Department of State Development, Manufacturing, Infrastructure and Planning

ANNUAL REPORT

2017–2018

Queensland Government

What this report contains

This report outlines the activities and achievements of the former Department of State Development and for Planning, Infrastructure Policy and Planning, Economic Development Queensland, the Office of the Queensland Government Architect, and South Bank Corporation from the former Department of Infrastructure, Local Government and Planning, and Market-Led Proposals from Queensland Treasury. That is, it reflects the structure, operations and performance of the Department of State Development, Manufacturing, Infrastructure and Planning, following Machinery of Government changes implemented in December 2017.

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 2009*, 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

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Queensland Government

Department of
State Development, Manufacturing, Infrastructure and Planning

Our ref: DGC18/1178

20 September 2018

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 present the 2017-18 Annual Report and financial statements for the Department of State Development, Manufacturing, Infrastructure and Planning.

Following Machinery of Government changes implemented on 12 December 2017, the former Department of State Development was merged with several core functions of the Department of Infrastructure, Local Government and Planning. These included Infrastructure Policy and Planning, Economic Development Queensland, Planning, the Office of the Queensland Government Architect and a liaison point for South Bank Corporation. The Market-Led Proposals division, formerly from Queensland Treasury, was also integrated into the new department.

In addition, two business units were transferred to other departments. The Special Projects Unit moved to the Department of Innovation, Tourism Industry Development and the Commonwealth Games, while Priority Ports transferred to the Department of Transport and Main Roads.

This report outlines the activities and achievements of the new Department of State Development, Manufacturing, Infrastructure and Planning for the whole of the 2017-18 financial year. That is, it reflects the structure, operations and performance of the department as it now exists.

I certify that this annual report complies with:

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

A checklist outlining the annual reporting requirements can be found in Appendix 4 of this annual report accessed 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

As Director-General for the Department of State Development, Manufacturing, Infrastructure and Planning, it is with great pleasure that I present the 2017–2018 Annual Report.

The past year has been one of significant change and positive development for the department. On 12 December 2017 the Hon. Annastacia Palaszczuk MP, Premier of Queensland, announced that the former Department of State Development would merge with several core functions from the Department of Infrastructure, Local Government and Planning. These included Planning, Infrastructure Policy and Planning, Economic Development Queensland and the Office of the Queensland Government Architect, along with a liaison point for South Bank Corporation. The Market-Led Proposals division, formerly from Queensland Treasury, was also integrated into the new department.

Machinery of Government changes also saw the transfer of two former departmental business units to other departments. The Special Projects Unit moved to the Department of Innovation, Tourism Industry Development and the Commonwealth Games, while Priority Ports transferred to the Department of Transport and Main Roads.

During the reporting year there was a change of ministerial responsibilities, with the Hon. Cameron Dick MP appointed as Minister for the new-look department on 12 December 2017.

These changes have provided the department with an exciting opportunity to develop and drive the medium to long-term economic strategy for Queensland. More importantly, they strengthen our capacity to deliver on the department's new vision for a thriving and inclusive Queensland, where the economy, industry and communities prosper.

An inclusive Queensland is one where economic prosperity is shared across regions and communities. The concept of inclusive economic growth is one the government, and importantly the Minister, has strongly committed to deliver.

The department's newly released strategic plan ensures that we are focused on delivering this vision and provides the foundation for our work ahead. Moving forward, it is our job, as a lead economic agency, to create an environment that enables all of Queensland to thrive and prosper.

Rachel Hunter
Director-General

Achievement highlights

Defence industries

Spearheaded Queensland's successful bid with Rheinmetall Defence Australia to build a new fleet of armoured vehicles as part of the LAND 400 Phase 2 contract worth $5.2 billion, generating 450 jobs, with a new Military Vehicle Centre of Excellence to be built in Ipswich.

Secured the headquarters for the new $101 million Defence Cooperative Research Centre for Trusted Autonomous Systems.

Coordination of project approvals

Progressed Environmental Impact Statements (EISs) on 12 coordinated projects worth a total capital value of around $18.9 billion with potential to create around 31,700 construction and operational jobs.

Commencement of the *Strong and Sustainable Resource Communities (SSRC) Act 2017*

Delivered the Act that ensures that residents of communities near large resource projects benefit from the construction and operation of those projects.

2 Defence contracts

>$5.2b
LAND 400 Phase 2

$101m
Cooperative Research Centre

31,700
Potential to create jobs

Development assessment in State Development Areas

Approved 18 applications and requests in State Development Areas (SDAs). The projects have the potential to deliver an anticipated $57.1 million in capital expenditure, 159 construction jobs and 87 operational jobs. This is in addition to the capital expenditure and job estimates associated with the projects which have been combined and are being progressed by the Coordinator-General as a prescribed project.

Development assessment for the State

Facilitated development across Queensland by issuing 2842 State Assessment and Referral Agency decisions. In addition, the department approved three wind farms to deliver power to supply more than 400,000 Queensland homes, resulting in capital expenditure of $1.5 billion, 700 construction jobs and approximately 35 operational roles.

Industry attraction

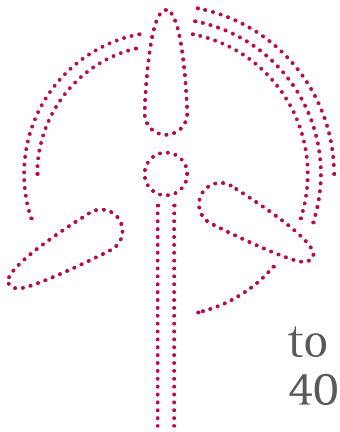
Six new projects generating more than 530 jobs over five years and over $180 million in capital expenditure attracted to Queensland through the Advance Queensland Industry Attraction Fund.

These included:

- the Qantas Boeing Dreamliner 787-9 base
- Boeing's unmanned aerial vehicle platform technology project which will further consolidate Queensland as a global leader in the aerospace industry
- Scottish craft brewers, Brew Dog, who will establish its first Australian brewery in Brisbane.

Project facilitation

Worked with 18 priority projects, not subject to the Coordinator-General's statutory processes, totalling $3.2 billion in capital expenditure and approximately 5000 construction and operational jobs. These projects received tailored assistance, such as identification and facilitation of regulatory approval processes, and assistance with funding sources. They are either under construction or expected to commence construction by the end of 2018.



3× wind farms
to supply 400,000 homes

6 new projects

>530
jobs over 5 years

$180m
capital expenditure

18 priority projects
$3.2 billion in capital expenditure

Delivery of Commonwealth Games venues

Successfully delivered three new competition venues for the Gold Coast 2018 Commonwealth Games and upgrades to a further seven venues. The projects were all completed within budget and well ahead of the Games. The $320 million investment into sport and community infrastructure for the Commonwealth Games supported more than 1000 jobs during design and construction.

Athletes' Village legacy

Delivered the biggest Games Village ever, providing accommodation and services to 6600 athletes and team officials. Contributing to the greatest legacy project of the Games—the Gold Coast Health and Knowledge Precinct.

Supporting jobs and regional growth

Contracted five proposals which will receive a total of $13.21 million through the Jobs and Regional Growth Fund (JRGF). The projects will create 600 operational jobs and a commitment of more than $115 million in capital investment. Further proposals are in the latter stages of negotiation and approvals.

Tourism

Approved the $583 million Lindeman Great Barrier Reef Resort project, devastated by Cyclone Yasi in 2011.

Declared Hayman Island Project and Daydream Island Repair and Refurbishment Project as prescribed projects to assist in the repair and redevelopment of islands impacted by Cyclone Debbie.

Advancing regional communities

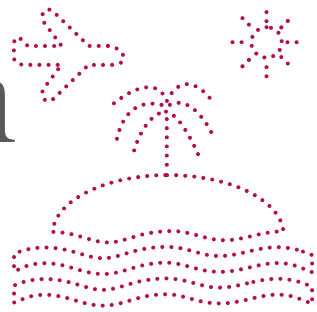
Committed more than $70.3 million to 65 projects under the Building our Regions program Round 3 and allocated a further $70 million in Round 4.

$320m investment into sport and community infrastructure

5 regional projects

600 jobs

$115m capital investment



APPROVED $583m Lindeman Great Barrier Reef Resort

65 projects Building our Regions >$70.3m

Planning for the future

Completed *ShapingSEQ, a South East Queensland Regional Plan* that provides a framework for managing the region's growth during the next 25 years and sets a vision for the next 50 years.

Commenced preparation of a master plan for the Southport Spit.

Innovation

Introduced an Australian-first marketing approach allowing buyers to 'test drive' homes in the master-planned residential community, The Village, in Townsville.

Key priority sectors

Completed the strategic development of three priority industry sectors by releasing roadmaps and action plans for defence industries, aerospace and the mining equipment, technology and services sectors.

Approved funding of $18.2 million for 53 projects (since 30 January 2017) to boost manufacturing skills and jobs under the Made in Queensland program.

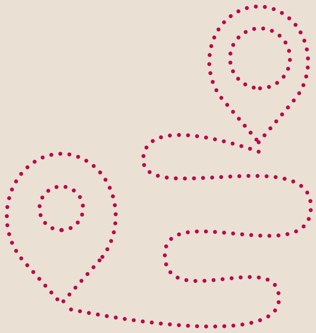
Improving delivery performance of the government's capital program

A significant improvement in capital expenditure was achieved through actively monitoring the delivery of the Queensland Government's capital program.

More than 90 per cent of budgeted capital purchases are expected to be delivered across government for 2017–18, compared with the average of 85 per cent for the past five years from 2012–13 to 2016–17.

1st

'test drive' your home



3

industry sector roadmaps completed

>90%

of budget capital delivered for 2017–18

About the department

Vision

A thriving and inclusive Queensland, where the economy, industry and communities prosper.

Mission

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

Strategic objectives

This report includes Program Highlights against strategic objectives. The Program Highlights are presented in two parts. Part A incorporates the strategic objectives of the former Department of State Development, and Part B incorporates the strategic objectives of the former Department of Infrastructure, Local Government and Planning, as listed.

Department of State Development

1. Create an attractive investment environment
2. Facilitate a pipeline of strategic projects
3. Advance regional communities
4. Lead strategic development of priority industries

Department of Infrastructure, Local Government and Planning

1. Economic, social and environmental benefits for Queenslanders
2. Resilient, strong and sustainable rural communities
3. Greater liveability and connectiveness in coastal and hinterland communities
4. Prosperous and vibrant cities and urban places

The department

The department combines the functions of the Office of the Coordinator-General, Manufacturing and Industry Development, Industry Partnerships, Major Projects and Property, Regional Economic Development, Infrastructure Policy and Planning, Planning, Economic Development Queensland, and Market-Led Proposals. It also incorporates the Office of the Queensland Government Architect.

Our people are committed to furthering the economic potential of Queensland by working with the private sector, local government and regional communities to attract and stimulate investment; diversify the economy, both broadly and within the regions; and to plan and develop thriving, resilient and liveable communities.

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

Headquartered at 1 William Street, Brisbane, the department includes a network of 11 regional offices that work directly with local industry, stakeholders and governments. Our regional office locations are listed in Appendix 3.

Image: Queensland Government graduates Matthew Parsons, Nicole Scharf, Alex Marinovic, Hannah Surridge, and department graduate supervisor Shane Steele

Machinery of Government changes

As a result of Machinery of Government (MoG) changes that came into effect on 12 December 2017, the former Department of State Development was renamed the Department of State Development, Manufacturing, Infrastructure and Planning.

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
Infrastructure Policy and Planning, from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	Special Projects Unit to the Department of Innovation, Tourism Industry Development and the Commonwealth Games – 12 December 2017
Planning from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	Priority Ports to the Department of Transport and Main Roads – 21 December 2017
Office of the Queensland Government Architect from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	
Liaison point for South Bank Corporation – from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	
Economic Development Queensland, from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	
Market-Led Proposals, from Queensland Treasury – 12 December 2017	

Operating environment

Queensland economy

The Queensland economy is continuing to transition from a period of growth—driven largely by a historical resources investment boom led primarily by the liquefied natural gas (LNG) industry—towards more broad-based growth.

While traditional sectors of economic activity such as mining hold a positive outlook and will remain significant components of the state's economy going forward, continued diversification is vital to support and achieve sustainable economic growth, drive job creation and boost the living standards and quality of life for all Queenslanders.

There are positive signs for the Queensland economy and its regions in terms of employment, exports, business confidence, major project investment pipeline, and the overall macroeconomic outlook.

The Queensland economy grew by 2.5 per cent in 2016–17, a result somewhat tempered by the impact of Severe Tropical Cyclone Debbie. However, overall growth in the state economy is expected to strengthen to 2.75 per cent in 2017–18, before accelerating further to 3 per cent in 2018–19. This forecast growth in Gross State Product primarily reflects a rebound in business investment and a recovery in coal exports.

Queensland's economy has recorded 21 consecutive months of employment growth through to June 2018, with growth over the year to the June quarter 2018 estimated to be 2.75 per cent, the strongest jobs growth in a decade. The state's unemployment rate currently sits at 6.1 per cent, with additional jobseekers encouraged by strong employment growth entering the labour market resulting in a sharp rise in the participation rate.

These favourable labour market conditions have seen the state's unemployment rate stabilise in the short-term, with the unemployment rate forecast by Queensland Treasury, to remain relatively unchanged over the next year. However, stronger domestic activity is expected to see the unemployment rate decline to 6 per cent in subsequent years.

Data from the National Australia Bank's Monthly Business Survey shows Queensland businesses have been among the most confident in the nation over the past two years, with the state consistently 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

In terms of the total major project investment pipeline, Queensland continues to lead the nation, according to the most recent Deloitte Access Economics *Investment Monitor*. It identified a total of approximately $166 billion in definite and planned projects in Queensland, as at the June quarter 2018. This total investment figure is more than $16 billion higher than the next largest state or territory total (New South Wales).

Business investment has rebounded strongly in 2017–18, to be a key driver of economic growth. The recovery was initially driven by spending on machinery and equipment, but has since become broader-based, with improved business conditions and ongoing growth in tourism and education exports supporting a recovery in non-dwelling construction.

Industry

Over the year to the June quarter 2018, Queensland experienced strong employment growth in several industries, most noticeably health care and social assistance, with an increase of 39,000 jobs, as well as education and training (14,000 jobs), agriculture, forestry and fishing (10,500 jobs) and construction (9600 jobs). This employment growth reflects the Queensland economy's ongoing gradual shift towards more diversified and services-focused activity and growth, while the state's traditional industry drivers will continue to provide important employment opportunities, particularly at the regional level.

Employment in traditional industries, such as manufacturing (the state's sixth-largest employer at around 170,000 persons), remains strong. Future growth opportunities in Queensland will increasingly be driven by niche markets in advanced manufacturing, including exports.

This is why the department is supporting and enabling advanced manufacturing as a priority industry sector.

The value of Queensland's exports has grown strongly. For the year ending June 2018, Queensland's overseas goods exports increased by 11.5 per cent ($7.6 billion) to a total of $74.1 billion in nominal terms, compared with an increase of 8.0 per cent nationally over the same period. Coal, meat, crops, minerals and LNG exports, the bulk of which are produced in regional Queensland, were significant drivers of this result.

Regional Queensland

Regional Queensland is vital to the state's economy, generating economic activity and growth across a variety of industries, most notably agriculture, forestry and fishing, mining and tourism.

The latest regional labour force data shows several regional economies throughout the state performing strongly. For June 2018, regions such as Mackay (3.4 per cent), Darling Downs – Maranoa (4.9 per cent) and Toowoomba (5.1 per cent) had unemployment rates noticeably below the overall state unemployment rate.

Additionally, several regions experienced large decreases in their unemployment rate over the year to June 2018, including Queensland – Outback (down 2.4 percentage points), Mackay (down 2.0 percentage points), Townsville (down 0.6 percentage points), and Toowoomba (down 0.6 percentage points).

Several regional economies also experienced strong employment growth over this same period, with the most notable being Townsville (employment increase of 9300), Mackay (5700), Cairns (1300), Wide Bay (600) and Toowoomba (400).

Acknowledging risk

The department acknowledges and manages risk in the development and implementation of strategies as it leads economic strategy, industry development, infrastructure and planning for the benefit of all communities. Areas of strategic risk focus include:

- proactively identifying factors that could impact the department's ability to deliver projects and programs
- acknowledging, as part of risk management, the potential impact from the global and national economic environment on strategic objectives
- ensuring the department's relevance and impact through strong engagement with industry sector stakeholders in the delivery of economic development outcomes
- supporting medium-to-long term economic strategies and strong engagement with diverse industries
- maintaining a strong workforce with capacity and capability aligned to strategic objectives
- ensuring a robust governance framework.

^ 11.5%
overseas
exports

Delivering for the community

During 2017–18, the department focused on delivering the following Queensland Government objectives:

- creating jobs and a diverse economy
- building safe, caring and connected communities
- protecting the environment.

Following MoG changes on 12 December 2017, the department shifted its focus to begin delivering the revised Queensland Government objectives, illustrated in Figure 1.

We collaborate with local, state and federal government agencies, industry and private sector stakeholders to deliver quality frontline services, and to:

- optimise our traditional economic strengths
- diversify the growing economy by generating more knowledge-based jobs of the future and facilitating private investment into new industries
- attract and facilitate public sector investment in infrastructure projects and priority industries
- invest in infrastructure that will benefit communities and deliver enduring economic growth
- design and implement a contemporary planning framework that supports efficient use of land, connects communities and protects natural areas.

