $'000	Total $'000
Gross	293,369	7,641	3,206	260	304,476
Less: Accumulated depreciation	-	(2,501)	(2,371)	-	(4,872)
Carrying amount at 30 June 2019	**293,369**	**5,140**	**835**	**260**	**299,604**
Represented by movements in carrying amount:					
Carrying amount at 1 July 2018	278,866	16,781	1,065	54,024	350,736
Acquisitions	1,007	-	0	15,103	16,110
Adjustment for land acquisition compensation payments	(2,575)	-	-	-	(2,575)
Adjustment for re-classification to expense	-	-	-	(2,455)	(2,455)
Disposals	(11,170)	-	-	-	(11,170)
Disposal through machinery-of-Government change	-	-	-	(63,350)	(63,350)
Assets reclassified as held for sale	220	395	-	-	615
Transfers in/(out) from other Queensland Government entities	238	-	7	-	245
Transfers between asset classes	816	2,245	-	(3,061)	-
Transfers from investment property	27,306	-	-	-	27,306
Transfers to inventory	(24,923)	-	-	-	(24,923)
Revaluation increments/(decrements) recognised in operating result	23,583	(11,678)	-	-	11,906
Depreciation	-	(2,604)	(237)	-	(2,841)
Carrying amount at 30 June 2019	**293,369**	**5,140**	**835**	**260**	**299,604**

30 June 2018

	Land $'000	Buildings $'000	Plant and Equipment $'000	Capital Work in Progress $'000	Total $'000
Gross	278,866	18,113	3,275	54,024	354,278
Less: Accumulated depreciation	-	(1,332)	(2,210)	-	(3,543)
Carrying amount at 30 June 2018	**278,866**	**16,781**	**1,065**	**54,024**	**350,736**
Represented by movements in carrying amount:					
Carrying amount at 1 July 2017	115,906	2,432	1,590	4,195	124,123
Acquisitions	374	538	30	50,034	50,976
Adjustment for land acquisition compensation payments	(1,832)	-	-	-	(1,832)
Acquisitions through machinery-of-Government change	201,828	241	-	-	202,069
Disposals	(2,630)	-	(7)	-	(2,637)
Disposal through machinery-of-Government change	-	-	(166)	-	(166)
Transfers between asset classes	133	(3)	74	(205)	-
Transfers from investment property	-	14,265	-	-	14,265
Transfers to inventory	(210)	-	-	-	(210)
Revaluation increments/(decrements) recognised in operating result	(34,704)	(369)	-	-	(35,072)
Depreciation	-	(325)	(455)	-	(780)
Carrying amount at 30 June 2018	**278,866**	**16,781**	**1,065**	**54,024**	**350,736**

Categorisation of assets measured at fair value

2019 **Recurring fair value measurements**	Level 2 $'000	Level 3 $'000	Total $'000
Land	293,369	-	293,369
Buildings	1,861	3,279	5,140
Total recurring	**295,230**	**3,279**	**298,509**

2018 **Recurring fair value measurements**	Level 2 $'000	Level 3 $'000	Total $'000
Land	278,866	-	278,866
Buildings	1,642	15,139	16,781
Total recurring	**280,508**	**15,139**	**295,647**

16. Property, plant and equipment (continued)

	2019 $'000	2018 $'000
Building level 3 fair value measurement – reconciliations		
Carrying amount at 1 July	15,139	720
Acquisitions	-	538
Acquisitions through machinery-of-Government change	-	241
Transfers between asset classes	2,245	14,263
Revaluation increments/(decrements) recognised in operating result	(11,603)	(398)
Depreciation	(2,502)	(224)
Carrying amount as 30 June	**3,279**	**15,139**

None of the department's valuation of assets are eligible for categorisation into Level 1 of the fair value hierarchy.

Transfers between levels
There were no transfers between levels within the same class during the reporting period (2018: Nil).

Accounting policy
Recognition thresholds for property, plant and equipment
Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as Property, plant and equipment in the following classes:

- Land	$	1
- Buildings	$	10,000
- Plant and equipment	$	5,000

Items with a lesser value are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Acquisitions of assets
Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the transferor immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

Depreciation of property, plant and equipment
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 any estimated residual value, progressively over its estimated useful life to the department. Land is not depreciated as it has an unlimited useful life to the department.

Key judgement
Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

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.

Assets under construction (work in progress) are not depreciated until construction is complete and the asset is first put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Key estimate
Depreciation rates are assessed annually and the following rates apply for each class of depreciable asset:

Asset class and category	**2019 Rate %**	**2018 Rate %**
Buildings	1.67% - 14.29%	1.67% - 16.67%
Plant and equipment	3.70% - 33.33%	9.09% - 33.33%

Measurement of property, plant and equipment
Land and buildings are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. The cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at historical cost in accordance with Queensland Treasury' Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment are not materially different from their fair value.

Work in progress is recognised at cost. All costs relating to items of property, plant and equipment 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.

16. Property, plant and equipment (continued)

Fair value measurement

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets being valued. Observable inputs used by the department include, but are not limited to, published sales data for buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets, internal records of recent construction costs (and/or estimates of such costs) assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

Fair value measurement hierarchy

All property, plant and equipment is categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent valuations:

Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets;

Level 2 – represents fair value measurements that are substantially derived from inputs that are observable, either directly or indirectly; and

Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Revaluation of property plant and equipment measured at fair value

Property, plant and equipment classes measured at fair value are assessed on an annual basis either by appraisals undertaken by an independent professional valuer or by use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is overseen by the Chief Finance Officer, who determines the specific revaluation practices and procedures in conjunction with the asset managers.

Revaluations using an independent professional valuer on a four year rolling basis. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. An independent professional valuer supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by performing a benchmarking exercise with publicly available relevant indices. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the valuer based on the department's own particular circumstances.

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.

For assets revalued using a market or income-based valuation approach, accumulated depreciation is eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

Land

The department holds land throughout Queensland for various purposes including future economic development opportunities, a specific community or economic need, or for rezoning purposes.

The department engaged State Valuation Services (SVS) to undertake rolling comprehensive revaluations of 25% of the asset portfolio over four years from 2018-19. SVS used the comprehensive revaluation results as at 30 June 2019 to derive a desktop index on 25% of the asset portfolio, while a standard index is used for the remaining 50% of the assets with an effective date of 30 June 2019. The department ensures that the application of such indices results in a valid estimation of the asset's fair values at reporting date. Where the land held was within a State Development Area (SDA) at reporting date, identification of land use type was determined in consultation with the SDA team who administer the State Development and Public Works Organisation Act (1971). Indices and values supplied by SVS are tested for reasonableness.

SVS were engaged to undertake a full comprehensive revaluation of EDQ land assets as at 30 June 2019.

Fair value was determined through direct comparison with the sales history of similar properties based on location, area, access and topography. SVS also considered the characteristics of the asset, any restrictions and highest and best use in the assessment of fair value.

In accordance with AASB 13 *Fair Value Measurement* , the department's land assets are generally categorised as Level 2.

Buildings

Buildings were revalued using either the income approach or market approach depending on their use, with an effective valuation date of 30 June 2019.

The buildings revalued using market approach is revalued on a four year rolling program from 2018-19. The department engaged SVS to perform the rolling comprehensive valuations. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. Where the asset is not comprehensively valued in the reporting period, SVS uses the Cordell Housing Price Index for residential assets. This index is specific to Queensland house price movements (observable market data) and was considered the most appropriate index to use for residential housing specific to Queensland properties. For building improvements, SVS uses the Queensland Treasury Office of Economic and Statistical Research (QT OESR) Implicit Price Deflator as this is the most appropriate for these particular assets.

16. Property, plant and equipment (continued)

The department is a lessor to rental agreements on various properties. Due to the department's current strategy for these buildings and zoning regulations, the fair value is determined using the income approach, calculated using the present value of future cash flows. The Queensland Treasury Corporation zero coupon rates are used to calculate the present value.

Impairment of non-current assets

All non-current physical 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. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and current replacement cost. Where the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recorded.

17. Investment property

	2019 $'000	2018 $'000
Land and buildings—at fair value	228,113	250,575
Total investment property	**228,113**	**250,575**
Reconciliation of movement in investment property		
Carrying amount at 1 July	250,575	-
Acquisitions	995	4,222
Transfer due to machinery-of-Government change	-	260,618
Transfers in/(out) from other Queensland Government entities	4,600	-
Movement on revaluation through income statement	(642)	-
Reclassification between investment property and buildings	-	(14,265)
Reclassification between investment property and land	(27,306)	-
Disposals	(108)	-
Carrying amount at 30 June	**228,113**	**250,575**

Some investment properties are leased based on 1 to 5 year non-cancellable operating lease arrangements. The future minimum lease payments receivable under non-cancellable operating leases classified as investment property are:

	2019 $'000	2018 $'000
- Not later than 1 year	4,003	2,698
- Later than 1 year and not later than 5 years	2,607	3,661
	6,610	**6,359**

Rental income from investment property is recognised as income on a periodic straight-line basis over the term of the lease. Rental income recognised in the operating result is $4.288 million (2018: $2.117 million).

Direct operating expenses primarily for repairs and maintenance on property that generated rental income for the period were $2.072 million (2018: $882,000). There were no direct operating expenses on property that did not generate rental income.

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

Accounting policy

Investment property is property held for capital appreciation and/or to earn rental returns. It is initially recognised at cost including development costs. Where investment property is acquired at no or minimal cost, it is recognised at fair value. Investment property is subsequently carried at fair value, being subject to valuations on an annual basis where significant market movements have occurred. The valuation method 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.

Common costs on investment property are allocated based on lot size.

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.

Key judgement

In determining the investment land values the following factors are considered:

- the highest and best use given the legal and zoning restrictions and any other restrictions outside the control of the department, and
- the probability of any of the restrictions being changed in the future.

The department engaged State Valuation Services (SVS) to undertake comprehensive valuations on all land assets under investment. Management assesses and confirms the relevance and suitability of market inputs provided by SVS.

Buildings were valued using the discounted cash flow method incorporating consumer price index (CPI) rates and forecast rental cash flows over lease terms.

These properties are valued using market observable prices from similar assets and are categorised as level 2 in accordance with the fair value hierarchy.

18. Intangible assets

Closing balances and reconciliation of carrying amount

2019	Software purchased $'000	Software internally generated $'000	Other intangibles $'000	Work in progress $'000	Total $'000
Gross	150	10,972	10,422	573	22,117
Less: Accumulated amortisation	(150)	(5,503)	-	-	(5,653)
Carrying amount at 30 June 2019	**-**	**5,469**	**10,422**	**573**	**16,464**
Represented by movements in carrying amount:					
Carrying amount at 1 July 2018	-	7,303	10,417	-	17,720
Acquisitions	-	-	5	573	578
Amortisation	-	(1,834)	-	-	(1,834)
Carrying amount at 30 June 2019	**-**	**5,469**	**10,422**	**573**	**16,464**

18. Intangible assets (continued)

2018	**Software purchased $'000**	**Software internally generated $'000**	**Other intangibles $'000**	**Work in progress $'000**	**Total $'000**
Gross	150	10,972	10,417	-	21,539
Less: Accumulated amortisation	(150)	(3,669)	-	-	(3,819)
Carrying amount at 30 June 2018	**-**	**7,303**	**10,417**	**-**	**17,720**
Represented by movements in carrying amount:					
Carrying amount at 1 July 2017	-	717	10,379	278	11,374
Acquisitions	-	-	243	822	1,065
Disposals	-	-	(205)	-	(205)
Amortisation	-	(1,116)	-	-	(1,116)
Acquisition through machinery-of-Government change	-	6,602	-	-	6,602
Transfers between asset classes	-	1,100	-	(1,100)	-
Carrying amount at 30 June 2018	**-**	**7,303**	**10,417**	**-**	**17,720**

All intangible assets have been tested for impairment.

Accounting policy
Recognition and measurement of intangibles
Intangible assets of the department comprise software purchased, software internally generated, and easements. Intangible assets with a cost or value equal to or greater than $100,000 (including network assets) are recognised in the financial statements. Items with lesser value are expensed.