Figure 1: Queensland Government's Statement of Objectives for the Community


Image: Australian mining equipment manufacturer Komatsu

Program highlights
Part A

1. Create an attractive investment environment

Key strategies:

- Industry engagement, partnership and support (including whole-of-government case management)
- Strategic use of State Development Areas and land access and acquisition
- Foster increased growth and development of enterprises
- Gather economic intelligence to monitor industry demand drivers and implications
- Promote Queensland as a place to do business.

Advance Queensland Industry Attraction Fund

The department implemented a suite of industry attraction services, including specialist case management and the $105 million Advance Queensland Industry Attraction Fund (AQIAF), to encourage new, contestable projects to be established in Queensland.

Each project attracted to Queensland contributes to growth and greater diversity in the state's economy through increased investment, new supply chain opportunities and sustainable new jobs.

During 2017–18, six projects were attracted to the state through AQIAF. These projects will generate more than 530 jobs over five years and over $180 million in capital expenditure.

These included:

- the Qantas Boeing Dreamliner 787-9 base
- Boeing's unmanned aerial vehicle platform technology project which will further consolidate Queensland as a global leader in the aerospace industry
- Scottish craft brewers, Brew Dog, who will establish its first Australian brewery in Brisbane.

Including three projects announced last financial year under the AQIAF scheme, the nine projects have the potential to generate more than 640 new jobs and $270 million in capital expenditure.

In addition to announced and committed projects, the department is working with companies to attract a further 31 projects which, if successful, have the potential to generate more than 3158 new jobs and over $730 million in capital expenditure.

The department holds bank guarantees to provide financial assurance over arrangements held with third parties. As such, bank guarantees are held by the department to protect the State against non-performance by recipient of the Advance Queensland Industry Attraction Fund (AQIAF) (refer to Financial Statements note 28 for further details).

Work of the Office of the Coordinator-General

State Development Areas

State Development Areas (SDAs), declared under section 77 of the *State Development and Public Works Organisation Act 1971* (SDPWO Act), are clearly defined areas of land established by the Coordinator-General to facilitate development, promote economic development, and generate jobs.

The Coordinator-General is responsible for the planning, establishment and ongoing management of SDAs. The Coordinator-General assesses and decides all applications and requests in SDAs in accordance with the relevant approved development schemes.

The existing 10 SDAs comprise industrial hubs for large-scale, heavy industry at Abbot Point, Bromelton, Bundaberg, Gladstone, and Townsville, multi-user infrastructure corridors at Callide, Galilee Basin, Stanwell to Gladstone, and Surat Basin, and a major public infrastructure site known as the Lady Cilento Children's Hospital.

Development assessment in SDAs

During 2017–18, the Coordinator-General approved 18 SDA applications and requests in the SDAs. These included a renewable energy facility, extractive industry, high impact industry, rail infrastructure, air services and utility installation, a warehouse, materials transport infrastructure and a waste management facility. Should these projects proceed, they will deliver an anticipated $57.1 million in capital expenditure, 159 construction jobs, and 87 operational jobs. This is in addition to the capital expenditure and job estimates associated with the projects which have been combined and are being progressed by the Coordinator-General as a prescribed project.

A new development scheme for the Bromelton State Development Area

Declared in 2008, the 15,610-hectare Bromelton SDA is strategically located on the rail network about six kilometres west of Beaudesert. The Bromelton SDA offers potential for high-impact industries and bulk freight and logistics operations, with employment opportunities in the Beaudesert and southern Brisbane areas.

A new development scheme approved in December 2017 remains responsive to industrial development opportunities and protects corridors for planned infrastructure, such as the $26 million water supply pipeline and the $27.5 million Beaudesert town centre bypass.

The development scheme's six land use precincts ensure high-impact, difficult to locate, and rail-dependent industries are strategically located and buffered by other industrial and rural land uses.

A new development scheme for the Bundaberg State Development Area

Declared in early 2017, the 6076-hectare Bundaberg SDA provides an opportunity for large-scale high-impact industry to co-locate with other industries near the Port of Bundaberg; one of Queensland's strategic ports providing shipping facilities for imports and exports of the Wide Bay Burnett Region. The Bundaberg SDA will also provide employment opportunities to a large workforce located 17 kilometres away in the city of Bundaberg.

The Bundaberg SDA development scheme, approved in December 2017, will boost industrial growth in the region. This is supported by the completion of the $19.8 million gas pipeline to the Port of Bundaberg, the construction of the Knauf plasterboard manufacturing facility, and the $30 million Pacific Tug proposal to establish a marine industry facility at the Bundaberg Port.

Land acquisition

The Coordinator-General facilitates large-scale infrastructure projects that underpin Queensland's economic development. Where relevant, the Coordinator-General can compulsorily acquire the land on which these projects are to be built, using powers of the SDPWO Act and processes of the *Acquisition of Land Act 1967*.

The Coordinator-General has acquired land in the Townsville SDA from Glencore (Mount Isa Mines). The acquisition will support acceleration of the Townsville SDA, a key initiative of the Townsville City Deal, a 15-year commitment by the three levels of government. The land, located close to road and rail corridors and with access to the port, provides the state with control and opportunities to proactively support projects and enhance economic development in North Queensland.

Market-Led Proposals

Waterfront precinct

Dexus proposes to transform Brisbane's Eagle Street Pier into a premium business and leisure destination through its Waterfront Precinct proposal.

Image: Port of Bundaberg

Case study

Accessing supply chain opportunities

Rural enterprises are often at the mercy of resource cycles and climate trends. Accessing Queensland Government programs at the grass-roots level is helping them diversify to survive the tough times and flourish in the good times.

In Wandoan, 400 kilometres north-west of Brisbane, W&R Contracting had been growing its industrial fencing company in parallel with the success of the surrounding oil and gas industry, but its clients were limited to major players such as Queensland Gas Corporation (QGC).

'Although we were busy with oil and gas, these contracts can be cancelled tomorrow and we didn't want to rely solely on them,' explained office manager Megan Randall. 'We wanted to learn how to tender and get business out of other sectors, but we needed to learn the tools.'

W&R Contracting was one of 25 companies invited to attend the department's Accessing Supply Chain Opportunities program in Chinchilla, designed to help QGC's local suppliers emerge stronger from the experience of working in the oil and gas sector.

The program identified regional opportunities and helped participants understand their target markets, what potential clients are looking for, and how to present their capabilities to them.

'Before the program, we were a successful business, but no one knew about us,' said Ms Randall. 'Now, we're out there and open to more opportunities in the rural sector as well as oil and gas. We've had new clients approach us, and we've picked up additional private work. It's been a really great experience.'

Workshops through the Accessing Supply Chain Opportunities program are also being delivered in Roma, Miles, Dalby, Goondiwindi, St George, Cunnamulla, Thargomindah, Quilpie and Charleville.

Main Image: Shutterstock
Image: W& R Contracting

The proposal is for a mixed-use precinct, including two new towers with the potential for commercial use, residential apartments, a hotel and retail spaces; up to 1.5 hectares of public and riverfront open space; and an improved Riverwalk section.

The proposal progressed to Stage 2: Detailed Proposal of the Market-Led Proposal Framework in March 2018. The Queensland Government, Dexus and Brisbane City Council are currently working together to consider the feasibility of the proposal, including the proposed closure of a section of Eagle Street.

Townsville transport hub

SeaLink proposes to build two new ferry passenger vessels in Queensland and develop a new ferry terminal and integrated transport and tourism hub, known as The Strand Terminal, at the southern end of the existing Breakwater Terminal, within the Townsville City Waterfront Precinct Property Development Area.

SeaLink currently operates ferry services from Townsville to Magnetic and Palm Islands from the Breakwater Terminal. The proposal has the potential to transform this aging site into a thriving tourism precinct, and the new ferries will boost connections between Townsville and Magnetic and Palm Islands, within the Great Barrier Reef Marine Park.

The proposal reached Stage 2: Detailed Proposal of the Market-Led Proposal Framework in August 2017. SeaLink has partnered with Honeycombes Property Group for the terminal development and is working with the department, Port of Townsville Limited and the Townsville City Council to develop the detailed proposal.

Revised guidelines

In July 2017, revised Market-Led Proposal Guidelines were published to further streamline processes and make the requirements clearer. The changes, which have been positively received, followed consultation with stakeholders, including industry, and a review of the experiences in other Australian jurisdictions. Queensland's Market-Led Proposal program data compares favourably with similar programs in other jurisdictions.

Whole-of-government plans and initiatives

The department assisted with the following whole-of-government plans and agreements:

National Partnership Agreements and Project Agreements

The department has the lead responsibility for delivering one National Partnership Agreement (NPA), and one Project Agreement (PA) with the Australian Government.

The aim of NPAs is to improve the capacity, resilience and infrastructure in communities, and to implement financial management frameworks that build the capacity and resilience of local governments. Additionally, they support the delivery of specified projects, facilitate reforms or reward those jurisdictions that deliver on nationally significant reforms. PAs are a simpler form of NPAs and are for low value and/or low risk projects. Both are typically time limited.

Regional Infrastructure Fund Stream 2 – Economic Infrastructure

North Queensland Resources Supply Chain ($1.66 million) delivered the following initiatives during 2017–18:

- design of the replacement and flood proofing of the Phillips Creek Bridge, intended to eliminate major delays to production for the coalfields north of Dysart
- design of an upgrade to Daunia Road to support heavy vehicle traffic in the Moranbah region
- an assessment of infrastructure to bring the Lansdown Industrial Precinct to market and establish Townsville as a key centre for industrial investment.

Central Queensland Resources Supply Chain ($1.5 million):

- A range of projects have been completed including assessing the viability of transporting fuel inputs by rail to reduce road safety and congestion, evaluating upgrading the Clermont-Alpha Road, developing a water supply strategy for the Bowen and Galilee Basins, and investigating the viability of a common user airport for the Galilee Basin.

Foreign investment activity

During 2017–18, a total of 195 foreign investment applications valued at $43.665 billion were referred by the Foreign Investment Review Board to the department's Foreign Investment Secretariat.

Assessments mostly related to real estate, including agricultural, commercial and residential properties.

None of the foreign investment referrals were considered to have an adverse impact on Queensland.

Future priorities

- Promote Queensland as a place to invest and do business through industry attraction facilitation services and Advance Queensland Industry Attraction Fund (AQIAF) assistance.
- Facilitate new private sector investment and projects, including supply chain development and access, to provide increased job opportunities.
- The Office of the Coordinator-General will continue to implement, where appropriate, the powers under the SDPWO Act by:
    - enabling access to and acquiring land and corridors required to support major projects, future economic development opportunities and for the provision of land for the conservation of the natural environment and public recreation
    - ensuring that project approval decisions and conditions are dealt with in a timely manner
    - giving direction of works, with respect to planning and delivery.

2. Facilitate a pipeline of strategic projects

Key strategies:

- Facilitate and coordinate large-scale and complex projects
- Seek out private and public opportunities to feed the strategic/major projects pipeline
- Delivery of major public capital works
- Whole-of-government environmental impact assessment
- Best use of surplus government assets and land for economic and social outcomes
- Research and analysis to measure/maximise economic and financial impact/benefits.

Coordinated project delivery

Under the SDPWO Act, 12 coordinated projects are progressing Environmental Impact Statements (EISs) worth a total capital value of around $18.9 billion with potential to create around 31,700 construction and operational jobs. Seven are infrastructure projects.

The Coordinator-General declared a number of coordinated projects including the Six Mile Creek Dam Safety Upgrade project as a coordinated project requiring an impact assessment report (IAR).

The Coordinator-General also approved three projects and released EIS evaluation reports for the Townsville Port Expansion, Cairns Shipping Development and the Lindeman Great Barrier Reef Resort project.

Project facilitation

There are 21 major projects being facilitated by the Coordinator-General including resource, tourism, and clean energy projects, such as Capricorn Copper, Amrun project, Kidston Solar and Pumped Storage Hydro Project, Santos Gas Field Development Project and QCoal's Byerwen Coal Mine. Of these, 15 are prescribed projects.

Coordinator-General facilitated projects have a combined capex of over $32.5 billion, supporting over 30,000 jobs.

The Coordinator-General provides advice to proponents on approval pathways to fast track delivery and coordinate across government. The Coordinator-General uses his powers and ability to ensure critical project approvals are obtained on time and gets involved where coordination and facilitation is needed between agencies.

Prescribed project

The Coordinator-General can use prescribed project powers under the *State Development and Public Works Organisation Act 1971* to assist proponents to overcome unreasonable delays in obtaining project approvals, with 15 prescribed projects declared. The Coordinator-General recommended extensions to seven projects and the declaration of three projects to the Minister for State Development:

- Daydream Island Repair and Refurbishment Project
- Hayman Island Project
- Hummock Hill Island Development.

Major project facilitation

The department plays a key role in delivering the government's priorities of job creation, regional growth, encouraging innovation and delivering strategic infrastructure projects through facilitating private sector projects.

Departmental officers work across all three tiers of government to ensure private sector projects progress in a timely and coordinated manner and maximise economic benefits for Queensland.

During 2017–18, this tailored project facilitation service helped 18 projects, totalling $3.2 billion in capital expenditure and approximately 5000 construction and operational jobs either commence construction or commit to construction by the end of the 2018 calendar year. Assistance includes, but is not limited to, activities such as identification and facilitation of regulatory approval processes, and assistance with project funding sources.

Local content services

The department's local content services assisted local suppliers to win $102.8 million worth of contracts on major project supply opportunities through facilitation and engagement with project proponents across Queensland.

This included the delivery of project information sessions, profile improvement sessions and defence capability workshops to 1587 attendees from 566 businesses. These workshops were delivered by Industry Capability Network and provided participants with insights into the requirements to be competitive in tender processes and to develop improved capability to bid for future government and private works.

In addition, the department delivered 50 workshops to increase the knowledge and capabilities of 638 participants to enter supply chains for major projects and procurement opportunities.

Brisbane Broncos Training, Administration and Community Facility

Construction of the new Brisbane Broncos Training, Administration and Community Facility at Red Hill, in Brisbane, was completed in November 2017. The facility was built on a portion of surplus government land opposite the Broncos' existing training facilities.

It includes a three-storey administration building with offices, sports medicine and training facilities for the Broncos Rugby League team, as well as a full-size training field. The development also includes a dedicated community room, pocket park and managed access to the training field and lecture theatre.

Case study

Jemena's Northern Gas Pipeline

The $800 million Northern Gas Pipeline project is unlocking gas in the Northern Territory that will boost supply to Australia's east coast gas markets providing much-needed affordable feedstock to manufacturers and other industrial gas buyers.

The 622-kilometre pipeline from Tennant Creek in the Northern Territory to Mount Isa in Queensland is being constructed by Jemena, a leading Australian energy company. The project has created 431 Queensland jobs, including 115 Indigenous jobs, and has provided many opportunities for suppliers in the region with 44 contracts awarded in the Mount Isa area alone, 17 of these being Indigenous contracts.

The Queensland Government strongly advocated for the project to come through Queensland, and the department's project facilitation support to Jemena assisted the company to secure land access and pipeline approvals during critical negotiations. Seventy per cent of the pipeline capacity is now contracted and in June 2018 Incitec Pivot announced that its major manufacturing facility in Brisbane will use the pipeline to secure gas for its operation that supports more than 400 jobs. The department's project facilitation team has helped secure significant economic development outcomes that will be felt right across Queensland and it continues to work with gas production and pipeline project proponents to boost the supply of gas to the domestic and international markets.

Images: Northern Gas Pipeline (Jemena)

Successful delivery of the Commonwealth Games venues and village

The department successfully delivered three new competition venues for the Gold Coast 2018 Commonwealth Games (GC2018) and upgrades to a further seven venues. The projects were all completed within budget and well ahead of the Games.

The $320 million investment into sport and community infrastructure for the Commonwealth Games supported more than 1000 jobs during design and construction.

The Commonwealth Games Village at the Parklands was the largest Games Village to date, providing accommodation and services to 6600 athletes and team officials during GC2018.

It became the catalyst project for the Parklands, a new master planned, mixed-use community development that will support jobs and provide homes to new residents and businesses as part of the 200-hectare Gold Coast Health and Knowledge Precinct.

Brisbane International Cruise Terminal

The $158 million Brisbane International Cruise Terminal project has successfully progressed through the government's market-led proposal process and is now in its delivery phase. The department is administering a development agreement for the project.

The new cruise terminal will cater for the new generation of mega cruise ships that are unable to access existing infrastructure upstream of the Gateway Bridge. The new terminal will support the expansion of the cruise ship market in Queensland, stimulating the economy and bringing more tourists to the state.

Over its two-year construction period, the project is expected to support an average of 245 jobs each year and, once operational, it is predicted to safeguard up to 1250 existing cruise industry jobs and add a further 49 jobs a year. The project is expected to be completed in 2020.

The Kidston Project

The Coordinator-General is assisting Genex Power Limited's Kidston Project on the site of the former Kidston Gold Mine, north-west of Townsville.

The project is a prescribed project which enables the Coordinator-General to assist the proponent with timely decision-making on approvals and a critical infrastructure project that permits the Minister to register critical infrastructure easements over existing public utility easements.