Network assets, recognised as Other intangibles, include items with an individual value of less than $100,000 which are capitalised if collectively they exceed the recognition threshold. A network asset is a chain of interconnected but dissimilar assets connected for the provision of the one simultaneous service, such as easements.

There is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

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 internal development of computer software are capitalised and amortised under the amortisation policy below. No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Amortisation expense
Software has finite useful life and is amortised on a straight-line basis over the period of the expected benefit to the department, which is five to six years. Other intangible assets (easements) are not amortised as they have indefinite useful lives.

19. Income tax equivalents

	2019 $'000	**2018 $'000**
(a) Income tax equivalent expense/(benefit)		
Current tax	(2,205)	3,914
Deferred tax	12,001	(19,508)
Balance as at 30 June	**9,796**	**(15,594)**
(b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable		
(Profit)/loss before tax	(15,804)	51,980
Tax expense/(benefit) at the Australian tax rate of 30%	4,741	(15,594)
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Write down on asset transfers	6,194	
Exempt gain on equity transfer	(1,138)	-
Entertainment expense	-	(1)
Income tax equivalent expense/(benefit)	**9,796**	**(15,594)**
(c) Non-current assets—deferred tax equivalent asset		
The balance comprises temporary differences attributable to:		
Allowance for doubtful debts	32	237
Accrued expenses	6,029	15,931
Written down value of other capitalised expenses	31	118
Building accumulated depreciation	740	132
Building accumulated impairment/devaluation	3,475	41
Capital asset impairment	618	-
Concessional loan discount	7,116	7,319
Accrued expenses	11	-
Deferred fee income	1,167	
Capital losses carried forward	6,327	-
Current tax losses carried forward	2,205	-
Balance as at 30 June	**27,752**	**23,777**

19. Income tax equivalents (continued)

	2019 $'000	2018 $'000
(d) Current liabilities—income tax payable/(receivable)		
Balance at the beginning of the year	3,065	6,659
Income tax equivalent paid	(3,662)	(7,576)
Recognised in operating result	-	4,040
Under/(over) provision in previous years	80	(58)
Balance as at 30 June	**(518)**	**3,065**
(e) Non-current liabilities—deferred tax equivalent liabilities		
The balance comprises temporary differences attributable to:		
Land revaluations	42,104	15,693
Inventories	6,622	3,730
Investment property	39,314	46,036
Grants receivable	6,029	16,238
Deferred fee income	-	(1,319)
Balance as at 30 June	**94,070**	**80,378**

Accounting policy

The department is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Australian Government taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from and GST payable to the Australian Taxation Office are recognised. From 1 July 2014 all Queensland Government departments were exempted from payroll tax. This exemption is not extended to commercial business units, such as EDQ.

Pursuant to the National Tax Equivalents Regime, the department's commercialised business unit EDQ is required to make payments to the Queensland Government equivalent to the amount of any Australian Government income tax for which an exemption is received.

The income tax equivalent benefit for the period is the tax payable on the current period's taxable income based on the national tax rate 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. This approach recognises the difference between the carrying value of an asset or liability and its tax base. The differences are recognised at the tax rate expected to be applied when the assets are recovered or liabilities settled.

If applicable, 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.

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.

20. Payables

	2019 $'000	2018 $'000
Current		
Trade creditors	106,989	63,272
Taxes, fines and fees payable	10,672	10,127
Grants payable	9,835	4,186
Equity withdrawal payable	-	4,148
Interest payable	33	152
Fringe benefits tax	101	75
Other	288	260
Total current payables	**127,918**	**82,220**
Non-current		
Trade creditors	39,028	25,622
Total non-current payables	**39,028**	**25,622**
Total payables	**166,946**	**107,842**

Accounting policy

Trade creditors are recognised upon receipt of the goods or 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.

Trade creditors relating to infrastructure charges payable are based on projected growth and network modelling undertaken for water, sewer, transport, parks, community facilities and stormwater networks in Priority Development Areas, with consideration given to the development capacity provided by the development schemes. Payments expected 12 months after the reporting date are recognised as non-current.

EDQ is required under the Queensland Treasury 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 EDQ 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.

	2019 $'000	2018 $'000
21. Interest-bearing liabilities		
Current		
QTC borrowings	15,090	21,430
Total current interest-bearing liabilities	**15,090**	**21,430**
Non-current		
QTC borrowings	98,727	102,173
Total non-current interest-bearing liabilities	**98,727**	**102,173**
Total interest-bearing liabilities	**113,817**	**123,603**

Interest-bearing liabilities comprise borrowings with Queensland Treasury Corporation (QTC). Final repayment dates vary from December 2020 to October 2033, with a fixed interest rate range of 2.50% to 3.23% per annum. There have been no defaults or breaches of the loan agreement during the 2019 or 2018 financial years. No assets have been pledged as security for any borrowings.

The undrawn facility limit at 30 June 2019 is $136.259 million (2018: $94.169 million).

EDQ utilises debt facilities to manage cash flow and facilitate development works for residential and catalyst infrastructure projects. A drawdown from the QTC loan occurs when development costs are incurred.

Accounting Policy
Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, 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.

The department does not enter into transactions for speculative purposes, nor for hedging. No financial liabilities are measured at fair value through profit or loss.

	2019 $'000	2018 $'000
22. Provisions		
Current		
Land acquisition claims	23,438	30,002
Other provision	15,906	23,381
Total current provisions	**39,344**	**53,383**
Non-current		
Other provision	-	13,126
Total non-current provisions	**-**	**13,126**
Movements in provisions		
Land acquisition claims		
Current		
Balance at 1 July	30,002	3,914
Additional provision recognised	28,316	46,466
Restatement of provision	(268)	(287)
Reduction in provision as a result of payments	(34,612)	(24,525)
Reclassification from non-current provision	-	4,435
Balance as at 30 June	**23,438**	**30,002**

Accounting policy
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 for 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.

Key estimates
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*. The department pays compensation for land acquired in accordance with this legislation when an 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 a section 15 Compensation Agreement, the department recognises a provision to account for the compensation it expects to pay for all land resumptions.

The department has an obligation to fund costs associated with the conversion of specific buildings into residential units and income support. The estimate of future costs has been recognised as a provision. Where settlement of the obligation is expected after 12 or more months the provision is discounted to present value using a rate that reflects current market assessments and risks specific to the liability.

	2019 $'000	2018 $'000
23. Other liabilities		
Current		
Deposits held	15,994	24,355
Security deposits	1,572	2,256
Unearned revenue	7,332	8,747
Other *	519	723
Total current other liabilities	**25,417**	**36,082**
Non-current		
Security deposits	5,000	5,000
Other *	4,807	2,972
Total non-current other liabilities	**9,807**	**7,972**

* Straight line lease liabilities in relation to properties leased from DHPW.

23. Other liabilities (continued)

Deposits held are for land resumptions. 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* .

Security deposits are held to secure the performance of developers' obligations under development management agreements and held as security as required under these agreements. Deposits are released when contractual obligations are satisfied.

Accounting policy
Other liabilities are recognised in accordance with contract terms. Unearned revenue is recognised by identifying the portion of up-front payment unearned as at 30 June.

24. Budgetary reporting disclosures

This section discloses the department's adjusted budget figures for 2018-19 compared to actual results with explanations of major variances in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. On 1 September 2018, the Project Delivery and Office of the Queensland Government Architect functions were transferred out to DHPW. Details of the transfer are outlined in Note 3. As required by Queensland Treasury policy under such circumstances, the budget figures used in this comparison represent the adjusted budget figures for the financial year, as published in the 2019-20 Service Delivery Statement tabled in Parliament. The original budget figures in the previous Service Delivery Statement no longer serve as a useful basis to compare to the department's actual results.

Subject to the line item's materiality, explanations have been provided, at a minimum, for the following variances that are larger than 5% of the adjusted budgeted figure for:
- Employee expenses (Statement of Comprehensive Income);
- Supplies and services (Statement of Comprehensive income); and
- Payments for property, plant and equipment (Statement of Cash Flows).

For all other material line items, major variances have been assessed as meeting the following criteria:
- The line item within the Statement of Comprehensive Income is material where the value is less than or greater than 10% plus greater than 1% of total expenses;
- The line item within the Statement of Financial Position is material where the value is less than or greater than 10% plus greater than 5% of total assets; or
- The line item within the Statement of Cash flows is material where the value is equal to or greater than 10% plus greater than 5% of total inflows or total outflows for the relevant cash flow category.

Explanations of major variances - Statement of Comprehensive Income

Appropriation revenue The decrease in Appropriation revenue of $91.314 million is primarily due to:
- the transferring of project and program expenditure of $167.068 million to future years. This includes the transfer of the North Stradbroke Island Economic Transition Strategy to the Department of Innovation, Tourism Industry Development and the Commonwealth Games. The decrease is also due to the Building our Regions, Royalties for the Regions and Maturing the Infrastructure Pipeline grants programs which deferred funding from 2018-19 to future years due to severe weather conditions and council prioritisation; and the Resource Recovery Industry Development Program and the Manufacturing and Defence Hubs which were extended into 2019-20.
- offset by an increase of $86.398 million in drawdowns of centrally managed funds administered by Queensland Treasury, which includes the Advance Queensland Industry Attraction Fund and the Jobs and Regional Growth Fund.

Land sales The decrease is primarily due to lower than budgeted land sales for EDQ residential projects of $7.6 million as a result of the softening of the residential market in regional Queensland, updated timings of new projects from longer than expected project timeframes of $9.7 million, offset by higher sales of industrial land of $6.9 million.

Grants and other contributions revenue The increase in Grants and other contributions revenue primarily represents the recognition of fair value for land transferred from the Department of Natural Resources, Mines and Energy at nil consideration.

Gains on disposal and remeasurement of assets The increase in Gains on disposal and remeasurement of assets mainly relates to asset revaluation increment for land held by EDQ.

Supplies and services The decrease in Supplies and services of $98.838 million is primarily due to the transferring of expenditure to future years of $94.108 million for high priority projects and programs including Planning initiatives and the Manufacturing and Defence Hubs.

Revaluation decrement The increase in Revaluation decrement primarily relates to the write-downs as a result of change in revaluation methodology for EDQ buildings.

Other expenses The decrease in Other expenses is primarily due to the budgeted concessional loan expense under the Catalyst Infrastructure Program of $14.7 million with the corresponding actual expenditure of $2.8 million recorded in Grants and Contributions.

Income tax equivalents The variance in Income tax equivalents is due to the recognition of tax benefits resulting from the operating loss determined in accordance with the National Tax Equivalent Regime.

Explanations of major variances - Statement of Financial Position

Cash and cash equivalents The increase in Cash and cash equivalents primarily relates to:
- an increase in EDQ's cash balance of $103.756 million resulting from revised scheduling of development activity, sale of leasehold land and infrastructure charges held for future infrastructure in Priority Development Areas;
- payables to DHPW relating to machinery-of-Government changes; and
- unbudgeted deposits received from proponents for future land acquisitions.

Current land inventories The decrease in Current land inventories is due to the movement from current to non-current for inventories expected to be sold in greater than 12 months time, which were budgeted to be sold within 12 months.

Non-current land inventories The increase of Non-current land inventories represents the movement from current to non-current for inventories expected to be sold in greater than 12 months time, which were budgeted to be sold within 12 months.

Current payables The increase in Current payables primarily due to an additional $53.286 million in relation to EDQ's reclassification of infrastructure charges from provision to payable; contractual obligations related to infrastructure agreements; and payables to DHPW relating to machinery-of-Government changes.

24. Budgetary reporting disclosures (continued)

Non-current payables The increase in Non-current payables relates to EDQ's infrastructure charges reclassification to payables.

Non-current interest-bearing liabilities The decrease in Non-current interest-bearing liabilities is due to:
- QT now centrally managing QTC loans of $41.555 million; and
- delays in development activity in accordance with development programs and alignment to infrastructure delivery requirements for Catalyst Infrastructure loans of $44.640 million.

Explanations of major variances - Statement of Cash Flows

Appropriation receipts The decrease in Appropriation receipts is due to the realignment of funding to future years, the drawdown of centrally managed funding from QT and the reduction of appropriation receivable from QT (refer to the Appropriation revenue commentary above).