The Kidston Project comprises two solar farms, a hydro-electric power plant and a transmission line between the Kidston Mine and Mount Fox that has the potential to meet all the peak power generation demands of north Queensland and some of central Queensland.

The project was the first project to sign an agreement under the state's *Solar 150* program.

Image: Commonwealth Games Village, the Parklands

Case study

The Gold Coast Health and Knowledge Precinct

The Gold Coast Health and Knowledge Precinct, in Southport, is a catalyst project which will support 26,000 jobs, international investment and economic diversity.

Previously home to the Gold Coast Commonwealth Games athletes' village, the 200-hectare site includes 1252 residences made up of one and two-bedroom apartments, and three-bedroom townhouses; more than 6000 square metres of retail facilities and over seven hectares of green and open space, including a community park and extensive landscaped areas.

More than $5 billion in infrastructure development has been invested at the precinct, including the Gold Coast Light Rail. It also encompasses major employment centres such as the Gold Coast University Hospital, Gold Coast Private Hospital, and Griffith University.

As part of the Parklands Priority Development Area (PDA), the site is now dedicated to delivering a globally recognised health and knowledge community.

In May 2018, international agent Savills was appointed to work with Precinct partners to promote the project worldwide and attract health and knowledge businesses and investors. Negotiations are underway with businesses interested in creating linkages to the university and hospitals and wanting a lifestyle precinct for employees.

Around $120 million of private sector investment is already anticipated. This includes Griffith University's new $80 million project, which will see one of the world's most high-tech, three-dimensional printers installed in the Precinct. This 3D printer will be used to print specialist medical instruments which will advance to print body parts such as bones and organs for patients.

When fully developed, the Precinct will generate multi-billion dollar private sector investment and diversify the Gold Coast's economy.

Image: Gold Coast Health and Knowledge Precinct, artist's impression

Main image: Commonwealth Games Village, the Parklands, in Games mode

Cairns Shipping Development Project

The Cairns Shipping Development Project aims to widen and deepen the existing Trinity Inlet shipping channel, upgrade wharf facilities, enhance vessel capacity and improve port efficiencies.

The project could create 195 direct construction jobs on average over the project's construction period and up to 1535 direct operational jobs on average per annum.

On 12 July 2017, the Coordinator-General released the revised draft EIS for public comment until 25 August 2017. On 27 February 2018, the Coordinator-General approved the Cairns Shipping Development Project, subject to conditions to protect the environment, and released his evaluation report.

Townsville Port Expansion

The Townsville Port Expansion Project includes the deepening and widening of existing shipping channels, construction of six new berths and creation of a significant area of reclaimed port land.

The proposal would provide 174 direct jobs at the peak of construction and 180 permanent operational jobs.

In October and November 2016, additional information to the EIS was released for public comment. This followed a request by the Coordinator-General for additional information on key issues raised in submissions during public consultation on the draft EIS in 2013.

On 29 September 2017, the Coordinator-General approved the project to proceed, subject to conditions to manage environmental impacts.

Six Mile Creek Dam Safety Upgrade Project

The Coordinator-General declared the $85–$90 million Six Mile Creek Dam Safety Upgrade project a coordinated project requiring an impact assessment report on 22 December 2017.

The project proposes to upgrade the existing Six Mile Creek Dam (Lake Macdonald) to meet performance requirements of the current Queensland dam safety framework, under the *Water Supply (Safety and Reliability) Act 2008*. The dam upgrade will include construction of a new spillway, new eastern and western embankments, and a new saddle dam, if required.

The project would generate employment for up to 100 workers during the construction phase. The proponent is currently preparing the draft Impact Assessment Report (IAR) to submit to the Coordinator-General.

Future priorities

- Construction of the Brisbane International Cruise Ship Terminal building scheduled to commence in mid-2018. Operations to commence in April 2020.
- Continue to facilitate eight key private sector projects and accelerate project delivery which may contribute $845 million in capital expenditure and over 1100 construction and 1100 operational jobs.
- Provide specialist facilitation to significant regional projects.

The Office of the Coordinator-General will:

- continue to use the powers under the SDPWO Act to facilitate the planning and delivery of major infrastructure projects and future economic development opportunities
- continue to investigate opportunities for additional SDAs in strategic locations to attract economic development in Queensland
- progress assessment and delivery of large-scale and complex infrastructure projects through the Coordinator-General's statutory powers and whole-of-government coordination
- continue to streamline processes and reduce assessment times.

3. Advance regional communities

Key strategies:

- Critical regional project facilitation (including access to Coordinator-General powers)
- Development of regional supply chains
- Support delivery of regional economic infrastructure
- Local collaborations to support regions
- Lead economic recovery following disaster events.

Jobs and Regional Growth Fund

Since 1 February 2017, the $150 million Jobs and Regional Growth Fund (JRGF) has supported the creation of long-term operational jobs and capital investment in regional Queensland.

The state government recognises that the private sector is the key jobs generator. The JRGF is designed to incentivise regional private sector projects, investment and job creation. Proposals that support regional growth and job creation, at the same time as leveraging additional investment in the region, are encouraged.

The JRGF provides one-off financial assistance ranging from $100,000 to more than $10 million in either direct grants or relief of state charges (e.g. payroll tax, stamp duty) to proposals in regional areas experiencing high unemployment. JRGF assistance is available to all industry sectors including agriculture, resources, tourism, manufacturing and construction.

Five JRGF proposals were announced during 2017–18, including:

- **Swickers** to undertake a major abattoir expansion at Kingaroy and a piggery expansion project north-west of Dalby
- **Hawker Pacific** to expand its Cairns airport hangar space
- **JBS Australia** to employ and train up to 400 displaced abattoir workers in the Ipswich region
- **Dugalunji Aboriginal Corporation** to progress the commercialisation of a spinifex harvesting and processing project
- **Aquaworks** to establish a state-of-the-art bottling facility and expand production in Babinda.

Assistance to these proponents will create 600 operational jobs, and commitment of more than $115 million in capital investment.

The JRGF is also supporting the government's election commitments including:

- a business case and capital investment for an export distribution centre pilot in regional Queensland
- the Sunshine Coast International Broadband Submarine Cable
- a feasibility study into a proposed $2 billion lithium-ion battery factory in Townsville
- developing the Mackay Resources Centre of Excellence
- developing a solution to deliver sustainable energy for the Daintree Power Project
- progressing the establishment of new art facilities around the Townsville coast for the Museum of Underwater Art
- conducting a workshop and associated activities to investigate the potential for establishing a botanical garden at the Toowoomba Quarry Gardens
- continuing the Clermont Saleyards and Showgrounds Revitalisation Project
- decarbonising remote communities.

Building our Regions

The Building our Regions (BoR) program is ensuring that the focus of economic growth is shared across the state.

The program is targeted at local governments, contributing to critical infrastructure projects that generate jobs, foster economic development and improve liveability in regional communities throughout Queensland.

The program has already allocated $225 million to 174 critical infrastructure projects across the state. These range from water, waste and sewerage infrastructure to cultural, sport and recreation facilities, airport upgrades and flood mitigation projects. During construction, these projects will generate 1762 jobs and attract $353.5 million in additional investment from councils and other organisations.

During 2017–18, a further $70 million in BoR funding was made available under Round 4. Expressions of interest were called in April 2018, with a renewed focus on funding regionally significant economic infrastructure projects that will deliver sustainable economic outcomes for regional communities. Successful Round 4 projects are expected to commence construction by July 2019.

Of the 174 projects approved under BoR, a total of 53 are now complete, with 40 of these completed during 2017–18. These included:

- Aurukun Bulk Fuel Storage Facility
- Barcaldine Racecourse Upgrade
- Biloela CBD Drainage Improvements
- Birdsville Caravan Park Redevelopment
- Bromelton State Development Area Stage 1 Trunk Water main
- Bundaberg Sports and Community Centre – Stage 2
- Charleville Levee Bank Erosion Remediation
- Cherbourg Material Recovery Facility – Stage 2
- Cherbourg Material Recovery Facility Upgrade
- Chinchilla Potable Water Treatment Plant Upgrade – Stage 1
- Cloncurry Stormwater Drainage Upgrade – Stage 2
- Coen Landfill Leachate Infrastructure Upgrade
- Cooktown Airport Aviation Park
- Critical Sewer Upgrades – Weipa
- Cunnamulla Sewerage System Upgrade
- Cunnamulla Watermain Upgrade
- Dirranbandi Kerb and Channel Works – Kirby Street
- Enabling Aged Care in Mossman Far North Queensland
- Establishment of New Town Bore to Secure Water Supply – Charleville
- First Turkey Mountain Bike Reserve
- Ilfracombe Bore Water Supply Project
- Kuranda Suburban Water Security Project
- Lockhart River Fibre Optic Project
- Lockhart River Water Park
- Mackay Regional Sewage Pump Station Resilience Upgrades
- Major Infrastructure Upgrade of the Cloncurry Saleyards
- Mareeba Wastewater Treatment Plant Upgrade – Treatment Plant Works
- Moranbah Resource Recovery Centre Replacement Project
- New Water Reservoir – Georgetown
- Pormpuraaw Water Upgrades Project
- Revitalisation of the Collinsville Showground
- Rocky Point Fireflow Upgrade – Weipa
- Smithfield Street Revitalisation Project
- St George Kerb and Channel Works – Andrew Street
- St George Kerb and Channel Works – Murchison Street
- Tate River Crossing Upgrade
- Thargomindah Airport Terminal
- Tully Landfill Remediation Capping – Stage 2
- Warrego River Crossing Water Main Replacement
- Water Reticulation and Drainage for Industrial Estate – Richmond.

Royalties for the Regions

The Royalties for the Regions infrastructure funding program has now ceased. As at 30 June 2018, 92 per cent of projects funded under this program were completed. The department is continuing to work closely with local governments to deliver and acquit the remaining projects funded through this program.

North West Minerals Province

The department is leading the whole-of-government implementation of *A Strategic Blueprint for Queensland's North West Minerals Province*.

The blueprint contains a suite of actions designed to secure the long-term future of the region and its communities. This includes new funding of $39 million over four years as part of the 2017–2018 State Budget for a range of short and medium-term actions under three strategic priorities that included:

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.

Implementation of the blueprint actions is well underway and is overseen by an interdepartmental committee. A stakeholder advisory committee comprising representatives from industry, business, regional economic development groups, community leaders, local and federal government, plus traditional owners has been formed to assist in blueprint implementation and review. The department convened meetings of the stakeholder advisory committee in Mount Isa and Cloncurry during 2017–18 and will continue to hold quarterly meetings to facilitate further consultation and collaboration in the implementation of the blueprint.

The department has established a new multi-disciplinary blueprint implementation team in Mount Isa comprising representatives from the department, the Department of Communities, Disability Services and Seniors, and the Department of Aboriginal and Torres Strait Islander Partnerships.

Economic Recovery Group

The Economic Recovery Group (ERG) provides strategic advice to the Queensland Government and relevant stakeholders on the 'economic impacts of a disaster event and the proposed response to advance economic recovery'.

The department chairs and supports the ERG, with membership drawn from relevant government agencies, mayors from impacted areas, and representatives from peak industry groups and businesses. Intelligence is gathered on immediate impacts, and response and recovery actions are developed and their implementation monitored.

Activation of the ERG was not required following the severe storm, cyclone and flood events in early 2018. The department, as secretariat for the ERG, led the coordination of key recovery tasks including:

- supporting local government capacity to deliver economic recovery tasks
- providing economic recovery support to primary producers and business
- supporting Natural Disaster Relief and Recovery Arrangements (NDRRA) activations for small businesses and primary producers.

The department has implemented lessons learnt from a review of the Severe Tropical Cyclone Debbie recovery response which will enhance departmental capability to respond to future events.

Remote Area Boards

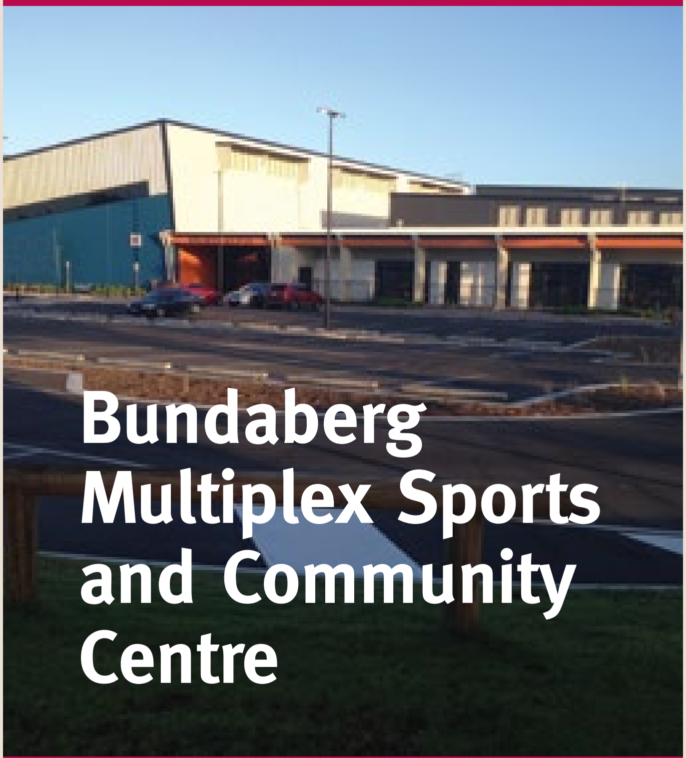
Remote Area Boards undertake crucial economic development projects in the most remote areas of the state. Under the 2016–18 program, $1 million in funding was provided to five boards who undertook economy-building projects during 2017–18 including:

- South West Regional Economic Development:
    - a premium meat product supply project, quantifying the diverse range of products currently supplied within the region
- Mount Isa to Townsville Economic Development Zone:
    - an assessment of single wire earth return power
    - development of a new outback tourism route
    - a feasibility study for a transport and logistics facility
    - preliminary investigations for the development of a biofuel plant
- Central Western Queensland Remote Area Planning and Development Board:
    - a program supporting regional businesses to harness the full potential of the digital economy
- Gulf Savannah Development:
    - feasibility studies and detailed design for new digital infrastructure projects (fibre optic)
    - a digital tourism marketing project
    - an assessment of existing and future economic opportunities focused on marine and riverine-based operations in the Gulf.

Bundaberg State Development Area and Port Infrastructure Project

The Bundaberg State Development Area and Port Infrastructure Project provides opportunities to create immediate and longer-term regional development benefits supporting the growth and expansion of the Port of Bundaberg and investment in the Bundaberg SDA.

Case study



Bundaberg Multiplex Sports and Community Centre

A $5 million Building our Regions contribution to complete the $12.6 million Bundaberg Multiplex Sports and Community Centre saw the project officially opened on 24 January 2018.

This project added to facilities delivered through BoR Round 1, with a sports/civic hall, community function rooms, commercial kitchen, café, amenities and an impressive entry foyer and lobby.

Construction of the Multiplex Centre supported local contractors, suppliers and tradespeople and has generated further jobs through ongoing indirect tourism involvement.

The centre hosts numerous community events, business conferences, sporting competitions and provides a much-needed evacuation centre in times of crisis.

Image: Bundaberg Multiplex Sports and Community Centre

The department's Wide Bay Burnett Regional Office is facilitating $304 million worth of capital expenditure projects related to the Port of Bundaberg and the North Burnett region, with potential to generate 521 direct full-time equivalent jobs.

When completed, this project will be a catalyst for new economic development opportunities and jobs by securing investment in common-use and utilities infrastructure at the Port of Bundaberg and identifying a viable transport corridor for connectivity with the North Burnett. It will help maximise industrial land supply within the Bundaberg SDA and identify land and wharf development options.

Lindeman Great Barrier Reef Resort project

On 28 March 2018, the Coordinator-General approved the Lindeman Great Barrier Reef Resort project—a $583 million redevelopment and expansion of the Lindeman Island resort which closed after Cyclone Yasi in 2011.

The proponent, White Horse Australia Lindeman Pty Ltd, expects construction will start in 2019 with the resort operational by the end of 2020.

During construction the project will create 300 direct full-time equivalent jobs on average on Lindeman Island and up to 420 direct and indirect jobs in the Mackay region.

The resort is expected to generate $100 million annually to the Mackay region's gross regional product and when operating, will create 300 direct full-time equivalent jobs on average on the island and up to 460 full-time equivalent direct and indirect jobs in the Mackay region.

Tourism project facilitation

The Coordinator-General facilitates many tourism projects declared as prescribed projects under the SDPWO Act. During 2017–18, the Coordinator-General provided assistance on the following tourism projects:

- Daydream Island Resort and Spa: liaised with state agencies to ensure relevant approvals were obtained in a timely fashion. Declared on 21 September 2017

Case study

Cherbourg Material Recovery Facility

The Cherbourg Material Recovery Facility secured $1.487 million across three BoR funding rounds. When completed, the facility's annual waste output capacity will increase from 250 tonnes to an estimated 3500 tonnes. This increase in the capacity to process recyclable material will significantly reduce the amount of waste going to landfill. Ultimately, it is hoped that this project will enable a recycling program across the South Burnett region.

Stage 3 works include extending the operations shed and its supporting pad to accommodate all further development stages, undertaking associated drainage works, and installing a new automated paper and cardboard baling machine that will be integrated into the production line. The project has created new employment opportunities for the Cherbourg community.