User charges and fees The increase in User charges and fees primarily relates to EDQ's finance leases and movement in trade debtors.

Supplies and services The decrease in Supplies and services is primarily due to the transferring of expenditure to future years of $94.108 million for high priority projects and programs including Planning initiatives and the Manufacturing and Defence Hubs.

Other outflows The increase in Other outflows primarily relates to a reduction in deposits held and increased compensation payments for land acquisitions by the Coordinator-General, and other tax equivalent paid by EDQ.

Payments for property, plant and equipment The decrease in Payments for property, plant and equipment primarily relates to the updated timing for land purchases by the Coordinator-General.

Equity injections The decrease in Equity injections relates to less than forecast funding required from QT for land purchases by the Coordinator-General and QT now centrally managing QTC loans.

Proceeds from borrowings The increase in Proceeds from borrowings is due to updated timing of Catalyst Infrastructure loans following finalisation of infrastructure delivery requirements.

Equity withdrawals The increase in Equity withdrawals relates to residual funding for the Catalyst Infrastructure Program being returned to QT.

Borrowing redemptions The decrease in Borrowing redemptions is due to QT now centrally managing QTC loans and lower land sales which has resulted in lower loan repayment for EDQ development activity.

25. Commitments

Non-cancellable operating lease

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2019 $'000	2018 $'000
- Not later than 1 year	13,779	13,336
- Later than 1 year and not later than 5 years	73,383	70,534
- Later than 5 years	139,087	140,132
Total non-cancellable operating lease commitments	**226,249**	**224,002**

The department has non-cancellable operating leases relating to office accommodation, storage facilities and car park spaces. Lease payments are fixed but have 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.

For 2018-19 $10.313 million (2018: $9.062 million) was recognised by the department as an expense in the Statement of Comprehensive Income in respect of operating leases.

Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2019 $'000	2018 $'000
Capital works in progress		
- Not later than 1 year	24,789	245,310
- Later than 1 year and not later than 5 years	12,854	112,300
- Later than 5 years	13,640	19,222
Total capital expenditure commitments	**51,283**	**376,832**

Grants and contributions expenditure commitments

Grants and contributions commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2019 $'000	2018 $'000
- Not later than 1 year	213,367	41,090
- Later than 1 year and not later than 5 years	56,377	39,081
- Later than 5 years	5,219	1,100
Total grants and contributions expenditure commitments	**274,963**	**81,271**

Other expenditure commitments

Other expenditure commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2019 $'000	2018 $'000
- Not later than 1 year	12,067	48,127
- Later than 1 year and not later than 5 years	2,895	4,437
- Later than 5 years	-	1,545
Total other expenditure commitments	**14,962**	**54,110**

26. Contingencies

Guarantees and undertakings

The department holds bank guarantees in relation to the Advance Queensland Industry Attraction Fund (AQIAF) for financial security against non-conformance of grant agreements. The total value of bank guarantees for five grants within AQIAF as at 30 June 2019 is $17.536 million (2018: $2.036 million).

EDQ holds bank guarantees in relation to development projects for financial security against non-conformance of contracts. The total value of bank guarantees held by EDQ is $91.153 million (2018: $75.316 million).

EDQ provided financial guarantees of $1.349 million for security over the contractual performance obligations for electrical and stormwater augmentation works.

Other bank guarantees and bonds are held for financial support provided on projects across the department. The total value of bank guarantees and bonds held for these projects as at 30 June 2019 is $14.619 million (2018: $33.437 million).

At 30 June 2019, a total of $11.000 million (2018: $11.000 million) in cash is held by the department as security under the *State Development and Public Works Organisation Act 1971* , to ensure liability to the state is minimised should proponents fail to perform their contractual obligations. Interest is accrued on cash balances held and will be paid out when the security deposit is returned. At reporting date, it is not possible to determine the extent or timing of any potential financial effect of this responsibility.

Litigation in progress

There is one claim for costs through the Queensland Government Insurance Fund (QGIF). Under QGIF, the department would be able to claim back the amounts paid for claims, less a $10,000 deduction.

Native title claims over departmental land

At 30 June 2019, native title continues to exist over certain land parcels owned by the department. Native title determination applications have been registered in the Federal Court of Australia but not all applications have been determined by the Court. At reporting date, it is not possible to make an estimate of any probable outcome of these claims or any financial effect.

27. Events occurring after balance date

No events after the balance date have occurred for the department.

28. Financial instruments

Financial instrument categories

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.

The department's financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial asset receivables at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. The department has the following categories of financial assets and financial liabilities:

	Notes	2019 $'000	2018 $'000
Financial assets			
Cash and cash equivalents	13	235,689	196,728
Financial assets at amortised cost—comprising:			
Receivables	14	176,186	190,361
Financial assets at fair value through profit or loss—comprising:			
Receivables	14	2,220	-
Total financial assets		**414,095**	**387,089**
Financial liabilities			
Financial liabilities measured at amortised cost—comprising:			
Payables	20	166,946	107,842
Interest-bearing liabilities	21	113,817	123,603
Other liabilities *	23	22,566	31,611
Total financial liabilities at amortised cost		**303,329**	**263,056**

* Other liabilities only include deposits held and security deposits

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

Financial risk management

(a) Risk exposure

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 QT. The department’s activities expose it to a variety of financial risks as set out in the following table:

Risk exposure	Definition	Exposure
Credit risk	The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables in Note 14.
Liquidity risk	The risk that 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 in Note 20 and borrowing from QTC in Note 21.
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. *Interest rate* risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.	The department is not materially exposed to changes in commodity prices, foreign currency or other price risk. The department is exposed to interest rate risk through its borrowing from QTC, cash deposited in interest bearing accounts and interest bearing loans and advances.

28. Financial instruments (continued)

(b) Risk measurement and management strategies

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

Risk exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis	The department manages credit risk through the use of a credit management policy articulated in the department's Financial Management Practice Manual. This policy aims to reduce the exposure to credit default by assessing whether the customer has the ability and willingness to pay amounts owing to the department in an approved timeframe. The department monitors all funds owed on a monthly basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of an Under Treasurer approved overdraft limit on the department's controlled bank account. This overdraft limit reduces 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 in the department's bank account to match the expected duration of the various employee and supplier liabilities.
Market risk	Interest rate sensitivity analysis	The department does not undertake any hedging in relation to interest rate risk and manages its risk as per the department's Financial Management Practice Manual.

Liquidity risk—Contractual maturity of financial 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. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that is based on discounted cash flows.

Financial liabilities	**2019 payable in**			
2019	**< 1 year $'000**	**1–5 years $'000**	**> 5 years $'000**	**Total $'000**
Payables	127,918	29,085	9,943	166,946
Interest-bearing liabilities	3,394	35,473	91,076	129,943
Other liabilities	17,566	4,000	1,000	22,566
Total	**148,878**	**68,558**	**102,019**	**319,455**

	2018 payable in			
2018	**< 1 year $'000**	**1–5 years $'000**	**> 5 years $'000**	**Total $'000**
Payables	82,220	16,668	8,954	107,842
Interest-bearing liabilities	11,522	72,011	57,337	140,870
Other liabilities	26,611	4,000	1,000	31,611
Total	**120,353**	**92,679**	**67,291**	**280,323**

Fair value measurement

The department does not recognise any financial assets or financial liabilities at fair value other than cash and cash equivalents and loans and advances measured at fair value through profit or loss. The classification of these financial assets in the fair value hierarchy is as follows:

		2019			**2018**	
Financial assets recorded at fair value	**Level 1 $'000**	**Level 2 $'000**	**Total $'000**	**Level 1 $'000**	**Level 2 $'000**	**Total $'000**
Cash at bank	112,719	-	112,719	21,592	-	21,592
Deposits at call—QTC	122,970	-	122,970	175,136	-	175,136
Loans and advances	-	2,220	2,220	-	-	-
Total recurring	**235,689**	**2,220**	**237,909**	**196,728**	**-**	**196,728**

Fair value disclosures for financial liabilities measured at amortised cost

With the exception of Queensland Treasury Corporation (QTC) borrowings, the carrying amount of financial liabilities measured at amortised cost approximates their fair value at reporting date.

The fair value of borrowings is notified by the QTC and is calculated using discounted cash flow analysis and the effective interest rate. They are categorised as level three fair values within the fair value hierarchy.

	2019		**2018**	
	Carrying amount $'000	**Fair value $'000**	**Carrying amount $'000**	**Fair value $'000**
Financial liabilities at amortised cost:				
QTC borrowings	113,817	116,400	123,603	123,972
Total	**113,817**	**116,400**	**123,603**	**123,972**

Except as detailed above, the carrying value of financial assets and financial liabilities approximate their fair value.

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 1% from the year end rates as applied to the department's variable rate financial assets and financial liabilities. With all other variables held constant, the department would have a surplus and equity increase/(decrease) of $978,000 (2018: $1.419 million). There were no financial assets or financial liabilities subject to floating rates.

28. Financial instruments (continued)

2019 Interest rate risk

		-1%		+1%	
	Carrying amount $'000	**Operating result $'000**	**Equity $'000**	**Operating result $'000**	**Equity $'000**
Financial instruments*					
Cash and cash equivalents	113,645	(1,136)	(1,136)	1,136	1,136
Loans and advances	51,195	(512)	(512)	512	512
QTC borrowings	67,068	671	671	(671)	(671)
Potential impact on		**(978)**	**(978)**	**978**	**978**

2018 Interest rate risk

		-1%		+1%	
	Carrying amount $'000	**Operating result $'000**	**Equity $'000**	**Operating result $'000**	**Equity $'000**
Financial instruments*					
Cash and cash equivalents	149,824	(1,498)	(1,498)	1,498	1,498
Loans and advances	19,977	(200)	(200)	200	200
QTC borrowings	27,880	279	279	(279)	(279)
Potential impact on		**(1,419)**	**(1,419)**	**1,419**	**1,419**

* Excludes fixed rate or non-interest bearing financial assets and financial liabilities.

29. Related party transactions

Transactions with other Queensland Government–controlled entities

The department's primary ongoing sources of funding from the government for services is appropriation revenue and equity injections, both of which are provided in cash via QT are disclosed in Note 4.

The machinery-of-Government transfers of assets and liabilities to DHPW during 2018-19 is disclosed in Note 3.

The department provides certain corporate services to Department of Local Government, Racing and Multicultural Affairs under a service level agreement. Corporate services costs incurred by the department are recovered via fee for service and disclosed in Note 5.

The department has borrowings from QTC, and Note 21 and Note 28 outlines the key terms and conditions of the borrowings. The department has deposits with QTC as disclosed in Note 13 and Note 28.

The department has leases with DHPW for commercial office accommodation, storage facilities and car park spaces. Property and building expenses incurred are disclosed in Note 8 and straight line lease liabilities of major leases are disclosed at Note 23.

The department engages Queensland Shared Services and CITEC for the provision of technology and business services under a service level agreement. Shared service provider fees incurred are disclosed in Note 8.

The department is a member of the Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme (LSLS) which are administered by QT. Annual leave levy and long service leave levy expense is disclosed in Note 10.

The department holds deposits from the Department of Transport and Main Roads (DTMR) for the Townsville Eastern Access Rail Corridor project. Deposits are disclosed in Note 23.

The department provides administered revenue to Gasfields Commission, Queensland Reconstruction Authority, Building Queensland and South Bank Corporation as disclosed in Note 31.

EDQ has entered into an agreement with DTMR to facilitate development in Priority Development Areas by providing funding for key infrastructure projects.

DTMR purchased land from EDQ due to road realignment requirements.

EDQ received investment properties transfers from the Department of Natural Resources, Mines and Energy as disclosed in Note 17.

The Department of Natural Resources, Mines and Energy (DNRME) manages the leases on behalf of EDQ and transfers the payments from the lessees to EDQ.

EDQ received land transfers from DMRNE and the Department of Education as equity transfers. EDQ also transferred land as equity transfers to the Department of Communities and Gold Coast Hospital and Health Service.

Transactions with people and entities related to KMP

The department has no transactions with people and entities related to its key management personnel during the financial year.

30. Agency transactions and balances

The department continued to process transactions on behalf of the functions transferred as part of the machinery-of-Government changes disclosed in Note 3. These transactions do not form part of department's accounts and are instead reported by departments receiving the transferred functions. The total value of transactions processed by the department on behalf of transferred functions is $54.747 million.

At 30 June 2019 a total of $11.263 million (2018: $11.000 million) of third-party deposits was held by the department in an agency capacity under the *State Development and Public Works Organisation Act 1971* . These funds are received and held on behalf of proponents, with the department having no discretion over these funds. Consequently, these balances are not recognised in the financial statements but are disclosed for information purposes. Although deposits held are not controlled by the department, agency activities are included in the audit performed annually by the Auditor-General of Queensland.

The total value of land taken by Coordinator-General pursuant to the *State Development and Public Works Organisation Act 1971* is $14.094 million (2018: $16.540 million). The land is currently held by the Coordinator-General and licensed to the proponent for construction of the project. Upon completion of construction, the land will be surveyed and will be utilised by the proponent for the activities under the project. Consequently, these land assets are not recognised in the financial statements but are disclosed for information purposes.

31. Schedule of administered items

	Gasfields Commission		Queensland Reconstruction Authority		Building Queensland		State Assessment and Referral Agency		South Bank Corporation		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Administered revenue												
Appropriation revenue	2,900	2,500	553,623	204,840	7,513	1,771	-	-	30,309	13,681	594,346	222,792
User charges and fees	-	-	-	-	-	-	4,410	3,180	-	-	4,410	3,180
Other revenue	-	-	296	-	-	-	-	-	11,130	6,106	11,425	6,106
Total administered revenue	**2,900**	**2,500**	**553,919**	**204,840**	**7,513**	**1,771**	**4,410**	**3,180**	**41,439**	**19,787**	**610,181**	**232,079**
Administered expenses												
Grants and contributions	2,900	2,500	553,919	204,840	7,513	1,771	-	-	30,309	13,681	594,641	222,792
Transfers of administered revenue to government	-	-	-	-	-	-	4,410	3,180	11,130	6,106	15,539	9,286
Total administered expenses	**2,900**	**2,500**	**553,919**	**204,840**	**7,513**	**1,771**	**4,410**	**3,180**	**41,439**	**19,787**	**610,181**	**232,079**
Operating surplus/(deficit)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Administered assets												
Current												
Cash	-	-	-	1,739	-	-	1,253	-	2,230	202	3,483	1,941
Receivables	-	-	295	-	-	-	-	-	-	-	295	-
Total current assets	**-**	**-**	**295**	**1,739**	**-**	**-**	**1,253**	**-**	**2,230**	**202**	**3,778**	**1,941**
Total administered assets	**-**	**-**	**295**	**1,739**	**-**	**-**	**1,253**	**-**	**2,230**	**202**	**3,778**	**1,941**
Administered liabilities												
Current												
Payables	-	-	295	1,739	-	-	1,253	-	2,230	202	3,778	1,941
Total current liabilities	**-**	**-**	**295**	**1,739**	**-**	**-**	**1,253**	**-**	**2,230**	**202**	**3,778**	**1,941**
Net administered assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

31. Schedule of administered items (continued)

	2019 $'000	2018 $'000
Reconciliation of payments from Consolidated Fund to administered revenue		
Budgeted appropriation	604,240	2,500
Transfers from other departments–redistribution of public business	-	315,446
Lapsed administered appropriation	(9,847)	(95,154)
Total administered receipts	**594,393**	**222,792**
Plus: closing balance of administered item receivable	(47)	-
Administered revenue recognised in Statement of Comprehensive Income	**594,346**	**222,792**
This is represented by grants and contributions to:		
Statutory authorities	564,332	209,111
Less: statutory authorities in advance	(295)	-
Local government	30,309	13,681
Total grants and contributions	**594,346**	**222,792**

Adjusted Budget to actual comparison and variance analysis

	2019 Adjusted Budget $'000	2019 Actual $'000	Variance $'000
Administered revenue			
Appropriation revenue	604,240	594,346	(9,894)
User charges and fees	5,314	4,410	(904)
Other revenue	12,075	11,425	(650)
Total administered revenue	**621,629**	**610,181**	**(11,448)**
Administered expenses			
Grants and contributions	(604,240)	(594,641)	9,599
Transfers of administered revenue to government	(17,389)	(15,539)	1,850
Total administered expenses	**(621,629)**	**(610,181)**	**11,448**
Operating surplus/(deficit)	-	-	-

	2019 Adjusted Budget $'000	2019 Actual $'000	Variance $'000
Administered assets			
Current			
Cash	1,739	3,483	1,744
Receivables	-	295	295
Total current assets	**1,739**	**3,778**	**2,039**
Total administered assets	**1,739**	**3,778**	**2,039**
Administered liabilities			
Current			
Payables	-	3,778	3,778
Total current liabilities	**-**	**3,778**	**3,778**
Net administered assets	**1,739**	**-**	**(1,739)**

Explanations of major variances

Appropriation revenue Actual Appropriation revenue for 30 June 2019 is lower than adjusted budgeted primarily due to funding for the Queensland Reconstruction Authority (QRA) as a result of a reduction in Natural Disaster Relief and Recovery Arrangements (NDRRA) and Disaster Resilience Fund Arrangements (DRFA) grant funding required for State Departments and Agencies (SDAs) and Local Government Authorities (LGAs) during 2018-19.

Grants and contributions Grants and contributions expense at 30 June 2019 is lower than adjusted budgeted primarily due to funding for the QRA as a result of a reduction in NDRRA and DRFA grant funding required for SDAs and LGAs throughout 2018-19.

Current payables Current payables as at 30 June 2019 is higher than adjusted budgeted primarily due to transfers of administered revenue to government not yet transferred to QT.

Accounting policy

The department administers, but does not control, certain activities on behalf of the Queensland Government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the department's own objectives.

Major administered revenue includes appropriations and grants received from the Australian and the Queensland Government that are forwarded onto local governments and other Queensland government bodies.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

32. Future Impact of Accounting Standards Not Yet Effective

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

AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*
These standards will first apply to the department from its financial statements for 2019-20.

The department has completed analysing the new revenue recognition requirements under these standards for the following material revenue categories. The department does not currently have any revenue contracts with a material impact for the period after 1 July 2019, and will monitor the impact of any such contracts subsequently entered into before the new standards take effect.

- Capital appropriation funding received for capital works by the department via equity appropriation from QT will continue to be recognised on receipt of the appropriation. There is no impact on unearned revenue or revenue recognition for these amounts.

- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral and continue to be recognised as revenue as soon as they are controlled. The department receives several grants for which there are no sufficiently specific performance obligations. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

- The department expects no change to user charges revenue recognition. However, due to the contractual terms of some revenue items, revenue recognition will continue to be deferred to a later reporting period to the extent that the department has received cash but has not met its associated performance obligations.

- The department expects no change to land sales revenue recognition. The land sales revenue will be recognised as revenue upfront unless the sales contract has performance obligations requiring deferral of revenue.

AASB 16 *Leases*
This standard will first apply to the department's financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases - Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Under the new standard, lessees will be required to recognise a right-of-use asset (representing the right to use the underlying leased asset) and a liability (representing the obligation to make future lease payments) for all leases with a term of more than 12 months and an asset value of above $10,000. The right-of-use asset will be recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be also be recognised as an expense.

Outcome of review as lessee
The department has completed its review of the impact of adoption of AASB 16 on the Statement of Financial Position and Statement of Comprehensive Income.

The department's operating leases under AASB 117 primarily comprise arrangements with DHPW for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office. QT has advised that these arrangements are exempt from lease accounting under AASB 16. This is due to lessor having substantive substitution rights over the non-specialised, commercial office accommodation within these arrangements. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

Queensland Treasury has advised that motor vehicles provided under DHPW's QFleet program will be exempt from lease accounting under AASB 16. This is due to DHPW holding substantive substitution rights for vehicles provided under the scheme. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

The department's other operating lease commitments will not have material impact to the financial statements since lessor having substantive substitution rights and the department not controlling the economic benefits of the leased assets. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

Certificate of the Department of State Development, Manufacturing, Infrastructure and Planning

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with s.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 financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the department for the financial year ended 30 June 2019 and of the financial position of the department at the end of that year; and

(c) The Director-General, as the Accountable Officer of the department, acknowledges responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Chris Breitkreuz CPA

Chief Finance Officer

Date: 26 August 2019

Rachel Hunter

Director-General

Date: 26 August 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of State Development, Manufacturing, Infrastructure and Planning.

In my opinion, the financial report:

a) gives a true and fair view of the department's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services and commercialised business unit as at 30 June 2019, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services and commercialised business unit for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Carrying value of land inventories

Refer to note 15 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Significant judgement is required by management in the determination of the carrying value of land inventories. The significant judgements and key assumptions used in the model to estimate the future cash flows for the development project include: • sales rates • land pricing • expected date of completion • future development costs.	My procedures included, but were not limited to: • obtaining an understanding of the model and assessing their design, integrity and appropriateness, with reference to common industry practices • assessing the competence, capability and objectivity of the experts used by the department to value industrial land • evaluating the methodology for allocating costs against the land inventory balance and assessing the model's design and integrity • assessing the reasonableness of future project sales revenue and forecast costs by reference to key inputs used in the model for costs and sales data • testing a sample of project land sale transactions to assess the accuracy of cost allocation calculations between the cost of sales and land inventory.

Responsibilities of the department 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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Better public services

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

a) I received all the information and explanations I required.

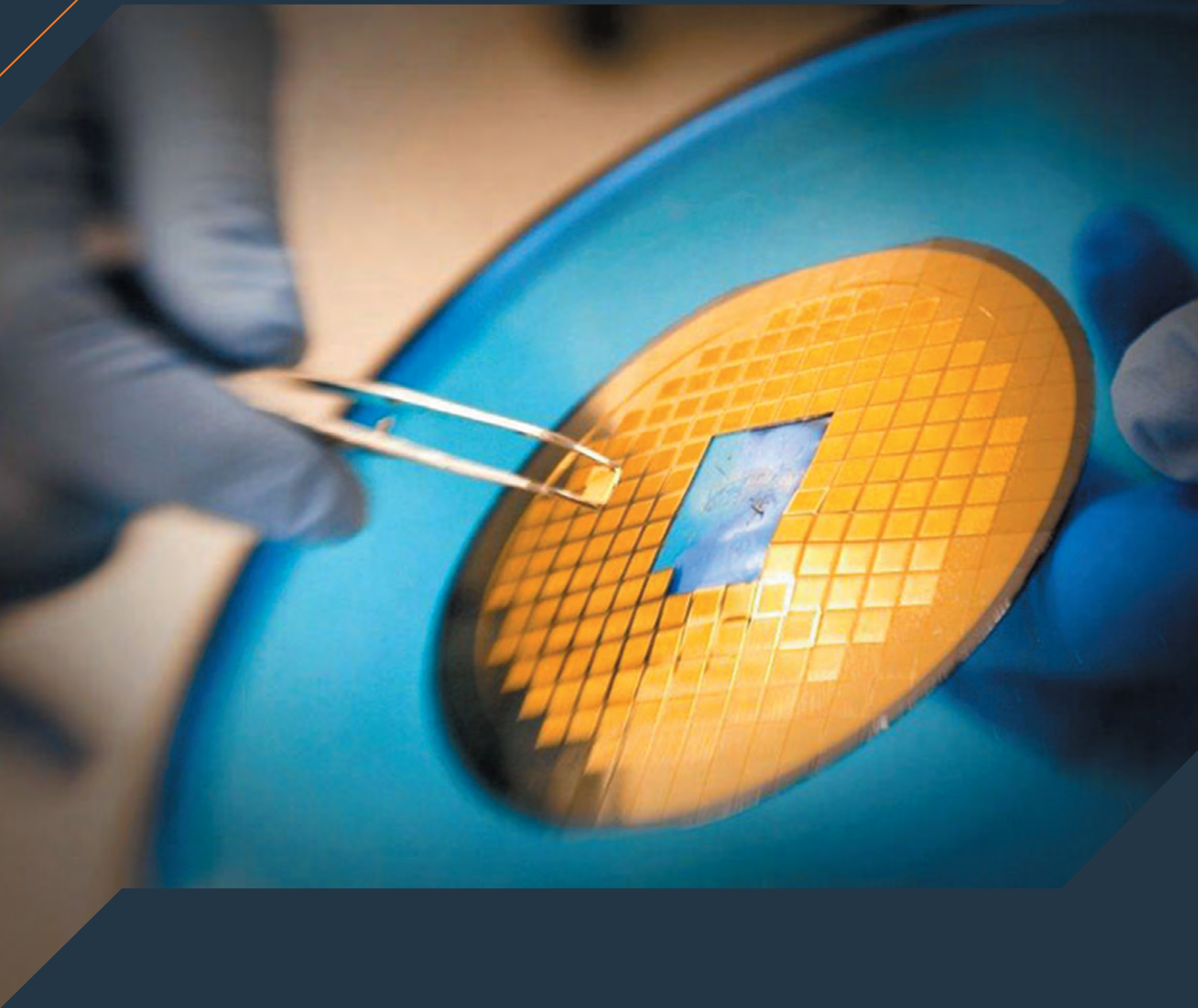
b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