Image: Andrew Beckett, Operational Manager at the MRF, looks on as earthworks begin for Stage 3

- Hayman Island: assisted in approvals relating to the management of the wallaby population and use of barge facilities during construction. Declared on 21 September 2017
- Shute Harbour Marina Development: assisted in finalising agreements with Whitsunday Regional Council while also liaising with state agencies in obtaining project approvals. Prescribed Project. Declaration extended 8 February 2018
- Hummock Hill Island: considered the use of step-in powers under the Act that would allow the Coordinator-General to assess and decide approvals for the project. Declared on 21 September 2017.

The potential Cairns South State Development Area

An approximately 840-hectare site at Wrights Creek, to the south of the Cairns CBD, is under consideration as a potential SDA to cater for industrial development.

The potential Cairns South SDA was announced in July 2017 with public consultation occurring until August 2017.

SDA development schemes function in a similar way to a local government planning scheme by outlining the types of development which are regulated and the criteria which development is assessed against.

The potential SDA would provide approximately 340-hectares of land located away from urban areas for medium-high impact industry operating 24/7, such as intermodal and freight related development and advanced manufacturing.

The Coordinator-General is considering submissions made during the public consultation period. Should a Cairns South SDA be declared, a draft development scheme would be prepared for consultation.

Government Champion Program – Aurukun

Through the Government Champion Program, the department has 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:

- $2.1 million redevelopment of the Three Rivers Tavern into the Wo' Uw Ko' Alam Community Centre
- progressing construction of a barge ramp on the Archer River south of Aurukun which will reduce travel time to Southern Wik traditional homelands, open the area for potential economic benefits including small scale tourism operations, assist development of an Aboriginal and Torres Strait Islander cattle enterprise, the ranger program and opportunities to take full advantage of the Wathaniin Outstation.

Social Impact Assessment and Fly-in Fly-out (FIFO)

The *Strong and Sustainable Resource Communities (SSRC) Act 2017* commenced on 30 March 2018. The Act ensures that residents of communities near large resource projects benefit from the construction and operation of those projects by:

- prohibiting 100 per cent fly-in-fly-out workforce arrangements on large operational resource projects
- preventing discrimination against locals in the future recruitment of workers through amendments to the *Anti-Discrimination Act 1991*
- making an enhanced social impact assessment (SIA) mandatory for large resource projects.

An initial list of 61 large resource projects and their nearby regional communities, along with an enhanced Social Impact Assessment guideline has been published on the Coordinator-General's website.

Defence Industries Queensland

Defence Industries Queensland (DIQ) was actively involved during 2017–18 in all aspects of attracting Rheinmetall Defence Australia and the LAND 400 Phase 2 contract, worth $5.2 billion, to Queensland.

Rheinmetall will build the new fleet of armoured combat reconnaissance vehicles in Queensland, contributing more than $1 billion into the state's economy over the life of the project and delivering benefits to regional communities as well as in south-east Queensland. The Military Vehicle Centre of Excellence (MILVEHCOE) and its impact across

Queensland's supply chain will generate at least 450 full-time equivalent jobs in the first 10 years. These are the high-skilled, knowledge-based jobs of the future.

Other regional benefits arising from DIQ's activities during the year included:

- securing Queensland as the headquarters for the new $101 million Defence Cooperative Research Centre for Trusted Autonomous Systems
- working with the Department of Defence to identify opportunities for investment associated with additional Singaporean army training at Shoalwater Bay and a site in North Queensland
- supporting the maritime sector and consulting widely to prepare and deliver the Queensland Superyacht Strategy 2018–2023 which aims for Queensland to be recognised as the key superyacht hub in the Asia-Pacific region within five years.

KUR-World Integrated Eco-Resort

The KUR-World Integrated Eco-Resort is a coordinated project undertaking an Environmental Impact Statement (EIS) process under the SDPWO Act. The proponent is Reever and Ocean Developments Pty Ltd.

Located around 20 kilometres north-west of Cairns, the proposal includes an integrated eco-resort with luxury hotel and residential accommodation, education and business facilities, rejuvenation, health and wellbeing facilities, and adventure and recreation facilities.

The project requires a capital investment of $640 million and could create a peak construction workforce of 545 and up to 600 operational jobs.

The community will be consulted on the draft EIS when it has been prepared by the proponent.

Olive Downs Project

This Bowen Basin open cut mine could produce up to 14 million tonnes per annum of metallurgical coal for steel-making for more than 30 years.

Off-lease infrastructure includes an 18-kilometre rail spur to the Norwich Park Branch Railway, a water pipeline connecting to the Eungella pipeline network, an electricity transmission line and access roads.

Case study

Rapid response

The 2017–18 financial year saw some significant business closures and retrenchments across the state including:

- 370 employees retrenched from Ostwald Bros, Dalby
- 245 staff retrenched from Baiada (Steggles Chickens) in Ipswich and Wacol
- Churchill Abattoir in Ipswich closed, with 130 employees retrenched
- Woolworths facility in Ipswich closed, with over 400 employees retrenched.

The department led the state government's response with assistance under the Workers Transition Scheme for Ostwald Bros, Churchill Abattoir and Woolworths, and provided assistance to those retrenched at Baiada. The support provided by the department included:

- coordinating the assistance provided by government
- monitoring the progress on payment of all entitlements
- assisting retrenched employees
- advising of government training schemes to expand future employment opportunities
- assisting supply chain businesses affected by the closures
- organising jobs and training expos for retrenched employees.

Between 500 and 700 jobs may be required during construction and around 960 workers during operations of the mine at full development. The proponent, Pembroke Resources, is preparing the draft EIS which will be made available for public comment.

China Stone Coal project

MacMines' China Stone Coal project is a coordinated project that proposes to develop a new $6.7 billion greenfield, open-cut and underground thermal coal mine in the Galilee Basin to produce up to 38 million tonnes per annum of product coal.

The project is located directly north-west of the Carmichael Coal mine project, 300 kilometres west of Mackay.

The proponent estimates that the project would create a peak of approximately 3900 direct construction jobs and around 3400 direct jobs in year eight of operations.

The EIS process for the project is advanced, and the Coordinator-General is preparing his evaluation report.

Aurukun Bauxite Project

The Aurukun resource on Western Cape York contains up to 480 million tonnes of bauxite. The government has entered into an agreement with Glencore granting rights to investigate and develop the Aurukun resource. As required, Glencore applied for a Mineral Development Licence (MDL) in January 2015, but the project was delayed by a series of court actions, that are now resolved. On 20 December 2017, MDL2001 was issued to Glencore by the Minister for Natural Resources, Mines and Energy.

During 2017–18, Glencore progressed its feasibility investigations, with the permission of the traditional owners. Activities included groundwater monitoring, ecology surveys, soil sampling, surveys of transshipping zones, and aerial surveys of the resource area. Glencore and the traditional owners have executed a Conduct and Compensation Deed, which sets a foundation for positive working relations and opportunities for the community.

During the next 12 months, Glencore has advised that it will progress environmental and technical studies relating to the feasibility investigations into up to two bauxite deposits within the Aurukun resource area.

Land management activities undertaken by Juru Enterprises Ltd

Since 2016, the Aboriginal company Juru Enterprises Ltd (JEL) has been engaged to manage the 3332 hectares of land owned by the Coordinator-General within the Abbot Point SDA; which comprises 16,885 hectares and is located about 20 kilometres north-west of Bowen.

Activities include fire and pest (weeds and feral animals) management as well as land rehabilitation. The program also promotes capacity building, with a contractor engaged to train JEL employees on land management. The program has provided employment, improved business acumen and developed workforce capability through appropriately endorsed training.

Yarrabilba Family, Children and Community Hub

In January 2018, the Premier announced a commitment of $3.6 million capital funding for a Family, Children and Community Hub in the rapidly growing community of Yarrabilba, 20 kilometres south of Logan. The hub, which will be co-located with Yarrabilba State School, is due to commence operations in October 2018.

The department's Community Hubs and Partnerships program (CHaPs) is leading a cross-agency Project Steering Committee to collaboratively plan the delivery of a new service hub model relevant to growth areas across Queensland.

CHaPs negotiations have resulted in a new partnership between a range of state government agencies including Children's Health Queensland, Metro South Health, Communities, government and non-government schools, council and the developer to deliver this integrated services hub.

Image: LAND 400 - MILVEHCOE, artist's impression

Aura Community Hub

The Aura Community Hub opened in January 2018 following CHaPs facilitation of industry, local and state government collaborative services and infrastructure planning. The Community Hub project achieved a $31 million bring-forward of investment to the Sunshine Coast community and delivers much-needed infrastructure and services in the Caloundra South Priority Development Area.

Mary Valley Economic Development Strategy

Final surplus government properties in Mary Valley were returned to private and community ownership during 2017–18. The Mary Valley Economic Development Strategy was implemented to manage the disposal of properties originally purchased for the former Traveston Dam. A total of 534 land parcels were returned to private ownership during the six-year program.

Glendower land disposal strategy

During 2017–18, the department started returning surplus government land near Beaudesert to private and community ownership. The land was originally purchased for the former Glendower Dam site and consists of approximately 2600 hectares (58 lots) of quality agricultural land.

Consultation with the Scenic Rim Regional Council, community users, agricultural and residential tenants identified the best divestment strategy. Returning the land to the community and unlocking private investment will deliver positive community outcomes, create jobs and drive economic growth.

Future priorities

- CHaPs will develop a sustainable cross agency service, funding model and evaluation plan for integrated service hub models to maximise community outcomes and return on government investment in growth areas.
- In partnership with Queensland Treasury, the department is implementing the Advancing Our Cities and Regions (AOCR) Strategy. This is an innovative approach to renewing and repurposing surplus and underutilised state property to deliver economic, community and financial outcomes for Queenslanders.
- The Office of the Coordinator-General will:
  - progress implementation of the SSRC Act and SIAs
  - progress major project assessment and delivery and whole-of-government coordination
  - progress the potential Cairns South SDA towards declaration
  - continue to investigate opportunities for additional SDAs in strategic locations to attract economic development in Queensland.
- Defence Industries Queensland will contribute to regional communities by:
  - attracting and facilitating key projects and supply chain opportunities from the Australian Government's $195 billion investment pipeline including the $15 billion Phase 3 of LAND 400, SEA 1180 (Offshore Patrol Vessels) and AIR 6000 (Joint Strike Fighter)
  - implementing an industry development framework for LAND 400 Phase 2 to maximise local opportunities including supply chain, workforce development and technology innovation
  - leveraging the state's critical mass of systems development and integration capability by establishing a formal Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance and Electronic Warfare (C4ISREW) network
  - drawing expert advice from senior retired military figures and defence industry executives to identify and assist in delivery of new defence industry opportunities for business growth, and delivering defence supply chain logistics hubs in Townsville and Ipswich
  - supporting Queensland companies at the 2018 LandForces Exposition.

Case study

Bundaberg Hackathon

Bundaberg hosted Queensland's first industry-led adaptive technology Hackathon, supported by a $50,000 sponsorship by the department. Community Lifestyle Support, a local agency, managed the Hackathon which ran from 23–26 October 2017. The event connected makers, designers, developers and engineers with people with disability to develop technological solutions for everyday challenges. The solutions designed during the event were then provided as free, open source files to the world-wide maker community, increasing the knowledge base and encouraging further innovation.

The Hackathon advanced the department's advanced manufacturing focus, giving designers and makers real-world examples of how innovative design and skilled manufacture can change a life, engage someone in the workforce, or enhance independence. The department hosted a business-to-business networking event at the Hackathon, connecting local industry and highlighting supply chain opportunities.

Image: Shutterstock

Image: Rheinmetall's Boxer CRV

4. Lead strategic development of priority industries

Key strategies:

- Grow six new and existing industries via roadmaps
    - Advanced manufacturing
    - Aerospace
    - Biofutures
    - Biomedical
    - Defence industries
    - Mining equipment, technology and services
- Support traditional and transitioning industries
- Identify the next wave of priority/ emerging industries.

Advanced manufacturing

The manufacturing industry will continue to innovate and transform into the future, with investment in Queensland's sector concentrated on the opportunities of 'Industry 4.0'—the Fourth Industrial Revolution brought about by automation and data exchange in advanced manufacturing technologies.

These opportunities include supporting existing businesses to transition to advanced manufacturing, attracting new businesses to the state, leading to the expansion of existing industry supply chains and the creation of new supply chains, as well as increased export opportunities for Queensland manufacturing products through targeting niche and growing overseas markets.

During 2016–17, Queensland's manufacturing sector was the fifth largest contributor to the state's economy, generating $19.2 billion.

As at the June quarter 2018, manufacturing was the state's sixth largest employing industry, with around 170,000 persons, and had an annual total commodity export value of $15.8 billion.

Made in Queensland

The $40 million Made in Queensland program complements the *Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan* launched on 14 December 2016.

Made in Queensland provides matched grants of between $50,000 and $2.5 million to small to medium enterprises (SMEs), for projects that enable them to become more internationally competitive, innovative and productive-upskilling and creating jobs and growing a vital part of the state's economy.

Since opening on 30 January 2017, 53 successful projects have been approved for funding of $18.2 million under the program, boosting manufacturing skills and jobs from Goondiwindi to Cairns. These projects will support 2850 existing jobs and help create an estimated 532 highly skilled new jobs.

Companies who were awarded project grants included:

- **Pixie Ice Cream** to install automated wrapping and boxing equipment in its Toowoomba facility
- **Packer Leather** in Narangba to install an advanced manufacturing system and an automated batching system
- **Flemings Welding Services** in Roma to install state-of-the-art surface finishing equipment, which until then couldn't be completed locally.

Made in Queensland has confirmed that the state is a manufacturing powerhouse, with SMEs eager to implement new technologies, processes and systems to grow their businesses across the state's traditional industrial strengths (e.g. agriculture, food, mining) as well as emerging niches (e.g. pharmaceutical manufacture).

Achievement highlights

- Assistive Devices Hackathons were held in Mackay, Toowoomba and Townsville in July 2017. Fifteen people with disability and a well-defined challenge worked with 44 makers, supported by manufacturing industry experts, to develop solutions to those challenges. The hackathons help to raise awareness among Queensland manufacturers about emerging opportunities in the area of assistive technology.
- Design in Manufacturing seminar series supported manufacturers to recognise the importance of design to their future competitiveness. Five (of nine) seminars were held in Mt Gravatt, Toowoomba, Crestmead, Maryborough and Geebung with approximately 90 manufacturers in attendance. Feedback from participating businesses has been positive.
- Women in Manufacturing series launched at Customs House in March 2018. The series, which also includes six regional events, is designed to support and promote women in manufacturing.
- Developed a careers video and brochure for high school students who are in year 10 and up to promote manufacturing as a career choice through the Gateway to Industry Schools Program for Manufacturing and Engineering.
- Queensland Hackerspaces Grant program provided seven grants of up to $20,000 to establish new regional hackerspaces in Cairns, Maleny, Warana, Fortitude Valley, Kingston and two in Mackay. In addition, three hackerspaces located in Ipswich, Eagle Farm and Mudgeeraba each received up to $10,000 to expand.

Future priorities

- Deliver Made in Queensland program Round 2 grants during the latter half of 2018.
- Pursue industry opportunities in:
  - **Craft beer production:** Queensland is home to more than 13 per cent of Australia's 516 independent breweries and is the first state to instigate a craft brewing strategy to boost our globally award-winning independent craft brewing industry. The department is developing the strategy with the industry and key stakeholders to unlock the economic and wider benefits of this dynamic industry and to achieve future growth of six per cent per annum.
  - **Robotics and automation:** As part of an ongoing commitment to Industry 4.0, the government will build on Queensland's recognised national expertise in robotics to develop a robotics and automation strategy to foster the adoption of these new technologies by manufacturers and to encourage the development of a local robotics manufacturing capability.
  - **Skills and training:** drive the development of skills and capabilities that facilitate innovation, the adoption of new technologies, collaboration and adaptability to support the ongoing development of Queensland's advanced manufacturing sector.
  - **Manufacturing hubs:** The 2017 Queensland Made election commitment allocated $30 million to establish manufacturing hubs in Cairns, Townsville and Rockhampton. The hubs will support regional manufacturers to become more productive, build local supply chain capability, support skills development and act as a focal point for driving regional manufacturing.

Image: Site of proposed KUR-World Eco-Resort

Aerospace

Queensland has the highest aerospace and aviation product quality levels within the Asia-Pacific region and extensive capabilities in systems integration and support services.

Queensland's aerospace industries include aircraft manufacturing and repair businesses which generated around $1.2 billion in revenue during 2015–16 and contributed $565 million to Queensland's economic growth in the same period. The state's aircraft manufacturing and maintenance sector alone provides over 4200 jobs across more than 300 enterprises.

The department's commitment to working with the industry to grow this sector has supported businesses to build capabilities to compete and win significant contracts, strengthen industries, access the national and global defence markets and provide new employment opportunities.