28 August 2019

Vaughan Stemmett
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Image: Nanopatch (DSDMIP)



APPENDICES

Appendix 1 - Legislation administered by the department

The Department of State Development, Manufacturing, Infrastructure and Planning is the Administrative Unit under the *Administrative Arrangements Order (No 2) 2018* in relation to the Minister for State Development, Manufacturing, Infrastructure and Planning's principal ministerial responsibilities. The Minister for State Development, Manufacturing, Infrastructure and Planning is responsible for the following Acts:

- *Alcan Queensland Pty. Limited Agreement Act 1965* (except to the extent administered by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships)
- *Amoco Australia Pty. Limited Agreement Act 1961*
- *Ampol Refineries Limited Agreement Act 1964*
- *Austral-Pacific Fertilizers Limited Agreement Act 1967*
- *Building Queensland Act 2015*
- *Central Queensland Coal Associates Agreement Act 1968* (Sch pt VI)
- *Central Queensland Coal Associates Agreement (Amendment) Act 1986*
- *Central Queensland Coal Associates Agreement Amendment Act 1989*
- *Central Queensland Coal Associates Agreement and Queensland Coal Trust Act 1984*
- *Central Queensland Coal Associates Agreement Variation Act 1996*
- *Century Zinc Project Act 1997* (Parts 4, 7 and 8)
- *Economic Development Act 2012*
- *Gasfields Commission Act 2013*
- *Integrated Resort Development Act 1987*
- *Local Government (Robina Central Planning Agreement) Act 1992*
- *Mixed Use Development Act 1993*
- *Planning Act 2016* (except to the extent administered by the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport)
- *Planning and Environment Court Act 2016*
- *Queensland Industry Participation Policy Act 2011*
- *Queensland Nickel Agreement Act 1970*
- *Queensland Nickel Agreement Act 1988*
- *Queensland Reconstruction Authority Act 2011*
- *Regional Planning Interests Act 2014* (except to the extent administered by the Minister for Agricultural Industry Development and Fisheries)
- *Royal National Agricultural and Industrial Association of Queensland Act 1971*
- *Sanctuary Cove Resort Act 1985*
- *South Bank Corporation Act 1989*
- *Southern Moreton Bay Islands Development Entitlements Protection Act 2004* (repealed)
- *State Development and Public Works Organisation Act 1971*
- *Strong and Sustainable Resource Communities Act 2017*
- *Surat Basin Rail (Infrastructure Development and Management) Act 2012*
- *Townsville Breakwater Entertainment Centre Act 1991*
- *Townsville City Council (Douglas Land Development) Act 1993*
- *Townsville Zinc Refinery Act 1996.*

Appendix 2 - Implementation of the Queensland Government's Regulator Performance Framework 2018–19 progress report

Background

The Queensland Government's Regulator Performance Framework (the Framework) is a key element of the Better Regulation Strategy.

The Framework sets out five model practices to support the achievement of government policy objectives through better interactions between regulators and their stakeholders, which aims to reduce the burden and/or costs for all parties. The model practices are to:

1. ensure regulatory activity is proportionate to risk and minimises unnecessary burden
2. consult and engage meaningfully with stakeholders
3. provide appropriate information and support to assist compliance
4. commit to continuous improvement
5. be transparent and accountable in actions.

Further information about the Framework and the Better Regulation Strategy is available from the Queensland Productivity Commission's website and Section 5 of the Queensland Government Guide to Better Regulation.

Appendix 2outlines the department's performance in implementing the Framework during 2018–19 incorporating the three parts of the department which undertake regulatory functions:

- Economic Development Queensland (EDQ)
- Office of the Coordinator-General (OCG)
- Planning.

Progress report – 2018–19

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
1. Ensure regulatory activity is proportionate to risk and minimises unnecessary burden • A proportionate approach is applied to compliance activities, engagement and regulatory enforcement actions • Regulations do not unnecessarily impose on regulated entities • Regulatory approaches are updated and informed by intelligence gathering so that effort is focussed towards risk.	**EDQ** A Priority Development Area (PDA) development scheme is the overarching planning document for a declared PDA. Within PDAs, provision is made for a self-assessible development, for which a development application is not required for certain types of development. This lessens both the regulatory and financial burden for people looking to undertake a certain type of development within the PDA. EDQ undertakes risk management in line with the department's Risk Management Framework.	In April 2019, the *Economic Development and Other Legislation Amendment (EDOLA) Act 2019* passed in the Queensland Parliament. This Act amends the *Economic Development Act 2012* (ED Act) following a review which focussed on planning and development assessment. The amendments will improve existing processes and regulations and standardise approaches that are similar in other pieces of existing legislation. Key amendments include: • new and updated provisions that are similar to the *Planning Act 2016*, for example, in relation to development that does not require approval and actions that can be taken if development does not meet the requirements of a PDA development approval • improved interaction between the ED Act and a number of other Acts, such as the *Building Act 1975* and *Environmental Protection Act 1994*, to allow, for example PDA development approvals to be considered when decisions are made under those Acts in the same way as development approvals under the *Planning Act 2016* are considered.	Nil

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
1. Ensure regulatory activity is proportionate to risk and minimises unnecessary burden (cont.)	**OCG**		
	Part 7A of the *State Development and Public Works Organisation Act 1971* (SDPWO Act) provides guidance on the management of enforcement and general offences. The Environmental Impact Statement (EIS) process is managed using a flexible approach which responds to each individual project. The Impact Assessment Report (IAR) methodology was introduced into the SDPWO Act in 2014 as a streamlined approach to assessment and an alternative to the EIS process. OCG also operates under the Bilateral Agreement between the Commonwealth and the State of Queensland allowing projects to be assessed by a single environmental impact assessment that addresses state and Commonwealth environmental legislation where approvals are required by both levels of government. The Coordinator-General (CG) is also responsible for implementation and administration of the *Strong and Sustainable Resource Communities Act 2017* (SSRC Act). The SSRC Act aims to ensure that residents of communities near large resource projects benefit from these projects. OCG undertakes risk management in line with the department's Risk Management Framework.	A number of evaluation reports for projects under the Bilateral Agreement were completed including the Olive Downs and the Six Mile Creek Dam Safety Upgrade. Coordinated projects declared by the CG requiring an IAR instead of an EIS include: • 15 Mile Irrigated Agricultural Development Project (August 2018) • Kidston Pumped Storage Hydro Project (September 2018); and • Scenic Rim Agricultural Industrial Precinct (May 2019). OCG may impose conditions requiring third-party audit reporting to ensure on-going compliance (where appropriate and proportionate to risk). Since the SSRC Act commenced, the CG has declared 271 nearby regional communities for 61 large resource projects to which the SSRC Act applies. As part of OCG's compliance framework, it reviews third-party independent audit reports for coordinated projects to evaluate the level of compliance and accuracy. Due to the compliance and enforcement actions undertaken by State Development Areas Division (SDA Division) within OCG, a discussion paper and risk register were developed to ensure best practice is carried out by officers. The discussion paper and risk register will be reviewed and updated annually.	OCG regularly reviews the legislation it administers to ensure it does not conflict with other legislation that has been amended, and to ensure it meets contemporary project practices. Issues to be addressed to improve regulatory activities will be managed by any future amendments to the SDPWO Act. A review of the maximum penalty units under legislation it administers has commenced. It has been determined that some offences under the SDPWO Act could be more appropriately managed through Penalty Infringement Notices (PINs) rather than the court process. The review process is ongoing with the Department of the Premier and Cabinet. As part of its annual compliance audit, OCG considers approaches to improve future practices. Regular reviews of proposed policy ensure a proportionate approach to the assessment of coordinated projects.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
1. Ensure regulatory activity is proportionate to risk and minimises unnecessary burden (cont.)	**Planning**		
	Through the State Assessment and Referral Agency (SARA), the department balances protecting state interests with facilitating sustainable development across Queensland. SARA was created to reduce regulatory burden for development applications that require state assessment and represents a one-stop shop for state development assessment triggers under the *Planning Act 2016*. SARA provides discounted fees (50 per cent concession) under the Planning Regulation 2017 for government-supported community projects, and for applications by non-profit organisations. SARA implemented a fast track assessment pathway to streamline referral and assessment processes for low risk applications. This allows SARA to assess and quickly decide eligible triggers and aspects of development while offering reduced costs, timeframes and red tape to increase certainty for applications. Planning undertakes risk management in line with the department's Risk Management Framework.	The *Planning Act 2016* was recently amended under the EDOLA Act, removing the requirement for a submitter appellant to notify other submitters of an appeal. Previously, non-compliance could result in delays to proceedings and uncertainty for matters before the Planning and Environment Court. Stakeholders identified this requirement was an unnecessary burden on submitter appellants. The EDOLA Act also repealed the *Southern Moreton Bay Islands Development Entitlements Protection Act 2004*. This legislation is no longer required as its effective operation expired on 30 March 2016.	Planning Group, including SARA officers, frequently attend training provided by the Office of Better Practice Regulation to ensure correct regulatory processes are followed. SARA continues to monitor and report annually on Key Performance Indicators (KPIs) as part of the ongoing commitment to improve service delivery, and transparency of performance monitoring under the *Planning Act 2016* and Development Assessment Rules.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
2. Consult and engage meaningfully with stakeholders • Formal and informal consultation mechanisms are in place to allow for the full range of stakeholder input and Government decision-making circumstances • Engagement is undertaken in ways that helps regulators develop a genuine understanding of the operating environment of regulated entities • Cooperative and collaborative relationships are established with stakeholders, including other regulators, to promote trust and improve the efficiency and effectiveness of the regulatory framework.	**EDQ** Two development schemes were prepared for new PDAs and an existing PDA development scheme underwent a major review. As part of this process EDQ: • held six community engagement sessions attended by 120 people • sent out three newsletters to 13,069 people • received 119 public submissions • engaged with all relevant state agencies on provisions that relate to their portfolios.	Under the EDOLA Act amendments there is a new approach to declaring provisional PDAs which involves consultation with local government and the public on a draft plan.	Through the 'Have your say' webpage, increased opportunities were made available to stakeholders to provide feedback in relation to the preparation of development schemes and other development instruments.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
2. Consult and engage meaningfully with stakeholders (cont)	**OCG**		
	OCG ensures engagement with all relevant stakeholders on projects by using a variety of platforms including newspaper advertisements and fact sheets and providing opportunities for stakeholders to meet to discuss the project and provide feedback. These projects include a potential new State Development Area (SDA), a variation to the boundary of an existing SDA, or on a draft development scheme. In carrying out development assessment within an SDA, a proponent may be required to undertake a public consultation stage with relevant stakeholders. OCG provides the proponent with timing requirements and, to ensure a consistent approach, the templates for signage to be placed onsite and for newspaper advertisements. 'Pre-application' meetings are offered to proponents prior to proponents submitting applications for a prescribed project or critical infrastructure project declaration. Consultation is undertaken with: • other regulators and agencies that may be impacted by a prescribed project or critical infrastructure project declaration, prior to making a decision on the declaration • impacted landowners and occupiers prior to the exercise of land access and acquisition powers.	An 1800 number and a general email address is available to manage all enquiries and feedback from stakeholders and the general public. Following consultation with stakeholders, two new SDAs were declared and an enhanced development scheme for the Townsville SDA was approved. Consultation with proponents and other regulators and agencies led to the declaration of five new prescribed projects. The declaration enables the CG to assist with timely decision-making of project approvals to realise jobs and investment in Queensland. The CG provided additional public notices and notified in excess of 1600 residents of proposed road closures in the Brisbane region, prior to exercising powers to close roads under the SDPWO Act. OCG consulted with an excess of 7500 people regarding a potential use of a prescribed project power under the SDPWO Act.	Information published on the department's webpage provides details of the current 12 SDAs, their development schemes, and how to undertake development within an SDA. Guidelines and a suite of standard word templates are available and are regularly reviewed to ensure they provide consistency and transparency in the approach and the best outcomes for all involved. Prescribed project application guidelines are publicly available and provided to proponents during 'pre-application' discussions to assist proponents to submit meaningful applications that promote robust decision-making. As part of OCG's annual compliance audit, conditions are reviewed to evaluate their effectiveness and enforceability. These learnings are then fed back to the OCG's assessment teams.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
2. Consult and engage meaningfully with stakeholders (cont)	The environmental assessment process has been proven to deliver comprehensive and coordinated whole-of-government evaluation of major projects. Throughout the process, OCG seeks advice from government agencies and technical specialists. Public input is routinely sought and considered on coordinated projects' Terms of Reference, draft EIS and project change applications. As standard practice OCG actively engages with state agencies and or other entities that have condition jurisdiction or a compliance role with coordinated projects, including when formulating coordinated project conditions to ensure they are fit-for-purpose. The CG's decisions under the SSRC Act are informed by consultation with relevant stakeholders, including regional Councils, Unions, proponents, mine owners, local government and industry groups.	OCG has undertaken engagement with key stakeholders for coordinated projects and has made use of the 'Have your say' website for public submissions to improve input into, and build confidence in the submissions process. Coordinated projects that underwent public notification include: • Gladstone Energy and Ammonia project • Port of Gladstone Channel Duplication project • Cross River Rail project • Olive Downs project • New Acland Coal Mine Stage 3 project • North Queensland Country Club Resort and Equestrian Centre • Winchester South project. OCG also collaborates closely with the Commonwealth Government on matters of national environmental significance covered by the Bilateral Agreement and conducts a single EIS that addresses state and Commonwealth environmental legislation. As a result, Commonwealth assessment times have reduced.	OCG: • hosts two senior official meetings each year with the Commonwealth Government in relation to bilateral assessment projects under the *Environment Protection and Biodiversity Conservation Act 1999*. • engages strongly with regional stakeholders, including local government in relation to coordinated projects and the administration of the SDPWO and SSRC Acts. • meets regularly with other regulators including the Department of Environment and Science, the Department of Natural Resources, Mines and Energy, the Department of Agriculture and Fisheries as well as the Planning Group within the department to strengthen working relationships.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
2. Consult and engage meaningfully with stakeholders (cont)	**Planning**		
	Planning regularly engages with industry peak bodies, local government and state agencies seeking to effect policy outcomes or improve operation of the planning framework, including changes to assessment triggers, State Development Assessment Provisions (SDAP) assessment benchmarks, and conditions on development applications.	SARA officers engage with the Department of Natural Resources, Mines and Energy to ensure that SDAP and SARA conditions were appropriately aligned to reflect the State's interest in the native vegetation clearing framework in line with *Vegetation Management and Other Legislation Amendment Act 2018* (VMOLA). The *Planning Act 2016* was recently amended (under the EDOLA Act) in response to feedback from local government that there was a barrier to the use of electronic forms of communication in planning and development assessment. The amendment expanded the circumstances under which information and documents can be distributed electronically.	An annual stakeholder survey about SARA and Queensland's Planning System is undertaken to gain insights into stakeholder sentiment about the different elements of the SARA process and the planning framework. Stakeholders including applicants, representatives from state agencies and development industry are invited to participate in the survey. The qualitative and quantitative data that is obtained through this survey will be used to identify and prioritise areas of improvement and further engagement opportunities with our stakeholders to address the survey responses. Regular meetings and forums are held with relevant state agencies to aid in the preparation of policy and continued operation of SARA.