Achievement highlights

- Released the *Queensland Aerospace 10-Year Roadmap and Action Plan* on 17 June 2018.
- Secured the new $101 million Defence Cooperative Research Centre for Trusted Autonomous Systems headquarters for Queensland.
- Supported current and future training needs by working with other agencies and private stakeholders to establish programs that provide pathways for careers in aerospace such as the Brisbane-based Aviation State High School and Aerospace Gateway to Industry Schools Program.
- Supported 10 Queensland companies at a key international Maintenance Repair and Overhaul Conference and Exhibition (MRO Asia-Pacific) from 31 October to 2 November 2017 in Singapore. This resulted in the generation of a reported 96 quality business leads and potential contracts worth more than $1.75 million.
- Supported the 2017 UAV High School Airborne Delivery Challenge.

Future priorities

- Establishing Queensland as an international hub for Unmanned Aerial Systems (UAS) and pursuing opportunities for innovative application of UAS technologies through collaboration with industry and research institutions.
- Identifying preferred sites for test, trial and evaluation of UAS.
- Capitalising on major international defence and civil aerospace projects such as the F-35 Joint Strike Fighter program.
- Working with industry to assist Queensland companies to target emerging capability areas such as niche manufacturing, training, MRO, UAS, hypersonic flight and space technologies.
- Promoting Queensland as one of Australia's leading aerospace and air defence destinations with industry partners at the Asia-Pacific region's most prestigious aviation, aerospace and air defence event—the biennial Avalon Airshow.

Biofutures

Through the *Advance Queensland Biofutures 10-Year Roadmap and Action Plan* the government has invested $19.73 million to position the state as an Asia-Pacific hub for the industrial biotechnology and bioproducts sector.

Three funding programs have delivered direct financial and supplementary support for 15 new biofutures projects across Queensland, including 10 potential new or expanded biorefineries. Collectively, these 15 projects represent approximately $1.4 billion of investment and approximately 2504 new jobs throughout rural and regional Queensland should they all proceed.

Queensland's presence at major industrial biotechnology and bioproducts events has been highly effective in attracting interest from international companies and investors. These activities elevated the profile of Queensland as a biofutures investment destination and showcased Queensland's biofutures capabilities to an international audience.

Achievement highlights

- Delivered three key funding programs—the Biofutures Acceleration Program, the Biofutures Commercialisation Program and the Biofutures Industry Development Fund to be delivered over three years— following their launch by the Premier in June 2016 in the Biofutures Roadmap.
- Led a delegation to the BIO World Congress on Industrial Biotechnology to Montreal, Canada in July 2017 to promote Queensland's benefits as a biofutures investment destination to an industry-leading audience.
- Attracted international delegates to Queensland for the Australasian Bioenergy and Bioproducts Symposium (TABBS) in October 2017 to explore the opportunities tropical environments offer the bioeconomy.
- Put Queensland's bioeconomy in the spotlight at the Global Bioeconomy Summit in Berlin during April 2018.

Future priorities

Following on from the Biofutures Acceleration Program, a new funding offer will be released to the market in 2018–19 focused on proponents proposing to develop 'waste to energy' biorefinery projects in Queensland. Examples include:

- Queensland Biofuel Mandate to provide certainty for suppliers and the market.
- Targeted support for high priority projects that will achieve the objectives of the 10 Year Roadmap and Action Plan.
- Progressing advanced biofuels (US Navy and aviation) opportunities to provide a significant market for the outtakes and support a large regional refuelling facility.
- Policy support for waste to energy opportunities to reduce waste to landfill and develop Queensland's circular economy.
- Presence at national and international bioeconomy and biotechnology forums which promote the industry in Queensland and provide networking and showcase opportunities.

Biomedical

Queensland's growing biomedical industry has an estimated gross value-added (GVA) of $1.44 billion and employs approximately 9440 people across

Case study

Supporting businesses to access funding

A key function of the department's regional offices is to provide advice and support to local businesses to apply for key grant and funding programs, such as the Made in Queensland grant program.

During 2017–18, the South East Queensland South office provided support to two businesses—Evolve Group and King Springworks—to apply for Made in Queensland grants for the purchase of innovative equipment. Support provided to these businesses included:

- meeting with the management teams to discuss the Made in Queensland grant program and their company's project eligibility
- assisting the delivery of benchmarking (for King Springworks)
- facilitating discussions to assist the company in the development and refinement of their grant application prior to submission to maximise their chances of funding endorsement
- providing ongoing support and assistance.

As a result of the support provided by their local regional offices, both businesses were successful in each receiving a Made in Queensland grant which will help them expand and further develop their business.

the state. This is forecast to grow by up to $2 billion GVA and 3000 new jobs in the next 10 years.

The $4 million *Queensland Biomedical 10-Year Roadmap and Action Plan* sets out the state government's vision for the industry: that by 2027 Queensland will be a globally competitive Asia-Pacific biomedical hub. Key focus areas under the Roadmap include:

- supporting Queensland start-ups to prosper and successfully scale up
- supporting existing businesses to grow and attract new business to Queensland
- promoting capabilities to attract investment and facilitate alliances.

Achievement highlights

- Launched the $2 million Biomedical Assistance Fund which is providing 13 successful applicants with matched funding to progress their innovative technologies to a stage where they can attract follow-on funding from private and public sources. Supported projects include:
  - Arthritis Relief Plus, a Gold Coast-based enterprise developing 4Jointz®, a novel, patented and evidence-based over-the-counter cream for the growing osteoarthritis market worldwide offering millions of people an effective and safe solution from joint pain and stiffness
  - BiVACOR, developing an artificial heart controller which will form part of the world's first rotary total artificial heart
  - Cancure Limited, a cancer drug development company commercialising innovative new treatments for cancer arising from research at Griffith University.
- Delivered the Biomedical Launchpad program to a cohort of eight biomedical start-ups and emerging enterprises with hands-on practical assistance to help them test the market ahead of commercialising their biomedical products or services. Supported enterprises included:
  - Brisbane-based Blue Ocean Robotics which has an autonomous UV disinfection robot that improves hospital cleaning regimes
  - Cogniom, a Brisbane-based start-up currently developing a smart watch app called MedWatch to make it simpler and more efficient for nurses to securely administer medications at the patient bedside
  - StickyCell which is developing novel companion blood tests to assist medical staff to optimise therapies for patients with autoimmune diseases.
- Launched the Queensland Biomedical Voucher Program, enabling Queensland biomedical service suppliers to attract new customers to Queensland by providing up to 50 per cent of the fees they would charge a national or international client to develop its biomedical product.
- Support for Luina Bio, one of only two Australian contract leading biopharmaceutical manufacturers, with a $405,000 Made in Queensland grant to continue global growth and create 15 new advanced manufacturing jobs through acquiring further cutting-edge equipment.

Future priorities

- Continue to grow and strengthen Queensland's biomedical sector through implementing the *Queensland Biomedical 10-Year Roadmap and Action Plan*, with a focus on:
  - increasing connectivity of the sector with the development of a Queensland Biomedical Business Directory
  - identifying gaps and opportunities by undertaking a supply chain analysis
  - facilitating strong cohesion between key organisations to grow the Queensland biomedical industry to realise its potential and become major contributors to jobs and the economy.

Defence industries

The *Queensland Defence Industries 10-Year Roadmap and Action Plan* and the *Queensland Aerospace 10-Year Roadmap and Action Plan* were both released. These roadmaps identify a number of successes to date and outline strategies to further grow these industries. One of these successes was the work across Queensland Government, industry and academic partners to secure Queensland as the headquarters for the new $101 million Defence Cooperative Research Centre for Trusted Autonomous Systems.

Case study

Brewing a new industry

Like many of its peers in Queensland's independent brewing industry, Brisbane-based Ballistic Beer Co. in Salisbury has seen a meteoric rise from humble beginnings. From an idea first conceived by two friends in 2014, Ballistic opened in 2016 as a pilot operation based in a World War II-era shed. Today, it's a multiple-award-winning brewery employing more than 15 people and brewing 35,000 litres of beer a month. Most recently, Ballistic has expanded to a second wholly owned venue to enhance the reach and distribution of their product in a market where access to beer taps is key.

Founder and managing director David Kitchen attributes Ballistic's rapid success to both the quality of its product and the focus the brewer has put on developing a sense of community around their Salisbury operation, highlighting the potential for breweries to be positive players in their local areas.

Capitalising on an industry estimated to be worth $62 million a year and a growing contributor to the state economy, the Queensland Craft Beer Strategy is the government's response to independent brewers' calls for support. In Kitchen's view, the strategy has potential to build commonality in planning between the industry and state and local councils, create opportunities for current and would-be brewers to train in the art and to tackle some small but highly beneficial changes that will unlock growth for the industry.

Most of all, Kitchen is optimistic about the future of Queensland's independent brewing industry. While smaller and less mature than the industries in other states, he points to Queensland breweries sweeping recent national awards and the rapid pace of growth as signs of the potential that exists.

Images: Ballistic Beer courtesy of Ballistic Beer Co

Three senior strategic defence advisors were appointed including the Queensland Chief Defence Advisor, Lieutenant General Peter Leahy, AC (retired), along with Rear Admiral Simon Cullen AM (retired) and Air Vice Marshal Neil Hart, AM (retired).

The department supported over 40 Queensland companies at key national and international trade events, including the Pacific 17 International Maritime Exposition in Sydney, MRO Asia in Singapore, the New Zealand Defence Industry Association Forum in Wellington, resulting in the generation of a reported 380 quality business leads and potential contracts worth over $9.3 million.

LAND 400

On 14 March 2018, the Australian Government announced Rheinmetall Defence Australia (RDA) as the preferred tenderer for the $5.2 billion LAND 400 Phase 2 contract to supply the next generation of combat reconnaissance vehicles to the Australian Army.

The department led an active campaign on behalf of the state government to secure a long-term partnership with Rheinmetall and attract the LAND 400 project to Queensland. In order to deliver the 211 combat reconnaissance vehicles under the LAND 400 Phase 2 contract, Rheinmetall is establishing its Australia-New Zealand headquarters and Military Vehicle Centre of Excellence (MILVEHCOE) in Ipswich. This will position Rheinmetall in the heart of the largest heavy vehicle manufacturing hub in Australia.

Attracting Rheinmetall to Queensland is an economic game-changer for the state's defence and advanced manufacturing industries. Rheinmetall expects the MILVEHCOE will generate more than 450 new jobs and contribute over $1 billion to the economy in the first 10 years and create increased global export opportunities for local industry.

Rheinmetall is the largest supplier of military vehicles to the Australian Army, and the department will continue to work collaboratively to maximise the benefits to industry and the state's economy from having Rheinmetall headquartered in Queensland. The department will also use its expertise in the delivery of large scale infrastructure projects to oversee the construction of Rheinmetall's MILVEHCOE to ensure it is delivered on-time and on-budget. Watpac has been appointed as Managing Contractor to deliver

Case study

Qantas Dreamliner base

Qantas will establish a base for its four new Boeing 787 Dreamliners in Brisbane following a successful department-led coordinated proposal to the airline from the Queensland Government, Brisbane Airport Corporation, Brisbane Marketing and Tourism Australia, in competition with other locations.

The Dreamliner is an ultra-long-distance aircraft capable of flying to destinations previously unserviceable as non-stop routes and has the ability to open up new gateways from Queensland to the heart of North America. Qantas expects the new base to create up to 120 new direct jobs and support up to 350 indirect jobs in the first five years of operations and secure tourism, employment and other economic benefits for years to come.

The new Dreamliner base is an example of government and commercial entities working together to secure jobs and economic opportunity for the state.

Image: Qantas Boeing 787 Dreamliner, courtesy of Qantas the MILVEHCOE, and construction is expected to support an average of 300 jobs over two years.

Future priorities

- Attract and facilitate key projects and supply chain opportunities from the Australian Government's $195 billion investment pipeline for Australia Defence Force modernisation, including the $15 billion Phase 3 of LAND 400, SEA 1180 (Offshore Patrol Vessels) and AIR 6000 (Joint Strike Fighter).
- Identify the preferred site/s for test, trial and evaluation of remotely piloted aerial systems.
- Promote Queensland defence and aerospace industry capability at the 2018 LandForces Exposition in South Australia and the 2019 Avalon International Airshow in Victoria.
- Deliver defence supply chain logistics hubs in Townsville and Ipswich.
- Commence construction of MILVEHCOE in late–2018.
- Phased practical completion of the MILVEHCOE from mid–2020.

Mining Equipment, Technology and Services (METS)

Queensland's METS sector offers natural competitive advantages and strong growth potential as commodity demand is projected to double during the next 30 years. The state's METS sector employs around 20,000 people, generating $7 billion in revenue and $2.5 billion in value-add to the Queensland economy. By 2036, it is estimated that METS may contribute up to $4.38 billion in value-add to Queensland's economy and support up to 28,400 jobs.

Queensland METS companies are world leaders in mine safety, mine rehabilitation and remediation processes and technologies, contract mine servicing, and are major exporters. More than 800 Queensland METS companies are currently operating across the energy and resources industry value chains.

The Queensland Government has invested $7 million to drive the METS sector initiatives with a number of activities being delivered in partnership with METS Ignited, the Australian Government's Industry Growth Centre for METS.

Case study

Boeing autonomous systems project

The department led the negotiation of a new project with Boeing Defence Australia under which it will undertake a three-year project in Queensland to develop new autonomous systems capability for the independent operation of unmanned vehicles, Boeing's largest autonomous systems development program outside of the United States.

Boeing expects the project to create 131 highly technical jobs, including software and systems engineers. The project will also directly benefit Queensland SMEs that service the aerospace, advanced manufacturing, defence, and resources technology and services sectors.

The project aligns with the *Aerospace 10-Year Roadmap and Action Plan* vision and with the Advance Queensland agenda of innovation-led economic growth and the support provided by the Advance Queensland Industry Attraction Fund and Platform Technology Program was integral to securing the project to be undertaken in Queensland.

Image: TAE Aerospace engine test cell

Achievement highlights

- Released the *Queensland METS 10-Year Roadmap and Action Plan* in July 2017.
- Successfully delivered a pilot export and investment readiness program to build the export capacity and capability of Queensland's SME METS companies.
- Completed a stocktake in October 2017 of available energy and resource testing facilities.
- Eight METS companies successfully completed the 12-week Late Stage METS Accelerator Pilot designed to accelerate commercialisation of new technologies.
- Launched the Pilot Bowen Basin Cluster Program in October 2017 to identify and facilitate the growth of METS clusters.
- Reached agreement in December 2017 between METS Ignited and the Coalition for Energy Efficient Comminution (CEEC) for CEEC to conduct research that supports the development of new energy-efficient solutions to the crushing and grinding challenges faced by hard rock-mining operations.

Future priorities

- Facilitate collaboration and capability development across areas such as automation, social licence and environmental management through the Queensland Cluster Program.
- Establish the Centre for METS Business Innovation at QUT. The centre will deliver research and business tools that will improve growth in the sector including an innovation diagnostic tool and a business model benchmarking tool.
- Following the successful delivery of the Igniting METS Accelerator program in 2017 in partnership with METS Ignited, later-stage SMEs (scale-ups rather than start-ups) will again have the opportunity to seek to accelerate commercialisation of new technologies over a 12-week program.
- Extension of the Bowen Basin Cluster Program and the engagement of a cluster facilitator to work with the cluster and to identify opportunities in the region.
- Deliver an expanded export and investment readiness program throughout Queensland.

Support traditional and transitioning industries

Meatworks Industry Strategy

The department is consulting with major beef processors on challenges facing the sector to inform the development of a meatworks industry strategy which aims to protect jobs in the meatworks industry and upskill the workforce.

The Queensland Superyacht Strategy 2018–2023

The *Queensland Superyacht Strategy 2018–2023* was released in May 2017. The strategy aims for Queensland to be recognised as the key superyacht hub in the Asia-Pacific region within five years.

Identify the next wave of priority/emerging industries

Engineering Construction and Resources Innovation Hub

In its second year of operation, the Engineering Construction and Resources Innovation Hub (ECRi Hub) accepted six technologically-advanced ideas into its Business Mentoring for Innovation (BM4i) program. It also provided 30 innovative companies with commercialisation assistance through industry networks, successfully introducing participants to investors, new customers, trial partners and collaboration opportunities.

Future priorities

- Support innovation in the engineering, construction and resource sector through stage two of the Business Mentoring for Innovation Program to grow a vibrant, innovative community and drive international competitiveness and high-value, knowledge-based jobs.
- Provide specialist support for significant projects to facilitate enterprise development, local growth and job opportunities across the state.

Targeted industry support and incentives

Queensland offers plentiful land, a wealth of resources, excellent and expanding infrastructure, a highly skilled workforce and attractive incentives for new and established businesses to make the state their home. The Queensland Government wants innovative and dynamic businesses to establish and expand in Queensland and is acting to make that a reality.

The department is actively engaging with companies, with the aim of encouraging the relocation and establishment of new projects, or reinvestment and expansion of existing operations in Queensland. In 2017–18 the department had six active programs that provided a suite of services to drive industry development. The details and criteria of each program is available on the department's website with program outcomes for 2017–18 summarised below:

- **Advance Queensland Industry Attraction Fund** is a $105 million financial incentive program which seeks to bring innovative projects to Queensland and help them grow to drive job creation, regional growth, increased innovation and technology and supply chain development. Variable incentives totalling $5.019 million were expended from this program in 2017–18 across six projects. These projects will generate more than 530 jobs over five years and over $180 million in capital expenditure.