<table>
<tr><th>Regulator model practices and supporting principles</th><th>Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19</th><th>Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices</th><th>Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices</th></tr>
<tr><td rowspan="2">3. Provide appropriate information and support to assist compliance
• Clear and timely guidance and support is accessible to stakeholders and tailored to meet the needs of the target audience
• Advice is consistent and, where appropriate, decisions are communicated in a manner that clearly articulates what is required to achieve compliance
• Where appropriate, regulatory approaches are tailored to ensure compliance activities do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice.</td><td colspan="3">EDQ</td></tr>
<tr><td>For EDQ's development assessment function, the department's website:
• outlines the development assessment (DA) process including statutory timeframes
• provides the DA fees and charges schedule
• DA decisions are provided in writing and clearly outline any conditions required as part of the approval.
Regarding the compliance function within PDAs, EDQ:
• receives and documents complaints received in relation to any alleged unlawful development / uses
• undertakes the necessary investigations for any alleged unlawful development / uses
• takes the necessary steps to ensure any development (or uses) deemed unlawful is removed (or ceases) or is legitimised through a formal assessment process.</td><td>EDQ offers pre-lodgement meetings with people looking to lodge a DA, to provide applicants with advice and direction; and allows them to review their application and make possible changes before officially lodged. A total of 54 applicants took advantage of this service.
In addition, EDQ processed:
• 89 development applications
• 66 requests to change development approvals
• 139 compliance assessments
• 182 state interest reviews
• sealed 96 survey plans facilitating the creation of over 1700 freehold lots.
EDQ issued 11 compliance notices in for various matters including:
• advertising signage
• construction noise / run-off
• hours of operation
• building / operational work.</td><td>Nil</td></tr>
</table>

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
3. Provide appropriate information and support to assist compliance (cont)	**OCG**		
	OCG engages with parties affected by the exercise of powers under the SDPWO Act. OCG publishes a range of documentation on the department's website to guide proponents and the public on how to undertake and participate in the environmental impact statement of impact assessment report process. Part 7A of the SDPWO Act provides guidance to officers on the management of enforcement and general offences. Supporting this, OCG has prepared guidelines and has a suite of standard word templates for its officers to reference and apply, to ensure consistency and transparency in any actions taken. During the environmental assessment process under the SDPWO Act, the CG may apply conditions to a project to manage project impacts. Compliance with conditions imposed by the CG is an indicator that projects are proceeding lawfully and in line with government and community expectations and environmental standards. OCG works closely with other government agencies to ensure conditions on coordinated projects are reasonable, relevant, clear and enforceable. Conditions are drafted to be fit-for-purpose and mitigate impacts where necessary.	OCG provides direct contact details of officers within the Land Acquisition and Project Delivery (LAPD) division to landholders who are subject to land access or acquisition notices, to enable affected parties to obtain timely guidance or advice should an issue with compliance of a statutory process or notice arise. OCG publishes on the department's website: • guidance about the assessment processes, compliance and enforcement matters. • a social impact assessment guideline and information about resource projects subject to the SSRC Act.	Guidelines and the suite of standard word templates are regularly reviewed to ensure they provide consistency and transparency in the approach; and the best possible outcomes for all involved. Information published on the department's website about the compulsory acquisition process, including frequently asked questions, provides parties with an understanding of the process which can help them determine whether statutory processes or notices are being complied with.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
3. Provide appropriate information and support to assist compliance (cont)	**Planning**		
	Planning provides support and guidance to officers across the state for the implementation of planning policy. This includes preparing and distributing practice notes and guidance material.	The department published fact sheets to its website explaining the making and effect of regulatory material.	Support and guidance for the implementation of SARA, are reviewed and updated regularly on the department's website.
4. Commit to continuous improvement	**EDQ**		
• Regular review of the approach to regulatory activities, collaboration with stakeholders and other regulators, to ensure it is appropriately risk based, leverages technological innovation and remains the best approach to achieving outcomes • To the extent possible, reform of regulatory activities is prioritised on the basis of impact on stakeholders and the community • Staff have the necessary training and support to effectively, efficiently and consistently perform their duties.	Nil	Under the EDOLA Act amendments, regulatory changes include: • improvements to the PDA development application process to make the steps in the process clearer and allow applications that are not active to lapse • providing for exclusion of offences of environmental nuisance for development carried out in accordance with a by-law - aligns with recognition given to local laws • development schemes to have effect by public notice in the gazette (similar to planning schemes) rather than by regulation.	Nil

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
4. Commit to continuous improvement (cont)	**OCG**		
	OCG regularly reviews its practices to ensure it provides the best approach to achieving outcomes. For example, prescribed project proponents have been surveyed to understand the application process and usefulness of the declaration. The CG's EIS processing times have been streamlined, with significant time reductions achieved since 2012. Conditions have also been strengthened and progressively made more outcome-focussed. An annual audit is undertaken to measure the effectiveness of CG's imposed conditions, and related compliance and enforcement framework	A key driver of time reduction has been the use of the new, streamlined, IAR process. As an example, the Kidston Pumped Storage Hydro Project was assessed in six months and completed in April 2019. OCG is committed to continuously building an embedded disciplined project management culture and systems through in-house training, project programs with milestones and accountabilities, project control groups for all projects and peer reviews on key issues – all of which focus on improved quality of assessments and reduced assessment delivery times. Full compliance has been recorded with CG's coordinated projects that are currently under construction or under-going early operation with conditions that are imposed by the CG. Where non-compliance against imposed conditions is identified, OCG will take appropriate action.	Appropriate training is provided to employees to ensure they have the necessary capabilities for their respective roles. This includes opportunities to attend training provided by legal firms as well as in-house training. There are periodic reviews and updates to guidance material for the assessment process under the SDPWO Act. OCG: • developed and adopted an internal imposed condition monitoring program which audits compliance against imposed conditions on coordinated projects • measures the time for each stage of the environmental assessment process to focus attention on streamlining processes and achieving efficiencies • is reviewing public facing compliance guidance material to ensure it is up to date and fit-for-purpose.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
4. Commit to continuous improvement (cont)	**Planning**		
	SARA has established KPIs and customer satisfaction surveys, which are published annually on the department's website. Planning has a continuous improvement agenda for both the *Planning Act 2016* and the implementation of planning policy under the framework created by the Planning Act. Regular reviews of the planning regulation, assessment triggers, assessment benchmarks and operational procedures are undertaken to identify and implement improvements.	Planning employees undertake regular training concerning regulatory matters such as statutory interpretation and Cabinet and Executive Council processes. The department released the *Queensland Solar Farm Guidelines: Guidance for Local Governments* in September 2018, responding to uncertainty about how this emerging industry is considered in planning and development. The guidelines provide advice on how to integrate solar farms into statutory local government planning schemes and what to consider when assessing development applications. Planning has been reviewing the state interest guidance material on *Natural Hazards, Risk and Resilience—Bushfire* to ensure it reflected the recommendations of the 2009 Victorian Bushfires Royal Commission and the Malone Review. As part of this review, Planning has undertaken extensive consultation with technical experts, local government, bushfire practitioners and industry stakeholders on the guidance including code provisions, assessment benchmarks and preferred bushfire mapping methodologies that a local government may apply. The guidance is in the process of being finalised.	Planning employees including SARA officers frequently attend training provided by Office of Better Practice Regulation to ensure continuous improvement and ensure proper regulatory processes are followed. SARA monitors KPIs as part of the department's ongoing commitment to improving its performance. SARA uses the results of the annual stakeholder survey to improve on current practices and identify training opportunities.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
5. Be transparent and accountable in actions • Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders • Decisions are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions • Indicators of regulator performance are publicly available.	**EDQ**		
	EDQ publishes on the department's website: • a range of guidelines and practice notes are available to assist people prepare development applications consistent with EDQ's planning framework • a self-certification manual which streamlines the operational works process to promote more efficient delivery of land development within PDAs • all development applications and approvals. The benefits of the self-certification process include: • innovation and improved outcomes • reduction in approval timeframes • earlier commencement of construction • potential reduction in holding costs.	Nil	The department's webpages are regularly reviewed and updated with relevant information.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
5. Be transparent and accountable in actions (cont)	**OCG**		
	OCG publishes on the department's website: • information and decisions • guidance on compliance and enforcement matters • information about SDAs and development schemes • fact sheets and guidelines on how development assessment is carried out and the associated timeframes. Each SDA is subject to a development scheme which is a regulatory document that controls planning and development in that SDA. Applicants and all referral agencies are provided with the decision on all development applications. OCG adopts a 100 per cent effectiveness measure as part of its Service Delivery Standards regarding compliance, reported annually.	OCG publishes on the department's website: • the fees payable for applications such as an application for declaration as a Private Infrastructure Facility • all gazettes showing declarations of projects as prescribed projects or critical infrastructure projects, and links to project information • all gazettes showing declarations of projects as coordinated projects, and links to project information • environmental assessment material considered by the CG in the evaluation of coordinated projects • instructions for the public to comment on coordinated projects undergoing evaluation • the CG's evaluation report • information providing an overview of the SSRC Act and social impact assessment requirements, including a list of large resource projects and associated nearby regional communities. The CG published timeframes for the Adani project's major approvals to be met to provide certainty to stakeholders.	The department's webpages are regularly reviewed and updated with relevant information.