  Successful projects announced in 2017–18 included:

    - the Qantas Boeing Dreamliner 787-900 base
    - Boeing's unmanned aerial vehicle platform technology project which will further consolidate Queensland as a global leader in the aerospace industry
    - Scottish craft brewers, Brew Dog, who will establish its first Australian brewery in Brisbane.

- **Biomedical Assistance Fund (BAF)** is a $2 million initiative that provides successful recipients with matching funding to allow progression of new biomedical products that will greatly enhance the possibility of attracting follow-on funding. Under the BAF, multiple innovative Queensland biomedical projects were awarded grants during 2017–18. Of the 13 grants approved, eight projects received a total of $266,000 in 2017–18 to support products through the development phase to better place them to access public and private capital. Supported projects include:

    - Arthritis Relief Plus, a Gold Coast-based enterprise developing 4Jointz®, a novel, patented and evidence-based over-the-counter cream for the growing osteoarthritis market worldwide offering millions of people an effective and safe solution from joint pain and stiffness
    - BiVACOR, developing an artificial heart controller which will form part of the world's first rotary total artificial heart
    - Cancure Limited, a cancer drug development company commercialising innovative new treatments for cancer arising from research at Griffith University.

  The funding will help biomedical enterprises progress these projects further through the product development phase.

- **Biofutures Acceleration Program (BAP)** aims to attract and support development of new or expanded commercial-scale biorefinery projects in Queensland. The state's foundations of a highly skilled workforce, abundant raw materials, integrated transport systems and proximity to the growing Asian markets makes it an ideal location to develop a biorefinery. Biofutures projects which have been supported by the $4 million BAP within regional Queensland during 2017–18 included:

    - feasibility studies for MSF Sugar's potential $60 million sugar-based biorefinery complex in Atherton
    - Utilitas's proposed waste to electricity and biocrude oil in Bundaberg
    - Mercurius's patented biofuel biorefinery in Gladstone

- Leaf Resources advancing plans to develop a bio-manufacturing hub in a sugar-cane producing region of Queensland.

Total expenditure in 2017–18 from BAP was $354,000 on projects that will generate 80 jobs and capital expenditure of $29 million.

- **Biofutures Industry Development Fund (BIDF)** is a repayable fund to help companies with new projects reach a point at which they can better access venture capital. This supports companies pursuing innovative industrial biotech and bioproducts projects and enhances Queensland's reputation as a supportive investment location for the biofutures industry. Projects announced in 2017–18 include the Pentland Bioenergy project which was supported to progress a fully integrated biofuel production facility in Pentland, near Charters Towers.

  From this program, repayable loan advances totalling $1.619 million were made in 2017–18. The projects receiving loans aim to generate 950 construction jobs, 453 operational jobs and $1.240 billion in capital expenditure over their lifetime.

- **Made in Queensland (MIQ)** is a $40 million Queensland Government initiative supporting our manufacturing sector to become more internationally competitive and adopt innovative processes and technologies. The program is aimed at increasing jobs in Queensland manufacturing businesses and growing the state's economy. MIQ aims to increase Queensland's international competitiveness, productivity and innovation of SME manufacturers. During 2017–18, MIQ Round 1 approved funding to 53 projects including:
  - Pixie Ice Cream to install automated wrapping and boxing equipment in its Toowoomba facility
  - Packer Leather in Narangba to install an advanced manufacturing system and an automated batching system
  - Flemings Welding Services in Roma to install state-of-the-art surface finishing equipment, which until then couldn't be completed locally.

  Of these, 36 projects received a total of $4.621 million. This will generate 275 jobs and capital expenditure of $21.8 million. Round 2 opened on 26 April 2018 and closed on 24 May 2018. A total of 115 expressions of interest have been received and were under assessment at year end.

- **Jobs and Regional Growth Fund (JRGF)** is a $150 million fund that is part of the government's broader Jobs and Regional Growth Package, targeted at growing regional economies and jobs for Queenslanders. The fund helps facilitate private sector projects which create employment and economic growth opportunities in regional areas outside south-east Queensland facing significant economic and employment challenges. In 2017–18, total expenditure from JRGF was $705,000 for projects that will deliver 71 new jobs. A further $13.21 million was committed to five contracted projects including:
  - Swickers to undertake a major abattoir expansion at Kingaroy and a piggery expansion project north-west of Dalby
  - Hawker Pacific to expand its Cairns airport hangar space
  - JBS Australia to employ and train up to 400 displaced abattoir workers in the Ipswich region.

Image: GC2018 competition at the Anna Meares Velodrome, Chandler

Program highlights Part B

1. Economic, social and environmental benefits for Queenslanders

The department undertook a wide range of projects and implemented robust initiatives to realise immediate and long-term economic, social and environmental benefits for Queenslanders.

Catalyst Infrastructure Program

The Catalyst Infrastructure Program sees Economic Development Queensland (EDQ) partner with local governments, utility providers and select developers to invest in infrastructure projects that unlock development, generate construction activity and create long-term employment.

Under the program, EDQ co-invests in infrastructure projects across the state, in the form of an interest-free loan, to accelerate development for the economic benefit of the community.

During 2017–18, $34.81 million worth of infrastructure was funded across Queensland and a number of projects were completed including Toowoomba Pulse Data Centre, Townsville Airport apron expansion, Palmview water and sewer plant, Mount Peter trunk sewer gravity mains and Elliott Springs intersection.

Aldoga Renewable Energy Project

The department is stimulating economic growth and innovation and supporting the state's renewable energy targets through the Aldoga Renewable Energy Project.

As part of the Advancing our Cities and Regions strategy, global energy giant Acciona Energy was selected to develop a $500 million solar energy project on a 1250-hectare underutilised site at Aldoga in the Gladstone State Development Area supporting 240 jobs during construction and 10 jobs in operation.

At maximum capacity, the project will deliver up to 265 megawatts (AC)—the equivalent amount of energy needed to supply up to 122,000 households. Acciona Energy will also establish a community benefits fund of between $50,000 to $120,000 per year, representing up to $3.6 million over the 30-year lease, to support local community groups.

Case study

Catalyst Infrastructure Program

In May 2017, FKG Group received approval for $10 million from the Queensland Government's Catalyst Infrastructure Program to begin early construction works for the Pulse Data Centre.

The growing demand for large-scale and highly functional data centres has driven this change, and regional centres, such as Toowoomba, offer greater options for expansion at reasonable rates.

The data centre is the cornerstone for the wider Technology Park, which is part of a broader strategy of FKG Group to build an innovative precinct on the site. The centre will accelerate economic development for the region by supporting corporate and enterprise customers, local, state and federal government agencies and large global technology companies.

The department is working closely with FKG Group to develop this precinct which, when fully operational, has the potential to house thousands of new jobs for the region.

Image: Pulse Data Centre

Sunshine Coast Industrial Park

The Queensland Government supports long-term industrial development, ensuring there is adequate supply of appropriate industrial land to create and retain jobs within local economies.

During 2017–18, the department sold $11.62 million of land in the Sunshine Coast Industrial Park at Caloundra, supporting an upturn in industry activity, generated by strong activity in the construction sector including Aura (located in the Caloundra South Priority Development Area) and improving economic conditions more broadly.

The Sunshine Coast Industrial Park supports approximately 430 direct and indirect jobs and contributes $52 million a year to the local economy. Upon completion, it will employ close to 4500 full-time equivalents and contribute $540 million a year to the local economy.

Regional industrial estates

The Queensland Government is supporting the next 30 years of industrial land supply in Gladstone, by expanding the Clinton Industrial Estate. EDQ has applied to Gladstone Regional Council to transform eight large industrial lots into 78 smaller lots, filling a gap in the industrial real estate market.

EDQ also acquired 805 hectares of land at Bohle Plains near Townsville to support future industrial development in the region. While the site is not required to be brought online for industry development at this stage, possible interim land uses such as a renewable energy project, are currently being explored.

State Infrastructure Plan - Annual update of Part B

The State Infrastructure Plan's annual update of the Part B program provides a coordinated and integrated approach to planning, funding and delivering infrastructure in Queensland. It does this by outlining the forward pipeline of emerging and current infrastructure investment strategies across all infrastructure classes, providing the private sector and all levels of government with the confidence to invest in Queensland.

New planning system

The department delivered on four years of legislative reform and transition work with the commencement of the *Planning Act 2016* on 3 July 2017. Significant investment was made in a strong transition plan to ensure councils and users of the systems were well positioned for the new Act by helping them to implement the new system and improve planning processes.

A key principle for transition was that it was council-led activity, with the state enabling fit-for-purpose strategies suited to each council. Funding was provided along with expert support to help councils drive improvements to their planning schemes and related processes.

Innovation and Improvement Fund

The government is committed to supporting councils as they realise the benefits of the new planning system and to providing opportunities to improve the overall performance of the planning system.

The $4.5 million Innovation and Improvement Fund promotes planning improvement and innovation across the state. It provides councils with opportunities to explore and deliver planning innovation and improvement projects to create a better planning system for all Queenslanders.

The fund is distributed in a series of rounds. Round 1 was open from March to May 2017 and received substantial interest from councils with $2.55 million provided for 33 projects across 40 councils. The Round 1 projects are to be completed by mid-July 2018.

Round 2 applications opened for eight weeks from 4 June 2018 to 27 July 2018. Eligible local government bodies, collaborating local governments and regional organisations of local governments were invited to submit applications for project funding.

Local Government Infrastructure Plans

The Minister granted 11 local governments approval to adopt their Local Government Infrastructure Plans (LGIPs), with a further 24 local governments approved to proceed to LGIP public consultation. The LGIPs identify current and future infrastructure requirements and provide a mechanism for councils to seek contributions from developers to fund timely delivery. The department has had continual contact with local governments to assist in the preparation and finalisation of their LGIPs. Additional work is being undertaken by the department to maximise efficiency and transparency in the delivery of vital public and community infrastructure.

Solar farm consultation and guidelines

Draft Queensland solar farm guidelines were prepared in partnership with the Department of Natural Resources, Mines and Energy (DNRME). The guidelines are intended for local governments, to ensure their planning schemes are equipped to consider this emerging form of development.

The DNRME guideline provides information for the community, landowners and project proponents. Both draft guidelines underwent stakeholder and community consultation in early 2018 with the department conducting five local government sessions attended by representatives from 16 local governments, and DNRME conducting five community sessions. There were 47 submissions received.

Development assessment

The department, through the State Assessment and Referral Agency (SARA), facilitated sustainable development across Queensland, balancing competing state interests and streamlining development approvals. In 2017–18, 2842 decision approvals were issued including:

- 1070 pre-lodgement advices
- 1910 referral agency responses (SARA)
- 364 assessment manager decisions issued (SDA)
- 154 early referral responses as referral agency
- 414 decisions on change applications/ permissible changes (SARA responsible entity)
- three wind farm decisions.

Case study

Smarter infrastructure for Queensland

With more than $300 billion of infrastructure spread around the state, the Queensland Government recognises that smarter infrastructure presents an opportunity to leverage innovation and technology to improve the efficiency and effectiveness of our assets.

Smarter infrastructure is the intersection between traditional physical infrastructure, and digital technology and innovation.

In 2017, the department released a discussion paper identifying challenges and opportunities for smarter infrastructure, and highlighted cases where innovation and technology are utilised.

The Smarter Infrastructure for Queensland Summit, held in October 2017, brought together public and private sector experts, and thought leaders from the digital, innovation and infrastructure sectors to identify challenges and pathways to deliver smarter infrastructure.

Ideas and themes discussed at the summit have now been published in a directions paper. These themes provide a foundation for the government to progress Queensland's smarter infrastructure agenda.

Image: Virtual tour of future infrastructure at the Smarter Infrastructure for Queensland Summit

2. Resilient, strong and sustainable rural and remote communities

The department implemented targeted initiatives and delivered creative and supportive programs to build resilient, strong and sustainable rural and remote communities.

Palm Island Regional Liveability project

The Palm Island Regional Liveability project facilitates and delivers catalyst projects that promote economic development and enhance liveability in the Aboriginal community of Palm island.

The project focuses on improving the lives of approximately 5000 Indigenous residents, increasing employment opportunities on the island and paving the way for a better future through the delivery of four economic development initiatives.

The Town Square redevelopment and streetscaping beautification and sport precinct refurbishment were completed during 2017–18.

Yarrabah Regional Liveability Project

EDQ in collaboration with the Yarrabah Aboriginal Shire Council commissioned an economic needs assessment to identify and deliver key catalyst projects and urban renewal opportunities to promote economic and community development, generate employment opportunities and enhance liveability in the community.

During 2017–18, EDQ continued to work with council to deliver the economic needs assessment that will assist in planning the town's infrastructure. Work also commenced on the community consultation and design for various public space beautification projects.

Potential catalyst projects to be delivered include: retail and business precinct, sporting precinct rejuvenation, public open space beautification, environment sustainability and community development.

Ageing in Place

The Ageing in Place pilot project is about enhancing regional liveability and supporting sustainability in local communities by providing suitable housing options for people as they enter their senior years. As the population ages, downsizing is sometimes not an option and can lead to people having to move towns, away from family and friends.

During 2017–18, EDQ completed two homes in Cloncurry as part of this pilot, which are now for sale on the open market.

Fit-for-purpose planning schemes for rural and remote councils

The department is assisting rural and remote local governments to efficiently and cost-effectively update their planning schemes using a template scheme and process. The new schemes establish a contemporary planning framework to facilitate economic development and appropriately manage natural hazards and new forms of development, such as solar farms.

To date, 15 councils have expressed interest in making a new planning scheme using the template. The Murweh Shire Planning Scheme was the first scheme produced using this template, with the Quilpie Shire planning scheme adopted in April 2018 and the Burke Shire planning scheme anticipated to be adopted by the end of 2018.

The remaining 12 councils have all resolved to make new planning schemes—the first step in plan making.

Image: Mackay Waterfront Priority Development Area River Steps artist's impression

3. Greater liveability and connectedness in coastal and hinterland communities

The department delivered targeted programs and implemented innovative initiatives to support greater liveability and connectedness in coastal and hinterland communities.

The Village, New Home Test Drive

The New Home Test Drive initiative is an Australian-first marketing approach that gives genuine buyers an opportunity to stay in a new three-bedroom home for up to two nights in EDQ's master-planned community, The Village, in Townsville.

The New Home Test Drive is targeted at people who have shown interest in building at The Village to reassure themselves they are making the right move before committing to a long-term financial commitment. It is a fully-immersive experience that is managed through the Airbnb platform and looks to eliminate some of the guesswork involved in building a new home.

Launched in May 2017, the first guests to stay as part of this initiative purchased a block of land within The Village.

Mackay Waterfront Priority Development Area

The Mackay Waterfront Priority Development Area (PDA) was declared on 25 May 2018, making it the 29th PDA in Queensland.

Requested by Mackay Regional Council, the 172-hectare PDA is centrally located and includes land and water along the southern side of the Pioneer River, including parts of the city centre, and extends east to the adjacent coastal water frontage along Binnington Esplanade.

With planning and development assessment delegated to council, redevelopment will complement the diverse mix of activities and attractions of the city centre. It will also advance the region's economy and job creation opportunities by establishing a waterfront destination with enhanced recreation, lifestyle, tourism and investment options.

Smarter Infrastructure Summit

The Smarter Infrastructure Summit, held in October 2017, brought leading digital and infrastructure practitioners together to help position Queensland as a leader in smarter infrastructure.

The summit provided a foundation to take forward good ideas through a range of government initiatives or programs. In June 2018, the government released the Smarter Infrastructure for Queensland Directions Paper that included seven key themes. These themes will be considered by members of a joint industry-government Infrastructure Innovation Taskforce, who will provide thought leadership to the Queensland Government.

Maturing the Infrastructure Pipeline Program

The Maturing the Infrastructure Pipeline Program (MIPP) complements existing grant programs and will assist councils in determining their infrastructure priorities, which can assist in better informing their submissions under the Building our Regions program, the Local Government Grants and Subsidies Program and other project delivery programs.

During the first phase of the MIPP, the department worked with 22 local governments and industry to assess 40 new infrastructure proposals across six asset classes. This first phase is supporting a diverse range of project planning, from a strategic assessment of the Flinders Shire Council's tourism proposal for Porcupine Gorge National Park, to investigating the best options to deliver economic benefit to the communities within the

Case study

Test drive a new home

If people could try out a home first, would they be more willing to buy?

This was the proposition for Lauren Miller and Guy Tabinor, the first people to trial Economic Development Queensland's New Home Test Drive initiative at its master planned residential development, The Village, in Townsville.

Recognising that buying a new home is the biggest financial investment people can make, EDQ, in partnership with Airbnb, launched this Australia-first initiative in April 2018 to help people decide if buying in The Village was the best decision for them.

The great news is that Lauren and Guy enjoyed their stay so much they fast-tracked the purchase of their dream block of land and signed a contract on the spot.

'We were attracted to the New Home Test Drive by the chance to get to better know the community at The Village before we committed to buying,' Lauren said.

'We're currently living in [Townsville suburb of] Douglas and wanted to stay close to the Barracks for Guy, a soldier currently serving in Afghanistan, and the location of The Village ticks that box,' she said.

'As first home-buyers, it's a little daunting to say "yes" to the next 30 years in one place, if you haven't spent a single night there before, so we are very appreciative of the chance to try out The Village.

'The house itself was lovely. It was well equipped with all the things we needed to make it feel like our very own home. We're so excited that we have been able to try this home and The Village out.

'We cannot wait to make The Village our forever home.'

Lauren and Guy started building their forever home in July 2018.

Image: Guy Tabinor and Lauren Miller 'test drive' their new home

Image: Developing Queensland's biomedical industry

Central Highlands Regional Council area through revitalising the Emerald Saleyards.

The second phase of the program, released in March 2018, received 177 submissions from more than 67 local governments.

The Spit Master Plan

During 2017–18, the department commenced preparation of a master plan for the Southport Spit (The Spit) to revitalise and enhance the public realm to create a community space for local residents and improve connection to the surrounding marine environment, including the Broadwater.

The master plan will consider opportunities for job creation through tourism, entertainment and recreation. To gain an appreciation of current conditions, opportunities and challenges and guide an understanding of the community's aspirations for the future of The Spit, the department:

- received more than 2800 pieces of community feedback
- created a project website that has been visited by more than 6500 users
- received 481 online survey responses
- convened 17 'pop-up' information sessions across 10 areas on or near The Spit attended by 882 people
- completed the first of four two-day community engagement workshops, attended by more than 50 key stakeholders and community representatives.

Future priorities

- Continue to consult with the community to gain an appreciation of current conditions, opportunities and challenges and guide an understanding of the community's aspirations for the future of The Spit as a place to live, work and play.
- Continue to work in partnership with Quandamooka Yoolooburrabee Aboriginal Corporation and Redlands City Council to improve living standards at One Mile and enhance Goompi as the entry point to Minjerribah.

  This will include preparing a Structure Plan for One Mile, identifying the necessary infrastructure requirements to improve living standards in the community by the end of 2018, and preparing the Goompi Master Plan.

  The master plan will seek to enhance Goompi's role and appeal as the gateway to North Stradbroke Island (Minjerribah) and will identify opportunities for development and investment in the town, to make a more functional and appealing link between Minjerribah and the mainland.

481

online survey responses

4. Prosperous and vibrant cities and urban places

The department undertook a wide range of projects and implemented innovative initiatives, contributing to and promoting the importance of prosperous and vibrant cities and community-focused urban places.

Advancing Our Cities and Regions

Advancing Our Cities and Regions (AOCR) is an innovative approach to renewing and repurposing surplus and underutilised state property to deliver economic, community and financial outcomes.

During 2017–18, the department undertook stakeholder engagement on two key projects—the former TAFE site, at Yeronga, and the former Oxley Secondary College.

The Queensland Government has committed to deliver a new Yeronga Community Centre as part of any redevelopment which could also include a mix of residential options, community and economic outcomes, open spaces and employment opportunities.

The former Oxley Secondary College site presents a unique revitalisation opportunity to deliver residential dwellings, retirement living facility, community centre and gardens, relocation of the existing child care centre, while preserving open spaces.

Gold Coast Health and Knowledge Precinct

The department is contributing to the greatest legacy project of the Commonwealth Games, the Gold Coast Health and Knowledge Precinct, which strongly aligns with the government's priorities to create jobs in a strong economy and increase private sector investment.

The $5 billion precinct in Southport is a 200-hectare area, already home to the Gold Coast University Hospital, Gold Coast Private Hospital, Griffith University and key infrastructure including the Gold Coast Light Rail and when fully delivered, will support 26,000 jobs.

Within the precinct is the Parklands Priority Development Area, a 9.5-hectare site on track to deliver a globally recognised health and knowledge community. Negotiations have begun with businesses and around $120 million of initial investment is anticipated.

Carseldine Urban Village

The next step in the delivery of the Carseldine Urban Village was achieved during 2017–18 with approval of a new $6.5 million sport and recreation precinct including three new soccer fields with flood lights, volleyball courts, tennis courts, a cricket pitch and practice nets, children's playground, exercise equipment, barbecues and an off-leash dog park.

The precinct will promote health, happiness and wellbeing in the local area with the new facilities expected to open to the public in early 2019.

The lodgement of the development application for Stage 1, which includes a boulevard entrance, and the subdivision of three master lots, which may see around 50 homes created and a proposed new site for retirement living, occurred during 2017–18.

Image: Part of the Gold Coast Health and Knowledge Precinct, pictured during GC2018

Case study

ShapingSEQ

***ShapingSEQ*, the new Regional Plan for South East Queensland (SEQ), was released in August 2017. It reflects the values, needs and great ideas of the community and was prepared through extensive consultation with the region's 12 councils, industry and the community.**

The plan includes a 50-year vision which looks to the region's longer-term future.

This new plan shapes the way SEQ will grow, prosper, connect, sustain and live, as the region grows to around 5.3 million people over the next 25 years. This growth will require approximately 950,000 new jobs and almost 800,000 new dwellings across SEQ by 2041.

Planning to accommodate and manage this growth required new thinking – a smarter approach and a new focus on where and how we'll live. There is a focus on affordable living and the way people interact with their community and the services around them.

By 2041, SEQ's urban centres will be more connected and mixed use. The communities will be more active and the areas in which we live will provide more housing choice and diversity, including a broader range of housing forms.

ShapingSEQ seeks to integrate and reflect Aboriginal and Torres Strait Islander peoples' knowledge and connection to the land and seascapes in future planning, particularly for locations where Indigenous landscape values have been recognised. The plan also ensured that scenic amenity and the recreational and ecological values of SEQ's internationally acclaimed hinterlands, beaches, bays, lakes and wetlands were protected.

ShapingSEQ also identified Regional Economic Clusters and region-shaping infrastructure to support economic growth and ensure SEQ has all the right ingredients to operate and compete globally and to provide for more local jobs.

New communities that are well-located will also be delivered – and this will mean greater housing choice, smart infrastructure investment, and jobs through attracting investment.

ShapingSEQ is supported by 29 implementation actions that are aligned to the five themes of the plan.

As part of a $5 million investment in land-supply monitoring, the Queensland Government has established a South East Queensland Housing Supply Expert Panel to ensure that housing needs will keep pace with estimated growth.

Image: Participants at the *ShapingSEQ* Youth Summit

Image: Queen's Wharf Brisbane, artist's impression

ShapingSEQ

During 2017–18 the department released *ShapingSEQ*, a South East Queensland Regional Plan that provides a framework for managing the region's growth during the next 25 years and sets a vision for the next 50 years.

Density and Diversity Done Well

The 'missing middle' is a term used in the *ShapingSEQ* to describe dwellings that sit between high-rise, high-density living and the free standing, suburban family home.

The Density and Diversity Done Well ('missing middle') Competition was a joint initiative of the department and the Urban Development Institute of Australia Queensland. The competition sought new housing options for Queensland to meet community, urban and environmental challenges. Winners were announced in May 2018.

Reconfiguring of a Lot code

The department has completed the Reconfiguring of a Lot code, for release in mid-2018. The code provides a contemporary set of standards to support diverse and affordable subdivision and housing outcomes.

It provides standards for best practice subdivision design, including allowing for a variety of lots and layouts, roads and parkland. The code complements the Queensland Housing Code currently being drafted by the Department of Housing and Public Works.

SEQ strategic assessment

The department is investing $5 million over two years from 2017–18 to commence the preparation of a strategic assessment for SEQ under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

Delivery of a strategic assessment will provide increased certainty to the development industry, environmental and community stakeholders about where development can proceed, while ensuring overall environmental outcomes for Matters of National Environmental Significance (MNES), including koala populations, are better than if referrals continued to be assessed by the Commonwealth on a project-by-project basis.

Since the commencement of the EPBC Act, more than 250 urban development projects have required referral to the Commonwealth. This can lead to increased costs, duplication of assessment, delays and lead to an uncoordinated approach to environmental assessment and approvals. Upon implementation, the strategic assessment has the potential to streamline the assessment process while delivering improved long-term conservation outcomes for the more than 200 MNES species that are found in SEQ.

Queen's Wharf Brisbane Plan of Development

A major milestone in the delivery of the $3.6 billion Queen's Wharf Brisbane integrated resort development was achieved with the approval of the Plan of Development in December 2017.

The approval is an important step for one of the biggest urban renewal projects undertaken in Brisbane and provides an overall master plan for the site. Further compliance approvals were also given for the excavation of the car park foundations and basements of the hotels and for new public realm areas, the Waterline Park and the Mangrove Walk.

Queen's Wharf Brisbane is a significant opportunity to create a destination that attracts national and international visitors to Brisbane and creates and supports thousands of jobs in the construction, tourism, retail and entertainment sectors.

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, and
- 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*.

Alison Mohr
Chief Finance Officer

Summary of financial performance

This section provides an overview of the financial statements of the department for the 2017–18 financial year, which are provided in detail at the 'financial statements' section of this report.

Understanding the financial statements

The 2017 MoG changes resulted in transfer of functions in and out of the department effective 1 January 2018.

The transfer in of MoG functions has resulted in increased revenue and expenses in the Statement of Comprehensive Income during 2017–18 and increased assets, liabilities and equity in the Statement of Financial Position as at 30 June 2018.

A comparison of the 2017–18 results with the 2016–17 results were considered and accepted by the department's Audit and Risk Management Committee at the August 2018 meeting.

Analysis—operating result

	2018 $'000	2017 $'000	Variance $'000
Total income	470,357	375,502	94,855
Total expenses	(507,926)	(363,583)	(144,343)
Operating result before income tax equivalent	**(37,569)**	**11,919**	**(49,488)**
Income tax equivalents	15,594	-	15,594
Total comprehensive income	**(21,975)**	**11,919**	**(33,894)**

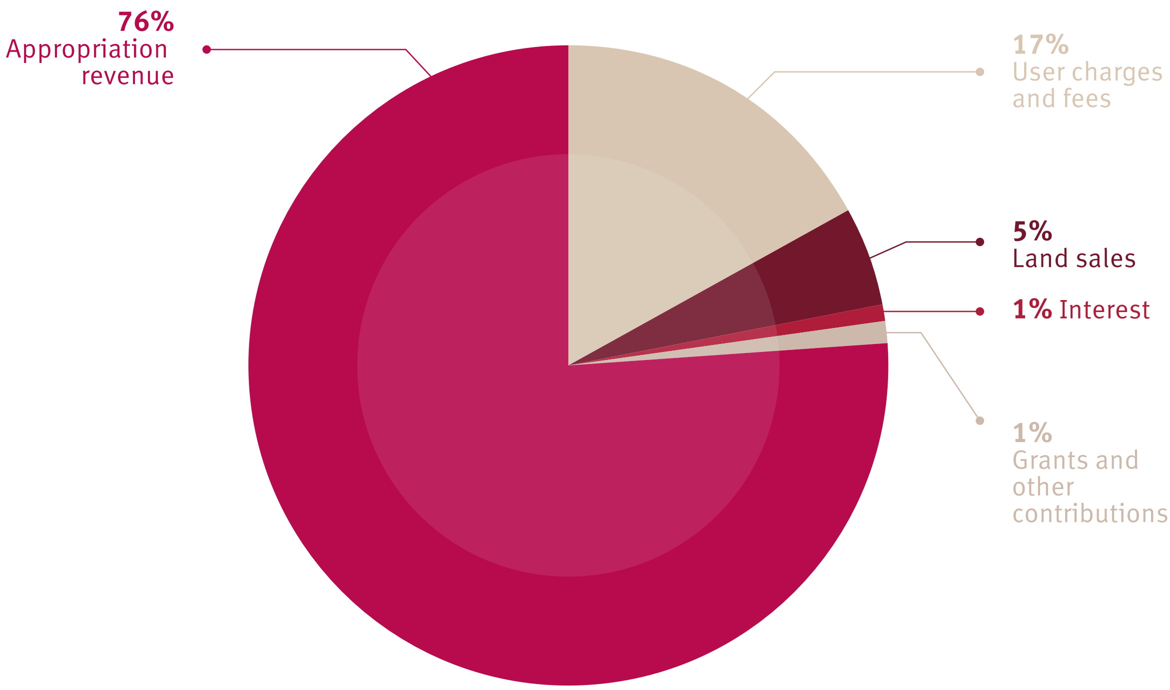
The operating result is attributable to revaluation decrements (see expenses above) with the most significant asset value adjustment resulting from the conclusion of the Gold Coast Commonwealth Games and pending transfer of control of the Commonwealth Games Village site to third parties. This transfer is in accordance with agreements entered into prior to site development and represents fulfilment of a contractual obligation of the State.

Income

Total income for the year ended 30 June 2018 is $470.36 million. The 2018 appropriation revenue increased by $173.28 million predominantly due to transactions relating to MoG changes and additional funding received for projects (including Building our Regions, Royalties for Region, Made in Queensland and the Advance Queensland Industry Attraction Fund).

The department's significant income categories are appropriation revenue and user charges and fees.

Figure 2: Income by category for the year ended 30 June 2018



Expenses

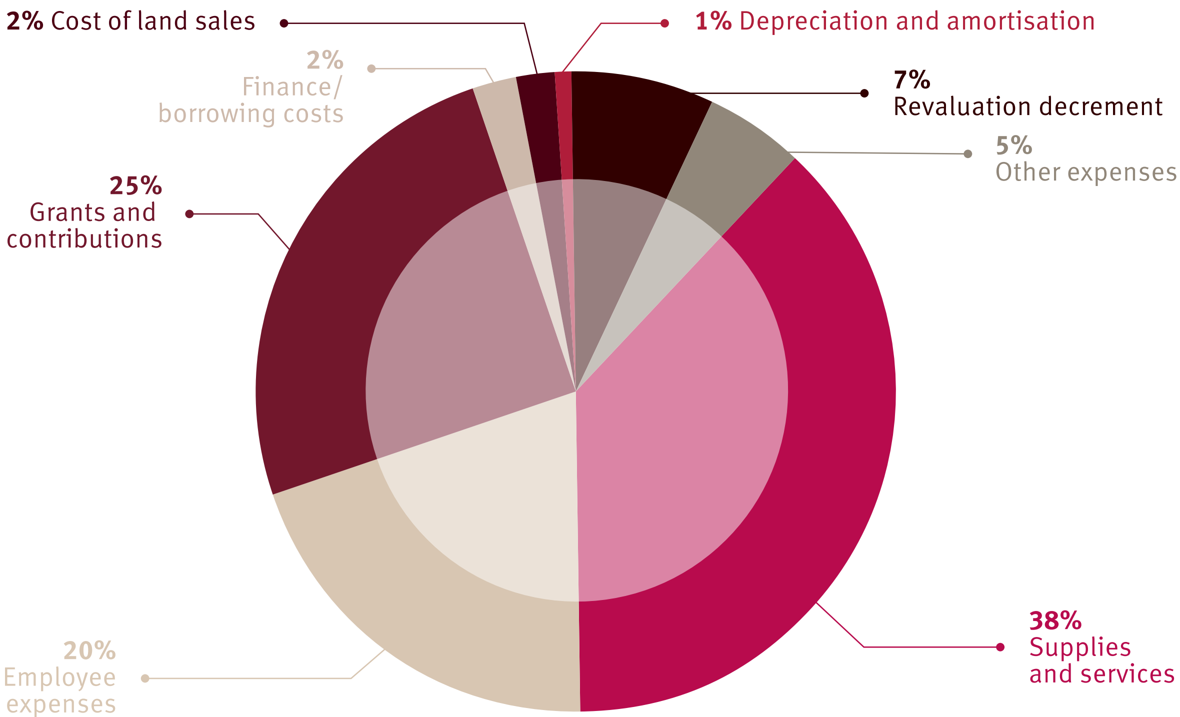
Total expenses for the year ended 30 June 2018 are $507.93 million. The 2018 total is an increase of $144.34 million from 2017, predominantly due to:

- increases in supplies and services, employee expenses, cost of land sales associated with MoG changes
- additional grant activity, particularly for the Building our Regions, Royalties for the Regions, Made in Queensland and the Advance Queensland Industry Attraction Fund programs.

This increase is partially offset due to the winding down of Commonwealth Games venues and village projects activity, following the finalisation of the event.

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

Figure 3: Expenses by category for the year ended 30 June 2018



Statement of financial position—Assets and liabilities

	2018 $'000	2017 $'000	Variance $'000
Total current assets	625,080	34,274	590,806
Total non-current assets	724,814	136,002	588,812
Total assets	**1,349,893**	**170,277**	**1,179,616**
Total current liabilities	205,455	56,364	149,091
Total non-current liabilities	229,271	65,414	163,857
Total liabilities	**434,726**	**121,777**	**312,949**
Total equity	**915,168**	**48,500**	**866,668**

Total assets as at 30 June 2018 are $1,349.89 million. The 2018 total is an increase of $1,179.62 million from 2017 is predominantly due to the recognition of land inventory, property, plant and equipment, investment property and deferred tax assets of EDQ transferred into the department due to MoG changes.

Total liabilities as at 30 June 2018 are $434.73 million. The 2018 total is an increase of $312.95 million from 2017 predominantly due to the recognition of liabilities for project related contractual obligations, deferred tax liabilities and QTC interest-bearing liabilities of EDQ transferred into the department due to MoG changes.