Regulator model practices and supporting principles	Evidence and relevant information to demonstrate the extent to which the department's regulatory practices aligned with the regulator model practices throughout 2018–19	Examples or case studies to highlight the extent to which the department's regulatory practices in 2018–19 aligned with the model practices, or to indicate where business practices could be enhanced in line with the model practices	Actions taken in 2018–19, or currently being taken by the department, to improve regulatory activities and business practices to reflect the model practices
5. Be transparent and accountable in actions (cont)	**Planning**		
	SARA decisions are made publicly available and are provided in a timely manner, which meets statutory assessment timeframes. Application material lodged with SARA as assessment manager is made publicly available on the department's website in a timely manner which meets statutory timeframes. As a result of planning reform led by the department, development assessment decisions made under the *Planning Act 2016* are required to be publicly available, as well as a statement of reasons for decisions.	SARA has established KPIs and customer satisfaction surveys, which are published annually on the department's website.	SARA monitors KPIs as part of the department's ongoing commitment to improving its performance.

Appendix 3 – Progress against service standards

Reporting on actuals as at 30 June 2019

The department's service areas are:

1. driving enterprise development, economic growth and job creation
2. assessing, approving, developing and delivering projects to generate jobs and economic growth
3. economic and infrastructure strategy, policy and planning
4. better planning for Queensland
5. business and economic growth.

Differences in estimated actuals reported in the 2019–20 *Service Delivery Statement* and the 2018–19 actual reported in the tables below are primarily as a result of the estimated actual data being based on information at the time of reporting, which was prior to the end of financial year.

Descriptions of the service standards are in the 2019–2020 Service Delivery Statements.

Service standard	Notes	2018–19 Target est	2018–19 Actual
Driving enterprise development, economic growth and job creation			
Service: Industry and investment facilitation			
Effectiveness measures Value of capital investment enabled through industry facilitation	1, 2	$450 million	$1,129.05 million
Estimated number of jobs enabled through industry facilitation	1, 2, 3	1,485	2,902
Efficiency measure Capital investment enabled per dollar spent on industry facilitation	1, 2, 4	$63.86	$147.13
Service: Regional economic development			
Effectiveness measure Value of infrastructure investment being developed or delivered through the Building our Regions and Royalties for the Regions programs	5, 6, 7	$520 million	$775.5 million
Efficiency measure 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	$300.59	$448.27

Notes:

1. The service name has been amended from 'Industry Facilitation' published in the 2018–19 *Service Delivery Statements* (SDS) to better reflect the work undertaken by the department and to incorporate work that was previously reported against the Investment Programs service in the 2018–19 SDS. Industry and investment 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 2018–19 Actual is higher than the 2018–19 Target/Estimate primarily due to significant private sector projects that were realised during the year including the Sun Metals Refinery Upgrade ($267 million) and the supply of domestic gas to manufacturers ($240 million).
3. 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 executed.
4. The 2018–19 Actual is higher than the 2018–19 Target/Estimate due to the realised capital investment being higher than originally anticipated. This factor and restructure changes increased the measures of program efficiency in 2018–19.
5. These programs provide funding for projects which may be co-funded by local governments, other Queensland Government agencies, Australian 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 comprises four separate streams. The department oversees the Regional Capital Fund, Royalties for Resource Producing Communities Fund and the Remote and Aboriginal and Torres Strait Islander 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. The investment amount reported refers to the full investment value over the entire life of the project.
7. The 2018–19 Actual is higher than the 2018–19 Target/Estimate as the value of investment for Building our Regions round four approved projects was higher than originally estimated. This factor and changes to project delivery timeframes for the other projects increased the measures of program effectiveness and efficiency in 2018–19.

Service standard	Notes	2018–19 Target est	2018–19 Actual
Assessing, approving, developing and delivering projects to generate jobs and economic growth			
Service: Project development and delivery			
Effectiveness measures Value of capital investment being developed or delivered through projects	1, 2	$1.841 billion	$1.451 billion
Estimated numbers of jobs enabled through projects developed or delivered	1, 2, 3	4,708	3,488
Efficiency measure Value of capital investment enabled per dollar spent on project development and delivery	1, 2, 4	$447.55	$645.43
Service: Economic development through coordinated projects, SDAs and land acquisition programs			
Effectiveness measure 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	5	100%	100%
Efficiency measure Potential capital expenditure leveraged per dollar spent on the Coordinator-General annual budgeted staff expenses to assess and facilitate projects to construction	6	$2,500	$4,501

Notes:

1. 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. The capital investment value includes investment from 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.
2. The variance between the 2018–19 Target/Estimate and the 2018–19 Actual is due to the responsibility for selected projects transferring to the Department of Housing and Public Works (DHPW) as a result of a machinery-of-government change of 16 August 2018.
3. The estimated number of jobs is calculated using Queensland Treasury's job estimation methodology, except where a proponent has supplied a job estimate.
4. The increase in the efficiency target in the 2018–19 Actual is primarily as a result of a machinery-of-government change of 16 August 2018 where selected projects have transferred to DHPW to continue delivery. The nature of the remaining high value projects and their stage of the project life cycle has resulted in a change to resource commitments. The actual result may fluctuate depending on projects committed during the reporting period and the staff effort associated with project delivery.
5. 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 SDPWO Act, the Coordinator-General may apply conditions to a project to manage project impacts. Compliance with conditions imposed by the Coordinator-General is an indicator that projects are proceeding lawfully and in line with government and community expectations and environmental standards.
6. This service standard captures the potential capital expenditure on Queensland projects being assessed and facilitated by the Coordinator-General under the SDPWO Act for every dollar invested in annual budgeted Coordinator-General staff expenses. Potential capital expenditure on Queensland projects 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 Coordinator-General.

Service standard	Notes	2018–19 Target est	2018–19 Actual
Economic and infrastructure strategy, policy and planning			
Effectiveness measure Level of satisfaction of key stakeholders with timeliness and effectiveness of consultation undertaken relating to economic and infrastructure strategy, policy and planning	1, 2	New Measure	New Measure
Efficiency measure Administration costs as a percentage of infrastructure investment coordinated through the service area	1, 3	<0.5%	0.08%

Notes:

1. The service area has been renamed to include the economic strategy function of the department in alignment with the departmental strategic objectives, and was previously called 'Infrastructure Policy and Planning' in the 2018–19 Service Delivery Statements (SDS).
2. This is a new service standard for the 2019–20 SDS which includes stakeholder satisfaction with the economic strategy function of the department. The components of timeliness and effectiveness together measure key stakeholders' overall experience with consultation undertaken by the department. The stakeholders surveyed comprise of a cross section of industry experts, and state and local government.
3. Administration costs comprise of the operating expenditure of the infrastructure policy and planning function (i.e. full-time equivalents, supplies and services). The measure is based on estimated actuals as published in the Capital Statement (Budget Paper 3) of the total administration costs as a proportion of projected infrastructure investment in the State Infrastructure Program.

Service standard	Notes	2018–19 Target est	2018–19 Actual
Better planning for Queensland			
Effectiveness measure Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system	1	70%	79%
Efficiency measure Average administration costs per decision made by the State Assessment and Referral Agency	2	$3,320	$3,749

Notes:

1. This service standard measures the overall level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system under the *Planning Act 2016*. The stakeholders surveyed comprise of a cross section of industry experts, state and local government, and community groups. The 2018–19 Estimated Actual was reported as 78 per cent in the 2019–2020 Service Delivery Statement as the survey was not finalised until after publication.
2. The increase in the 2018–19 Actual compared to the 2018–19 Target/Estimate is as a result of refinements made to the decision process for State Assessment and Referral Agency approvals. This has enabled simple transactions and duplications to be eliminated thereby reducing the number of decisions to those which are of a more complex nature.

Discontinued measures

Performance measures included in the 2018–19 *Service Delivery Statement* that have been discontinued or replaced are reported in the following table.

Discontinued measures

Service standard	Notes	2018–19 Target est	2018–19 Actual
Service area: Driving enterprise development, economic growth and job creation			
Effectiveness measure Percentage of proposal assessment recommendations endorsed upon submission to investment panel[1]	1	85%	100%
Efficiency measure Average cost per proposal assessment (Stage 1)[1]	1	$125,000	$81,309
Service area: Economic and infrastructure strategy, policy and planning			
Effectiveness measure Level of satisfaction of key stakeholders with timeliness and effectiveness of consultation undertaken by Infrastructure Policy and Planning	2	70%	83%

Notes:

1. These service standards relate to services delivered under the Market Led Proposals Framework, which has been reviewed and replaced by a new industry facilitation model. These measures are subsequently being discontinued as the new industry facilitation model process supersedes the methodology to calculate these measures. To ensure consistency of measurement of the department's industry investment and facilitation offerings, the outcomes of the new industry facilitation model will now be reported under the effectiveness and efficiency measures in the 'Industry and investment facilitation' service. In addition, the effectiveness measure is being discontinued as it measures activity rather than effectiveness. These service standards were previously presented in the 'Driving enterprise development, economic growth and job creation' service area in the 2018–19 Service Delivery Statements. These measures will not be reported in any other publication.
2. The components of timeliness and efficiency together measure key stakeholders' overall experience with consultation undertaken relating to the infrastructure policy and planning function. The stakeholders surveyed comprised a cross section of industry and government. The 2018–19 Actual figure is the percentage of survey respondents that were moderately satisfied to completely satisfied. This service standard has been discontinued as it no longer aligns with the service area. It has been replaced with a new service standard which has been amended to include stakeholder satisfaction with the economic strategy function of the department. The survey scope will be revised to include additional questions and/or additional stakeholders required to reflect the broader service area. This measure will no longer be reported in any other publication.

Service standard	Notes	2018–19 Target est	2018–19 Actual
Service area: Business and economic growth			
Effectiveness measure Value of private sector investment generated through the facilitation of economic and community development projects	1	$296.1 million	$279.8 million
Efficiency measure Administrative costs as a percentage of private sector investment generated through the facilitation of economic and community development projects	2	5.4%	4.5%

Notes:

1. This measure is the value of private sector investment generated through the facilitation of economic and community development projects in Economic Development Queensland (EDQ), including the value of land sales for which EDQ is responsible. The variance between 2018–19 Target/Estimate and 2018–19 Actual is mainly due to lower than expected private sector investment for current projects as a result of the subdued residential property market.
2. This measure calculates expenses including employee expenses, sales and marketing costs, and an allocation for operating expenses which relate to the delivery of development projects as a percentage of the value of private sector investment generated. The variance between the 2018–19 Target/Estimate and the 2018–19 Actual is due to the lower than expected value of private sector investment as referenced in Note 1 and lower administrative costs.

Appendix 4 – Our contacts

Brisbane offices

Brisbane Central office

visit 1 William Street, Brisbane
post PO Box 15009, City East Qld 4002
tel +61 7 3452 7100
info@dsdmip.qld.gov.au

Regional offices

Far North Queensland regional office

Main office—Cairns
visit Ground Floor, Cairns Port Authority Building,
Corner Grafton and Hartley Streets, Cairns
post PO Box 2358, Cairns Qld 4870
tel +61 7 4037 3209
cairns@dsdmip.qld.gov.au

Mackay Isaac Whitsunday regional office

Main office—Mackay
visit Lv 4, 44 Nelson Street, Mackay
post PO Box 710, Mackay Qld 4740
tel +61 7 4898 6800
mackay@dsdmip.qld.gov.au

North West Queensland regional office

Main office—Mount Isa
visit 75 Camooweal Street, Mount Isa
post PO Box 2221, Mount Isa Qld 4825
tel +61 7 4747 3900
nwq@dsdmip.qld.gov.au

North Queensland regional office

Main office—Townsville
visit Lv 4, 445 Flinders Street, Townsville
post PO Box 1732, Townsville Qld 4810
tel +61 7 4758 3405
townsville.NQRO@dsdmip.qld.gov.au

Central Queensland regional office

Main office—Rockhampton
visit Lv 2, 209 Bolsover Street, Rockhampton
post PO Box 113, Rockhampton Qld 4700
tel +61 7 4924 2914
rockhampton@dsdmip.qld.gov.au

Wide Bay Burnett regional office

Main office—Bundaberg
visit Lv 1, 7 Takalvan Street, Bundaberg
post PO Box 979, Bundaberg Qld 4670
tel +61 7 4331 5616
wbbregionalservices@dsdmip.qld.gov.au

Fraser Coast and Gympie regional office

Main office–Maryborough
visit 123 Wharf Street, Maryborough
post PO Box 839 QLD 4650
tel 07 4122 0403
FCGRegional@dsdmip.qld.gov.au

Darling Downs South West regional office

Main office—Toowoomba
visit 128 Margaret Street, Toowoomba
post PO Box 825, Toowoomba Qld 4350
tel +61 7 4616 7306
toowoomba@dsdmip.qld.gov.au

South East Queensland—North regional office

Main office—North Lakes
visit 6 Endeavour Boulevard, North Lakes
post PO Box 833, North Lakes Qld 4509
tel +61 7 3882 8408
northlakes@dsdmip.qld.gov.au

South East Queensland—West regional office

Main office—Ipswich
visit Lv 4, 117 Brisbane Street, Ipswich
post PO Box 129, Ipswich Qld 4305
tel +61 7 3432 2400
seqwest@dsdmip.qld.gov.au

South East Queensland—South regional office

Main office—Gold Coast
visit Lv 1, 7 Short Street, Southport
post PO Box 3290, Australia Fair,
Southport Qld 4215
tel +61 7 5644 3204
goldcoast@dsdmip.qld.gov.au

North Stradbroke Island Economic Transition Strategy office

visit 7 Stradbroke Place, Dunwich,
North Stradbroke Island (Monday to Friday,
9am–2 pm, or other times by appointment)
post PO Box 178, Dunwich Q 4183
tel +61 7 3415 2349 or 13 QGOV (13 74 68)
nsieconomictransition@dsdmip.qld.gov.au

Appendix 5 – 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/s	ARRs – section 7	Page 3
Accessibility	• Table of contents	ARRs – section 9.1	Page 4
	• Glossary		Page 139
	• Public availability	ARRs – section 9.2	Page 2
	• Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	Page 2
	• Copyright notice	Copyright Act 1968 ARRs – section 9.4	Page 2
	• Information Licensing	QGEA – Information Licensing ARRs – section 9.5	Page 2
General information	• Introductory Information	ARRs – section 10.1	Pages 2, 8
	• Machinery of Government changes	ARRs – section 10.2, 31 and 32	Page 8,9
	• Agency role and main functions	ARRs – section 10.2	Page 8
	• Operating environment	ARRs – section 10.3	Page 9
Non-financial performance	• Government's objectives for the community	ARRs – section 11.1	Page 11
	• Other whole-of-government plans / specific initiatives	ARRs – section 11.2	Page 16
	• Agency objectives and performance indicators	ARRs – section 11.3	Pages 11, 13, 20, 23, 29, 36
	• Agency service areas and service standards	ARRs – section 11.4	Pages 129, 130, 131, 132, 134
Financial performance	• Summary of financial performance	ARRs – section 12.1	Pages 46 – 49

Summary of requirement		Basis for requirement	Annual report reference
Governance – management and structure	• Organisational structure	ARRs – section 13.1	Pages 50–51
	• Executive management	ARRs – section 13.2	Pages 52 – 53
	• Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 59
	• Public Sector Ethics Act 1994	Public Sector Ethics Act 1994 ARRs – section 13.4	Page 61
	• Queensland public service values	ARRs – section 13.5	Page 63
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	Pages 56 and 59
	• Audit committee	ARRs – section 14.2	Page 56
	• Internal audit	ARRs – section 14.3	Page 60
	• External scrutiny	ARRs – section 14.4	Page 60
	• Information systems and recordkeeping	ARRs – section 14.5	Page 62
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	Pages 63 – 68
	• Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	Page 68
Open Data	• Statement advising publication of information	ARRs – section 16	Pages 2 and 62
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 105
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Pages 106 – 108

FAA *Financial Accountability Act 2009*
FPMS *Financial and Performance Management Standard 2019*
ARRs *Annual report requirements for Queensland Government agencies*

Abbreviations

AQIAF	Advance Queensland Industry Attraction Fund
ARMC	Audit and Risk Management Committee
BoR	Building our Regions
CCC	Crime and Corruption Commission
CHaPs	Community Hubs and Partnerships
CHH	Carter Holt Harvey
DHPW	Department of Public Works and Housing
DSDMIP	Department of State Development, Manufacturing, Infrastructure and Planning
eDRMS	Electronic Document Records Management System
EDQ	Economic Development Queensland
EIS	Environmental Impact Statement
FAA	*Financial Accountability Act 2009*
FAMC	Finance and Asset Management Committee
FIFO	Fly-in-fly-out
FPMS	*Financial and Performance Management Standard 2019*
GTH	Global Tourism Hub
IAQ	Infrastructure Association of Queensland
IAR	Impact Assessment Report
ISC	Information Steering Committee
JRGF	Jobs and Regional Growth Fund
LAPD	Land Acquisition and Project Delivery
LNG	Liquefied Natural Gas
METS	Mining Equipment, Technology and Services
MIQ	Made in Queensland
MoG	Machinery of Government
MRO	Maintenance Repair and Overhaul
NSIETS	North Stradbroke Island Economic Transition Strategy
OCG	Office of the Coordinator-General
PCYC	Police-Citizens-Youth Club
PDA	Priority Development Area
PINs	Penalty Infringement Notices
PSC	Public Service Commission
QAO	Queensland Audit Office
QUT	Queensland University of Technology
RAB	Remote Area Board
RISE	Resources Innovators, Scale-ups and Entrepreneurs
SARA	State Assessment and Referral Agency
SCIP	Sunshine Coast Industrial Park
SDA	State Development Area
SIA	Social Impact Assessment
SMEs	Small to Medium Enterprises
TIDB	Townsville Industrial Development Board
UAS	Unmanned Aerial Systems
WBBROC	Wide Bay Burnett Regional Organisation of Councils
WHS	Work Health and Safety

Glossary

Term	Description
Administrative Arrangements Orders	Set out the principal responsibilities of government ministers and their portfolios.
Advance Queensland Industry Attraction Fund (AQIAF)	This fund aims to increase private sector investment, create jobs and a strong economy.
Advancing Our Cities and Regions Strategy	Announced on 6 October 2016, this strategy is a 10-year property and infrastructure program focused on delivering innovative approaches to renewing and repurposing surplus and underutilised government property to deliver economic, community and financial outcomes for Queenslanders.
Building our Regions (BoR)	A targeted regional infrastructure program for local government projects. The primary purpose of the BoR program is to provide funding for critical infrastructure in regional areas of the state, while also generating jobs, fostering economic development and improving the liveability of regional communities.
Community hub	Typically a collection of facilities clustered together on the same or adjoining sites to form a focal point for activities. Hubs can include facilities and services supporting: • sport and recreation • health and well being • education and learning • community services • public transport and active transport nodes • commercial spaces and offerings • cultural amenities • open spaces. The same integrated service benefits for clients and communities can be achieved through a ‘virtual’ hub, where services and functions are connected and delivered collaboratively even when services are located separately.
Community partnership	A shared approach to the planning and delivery of services and facilities across a geographical area.
Coordinated Project	A proponent of a project with one or more of the following characteristics may apply to have it declared a ‘coordinated project’ under the *State Development and Public Works Organisation Act 1971* (SDPWO Act): • complex approval requirements, involving local, state and federal governments • significant environmental effects • strategic significance to the locality, region or state, including for the infrastructure, economic and social benefits, capital investment or employment opportunities it may provide significant infrastructure requirements.

Term	Description
Environmental Impact Statement (EIS)	A document prepared to describe the potential impacts of a proposed activity on the environment, and ways to avoid, minimise or mitigate potential negative impacts of a project.
Global Tourism Hub	Global Tourism Hubs are an integrated strategy for Queensland that incentivises the private sector to support the delivery of the government's policy objectives. A GTH is designed to: • deliver world-class tourism infrastructure - accelerating tourism growth and supporting local infrastructure opportunities • develop integrated resorts with a broad range of tourist related facilities and attractions and other tourism infrastructure • support the government's broader tourism strategy by encouraging more direct flights from Asia and increase visitors' length of stay, spend per night and repeat visitation • deliver catalytic projects that support city building objectives and other complementary projects • optimise broader community gains including; regional jobs, investment and associated flow-on developments including enhancing public realm • provide high-quality accommodation and a range of experiences encouraging longer visitor stays and greater tourism expenditure
Jobs and Regional Growth Fund (JRGF)	A $175 million program that is part of the government's broader Jobs and Regional Growth Package targeted at growing regional economies and creating jobs for Queenslanders. The fund is helping to facilitate private sector projects that create employment and economic growth opportunities in regional areas. The fund focuses primarily on regions outside South East Queensland however, projects located in all areas with higher than average unemployment may be considered.
Made in Queensland (MIQ)	A $40 million grants program supporting Queensland's manufacturing sector to become more internationally competitive and adopt innovative processes and technologies.
Prescribed Projects	The Minister may, by gazette notice, declare a project to be a 'Prescribed Project'. A Prescribed Project is one which is of significance, particularly economically and socially, to Queensland or a region. In deciding whether to declare a prescribed project the Minister may consider: • public interest • potential environmental effects • other matters considered relevant. If a Prescribed Project is considered to be 'critical or essential' for economic, social or environmental reasons to Queensland, the Minister may also declare it a 'critical infrastructure project'.
Priority Development Area (PDA)	A site declared by the state government to facilitate the development of land in Queensland for economic development or community purposes.

Term	Description
Priority industries	As part of the Advance Queensland program several industry sectors were identified as emerging priority industries to be supported to build their competitive strengths and to create the knowledge-based jobs of the future. They include: • Advanced manufacturing • Aerospace • Biofutures • Biomedical • Defence • Mining Equipment, Technology and Services (METS).
Royalties for the Regions	A program now closed that provided support for infrastructure projects that addressed identified local needs. The program was replaced by the BoR program.
State Development Area (SDA)	Clearly defined area of land—for industry, infrastructure corridors and major public works—established to promote economic development in Queensland. Development in these areas is overseen by the Coordinator-General.
Social Impact Assessment (SIA)	A study that identifies the potential social impacts directly related to a project and proposes strategies to capitalise on social opportunities and to avoid, mitigate and manage the identified project impacts. A social impact assessment generally covers: • community and stakeholder engagement • workforce management • housing and accommodation • local business and industry content • health and community wellbeing.
Terms of reference	Describes the purpose and structure of a project, committee, meeting, negotiation or any similar collection of people who have agreed to work together to accomplish a shared goal.
Whole-of-government	A term used to refer to all Queensland Government departments and agencies.

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