Department structure

Michael McKee
Deputy Director-General
Business Solutions and Partnerships

- **Jenny Lyons** — General Counsel
- **Ross Alcorn** — A/Executive Director, Strategic Policy and Legislation
- **Kris Stone-Tolcher** — Executive Director, Corporate Services
- **Bryony Hilless** — Executive Director, Engagement, Communication and Media
- **Jo Buckley** — Head of Internal Audit

Colin Cassidy
Deputy Director-General
Manufacturing and Industry Development

- **Denise Johnston** — Executive Director, Defence Jobs Queensland
- **John Lewis** — A/Executive Director, Manufacturing
- **Karen Wiik** — A/Executive Director, Industry Attraction and Investment Coordination
- **Danielle Ellem** — Executive Director, Industry Development, Economic and Commercial Analysis
- **Craig Whip** — Executive Director, Strategic Projects

Kerry Doss
Deputy Director-General
Planning

- **Stephen Conner** — Executive Director, Development Assessment
- **Kerry Riethmuller** — Executive Director, Regional and Spatial Planning
- **James Coutts** — Executive Director, Priority Planning Projects
- **Megan Bayntun** — A/Executive Director, Policy and Statutory Planning
- **Graeme Bolton** — Executive Director, Planning and Development Services
- **Megan Read** — Executive Director, South Bank
- **Malcolm Middleton** — Queensland Government Architect

Darren Crombie
Deputy Director-General
Infrastructure Policy and Planning

- **Natalie Wilde** — General Manager, Infrastructure Performance and Innovation
- **Lisa Pollard** — General Manager, Infrastructure Policy and Coordination

Bernadette Zerba
A/Deputy Director-General
Regional Economic Development

- **Craig Rutledge** — Executive Regional Director, South
- **Darren Cleland** — Executive Regional Director, North
- **Maree Parker** — Executive Director, Regional Strategy and Programs

The Hon. Cameron Dick MP
Minister for State Development, Manufacturing, Infrastructure and Planning

Rachel Hunter
Director-General

- **Toni Power**, Deputy Director-General, Industry Partnerships
  - **Gerard Coggan**, Executive Director, Project Facilitation
  - **Joanne Paterson**, A/Executive Director, Market-Led Proposals
  - **Scott Edwards**, Director, Industry Projects
- **Paul Herd**, Deputy Director-General, Major Projects and Property
  - **Bill Lewis**, Executive Director, Project Delivery
  - **Lee Callum**, Executive Director, Community Hubs and Partnerships
  - **Brendan Jarvis**, A/Executive Director, Property Queensland
  - **Michael Allen**, Executive Director, Project Development
- **Greg Chemello**, General Manager, Economic Development Queensland
  - **Desiree Houston-Jones**, Executive Director, Planning Services
  - **Peter Smith**, Executive Director, Technical Services
  - **Andrew Sly**, Executive Director, Development Strategy
  - **Tim O'Neill**, Executive Director, SEQ Developments
  - **Lavinia Dack**, Executive Director, Regional Developments
  - **Jason Camden**, Executive Director, Project Support

Barry Broe, Coordinator-General, Office of the Coordinator-General
- **David Stolz**, Assistant Coordinator-General, State Development Areas
- **Kerry Smeltzer**, Assistant Coordinator-General, Land Acquisition and Project Delivery
- **Michele Bauer**, Assistant Coordinator-General, Coordinated Project Delivery

Governance and executive

Executive positions (as at 30 June 2018)

Michael Schaumburg

Director-General

Appointed July 2015

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.

Barry Broe

Coordinator-General

Appointed April 2012

The Coordinator-General uses wide-ranging powers under the SDPWO Act to facilitate large-scale and complex projects that support economic development across the state, including coordinating environmental impact assessments; overseeing development and controlling land use in state development areas; enabling access to and acquisition of land (and easements) to support projects and monitoring and stepping into approval processes to ensure projects are delivered in a timely manner. The Coordinator-General also administers the SSRC Act which ensures that residents of communities near large resource projects benefit from the construction and operation of those projects.

Paul Herd

Deputy Director-General, Major Projects and Property

Appointed September 2017

The primary function of Major Projects and Property is to lead the delivery of economic development outcomes by facilitating the planning, development and delivery of infrastructure and property projects that realise economic opportunities for Queensland.

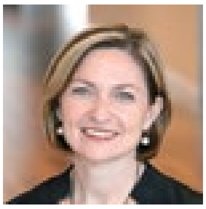
Colin Cassidy

Deputy Director-General, Manufacturing and Industry Development

Appointed August 2013

Manufacturing and Industry Development leads industry attraction; supports and develops priority, new and emerging industries; and provides expert commercial and economic analysis of projects and programs to measure and promote productivity.

Executive positions
(as at 30 June 2018)



Bernadette Zerba

Acting Deputy Director-General, Regional Economic Development

Appointed 8 January 2018

Regional Economic Development provides an integrated suite of business, industry and regional development services throughout the state, focusing on regional economic growth to support regional employment.

Toni Power

Deputy Director-General, Industry Partnerships

Appointed May 2017

Industry Partnerships works across government to facilitate private sector projects, through the Jobs and Regional Growth Fund and the Market-Led Proposals framework. Industry Partnerships leads commercial discussions with proponents to support private sector investment, contributing directly to economic development, job creation and regional growth.

Kerry Doss

Deputy Director-General, Planning

Appointed September 2017

Planning facilitates economic activity, well-planned Queensland communities, and the measured protection of the natural environment and built heritage.

The Office of the Queensland Government Architect is part of the Planning Group and is responsible for providing leadership and strategic advice on urban design and the built environment to government departments and local councils.

Darren Crombie

Deputy Director-General, Infrastructure Policy and Planning

Appointed April 2015

Infrastructure Policy and Planning (IPP) plays a lead role in coordinating infrastructure planning, innovation, investment and delivery across government, to maximise use of capital funding. Working collaboratively across government, IPP aims to ensure government's infrastructure investment provides clear economic benefit and delivers the best value-for-money to Queenslanders.

Greg Chemello

General Manager, Economic Development Queensland

Appointed September 2015

Economic Development Queensland (EDQ) is the government's specialist land use planning and property development arm. EDQ plans and manages declared Priority Development Areas (PDAs) around the state and drives a range of development projects including large complex urban sites which facilitate renewal, regional residential projects which respond to community need, industrial activities which generate ongoing employment opportunities, and infrastructure projects which activate further development.

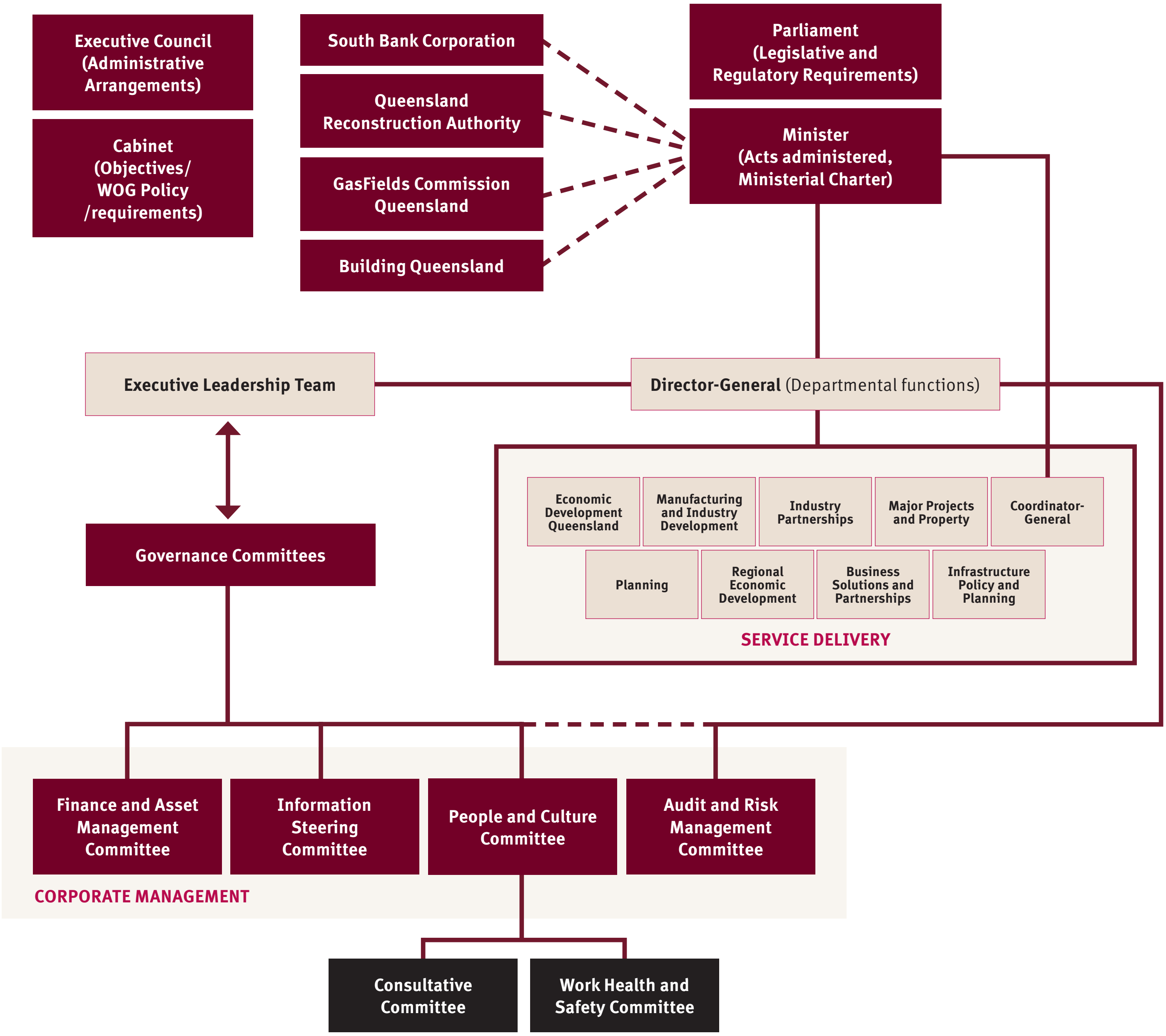
Michael McKee

Deputy Director-General, Business Solutions and Partnerships

Appointed November 2015

Business Solutions and Partnerships 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.

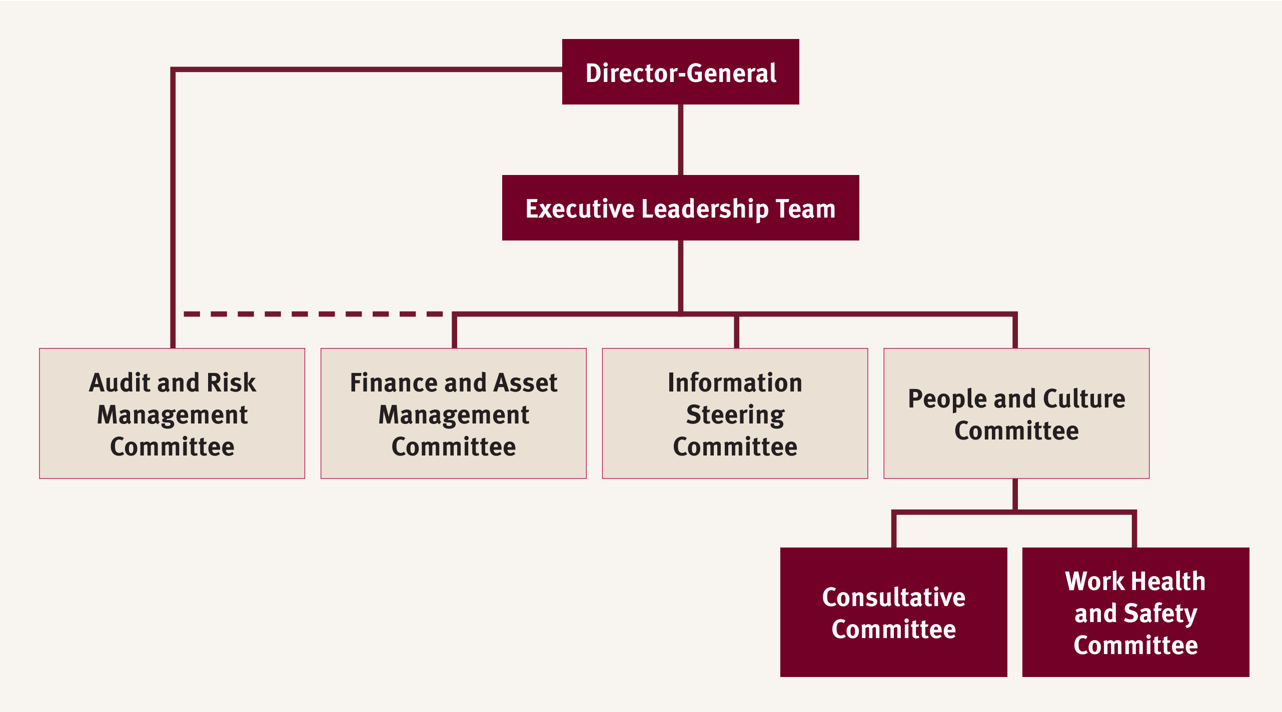
Governance framework



Accountability

The department adheres to the *Public Sector Ethics Act 1994* (PSE Act) and the *Financial and Performance Management Standard 2009* (FPMS). At the highest level, the Executive Leadership Team and the four supporting governance committees oversee organisational performance and risk, ensuring we operate efficiently, effectively and transparently.

Governance committees



Committee	Membership as at 30 June 2018
Executive Leadership Team	• Director-General (Chair) • Coordinator-General • Deputy Director-General, Business Solutions and Partnerships • Deputy Director-General, Industry Partnerships • Deputy Director-General, Infrastructure Policy and Planning • Deputy Director-General, Major Projects and Property • Deputy Director-General, Manufacturing and Industry Development • Deputy Director-General, Planning • Deputy Director-General, Regional Economic Development • General Manager, Economic Development Queensland • Executive Director, Office of the Director-General
The Executive Leadership Team (ELT) supports the Director-General in discharging her responsibilities as the department's accountable officer by providing leadership, direction and guidance. The team's focus is on strategic planning, policy setting, risk management, resource allocation and financial performance management and reporting, ensuring the department is responsive to changing community and business needs, and government priorities. ELT meets weekly and sits as a strategic review committee quarterly.	

Committee	Membership as at 30 June 2018
Audit and Risk Management Committee	• Eric Muir (Chair and External Member). Remuneration: $7865 (excl GST) • Marita Corbett, Partner, BDO (External Member). Remuneration: $6325 (excl GST) • Michael Farrell, Project Executive Director, Special Projects Unit, Department of Innovation, Tourism, Industry Development and the Commonwealth Games (External Member) • Toni Power, Deputy Director-General, Industry Partnerships (member since June 2018) • Jason Camden, Executive Director, Project Support, Economic Development Queensland (member since June 2018) • Kerry Petersen, former Deputy Director-General, Major Projects and Property (resigned July 2017) • Matthew Andrew, former Executive Director, Industry Development, Economic and Industry Development (resigned July 2017) • Head of Internal Audit (observer)

The Audit and Risk Management Committee (ARMC) was established pursuant to the *Financial and Performance Management Standard* 2009 (FPMS). ARMC provides 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
- better practice guidance issued by the Australian National Audit Office.

The ARMC meets on four occasions during the financial year.

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 2017–18 included:

- reviewing the department's annual report for the year ending 30 June 2018
- reviewing and endorsing the department's financial statements for the year ending 30 June 2018
- reviewing and endorsing the department's Internal Audit Strategic Plan 2018–21 and Annual Audit Plan 2018–19
- endorsing the ARMC Charter and the Internal Audit Charter for 2018–19
- receiving regular reports on Internal Audit activities, including audits and reviews completed as part of the Internal Audit Annual Audit Plan 2017–18
- 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 as the department gains a greater awareness of the identified risks and mitigation strategies.

The ARMC considers that it has observed the terms of its Charter and has had due regard to Queensland Treasury's Audit Committee Guidelines.

Committee	Membership as at 30 June 2018
Finance and Asset Management Committee	• Director-General (Chair) • Deputy Director-General, Business Solutions and Partnerships • Deputy Director-General, Major Projects and Property • Deputy Director-General, Manufacturing and Industry Development • General Manager, Economic Development Queensland • Assistant Coordinator-General, State Development Areas • Chief Financial Officer (observer)
The Finance and Asset Management Committee (FAMC) was established pursuant to the requirements of the *Financial Accountability Act 2009* and the FPMS to assist the Director-General in the management of the department's finances and assets. FAMC provides advice and direction to deliver departmental services in the most efficient, effective and economical manner. The committee focuses on strategic resource decisions including budget development, financial management and controls, emerging risks to funding, reporting, assets or resourcing. The committee meets quarterly.	

Committee	Membership as at 30 June 2018
Information Steering Committee	• Deputy Director-General, Business Solutions and Partnerships (Chair) • Deputy Director-General, Infrastructure Policy and Planning • Deputy Director-General, Planning • Deputy Director-General, Regional Economic Development • Executive Director, Project Support, Economic Development Queensland • Chief Information Officer (observer)
The Information Steering Committee (ISC) provides advice to the Director-General on the strategic management and application of information and technology resources, including personnel and funding, to ensure that new investments support the department's strategic plan, goals and needs, and provides security oversight. The committee aims to obtain value-for-money and return on investment within well-controlled risk containment and benefits management frameworks. The ISC meets monthly.	

<table>
<tr><th>Committee</th><th>Membership as at 30 June 2018</th></tr>
<tr><td>People and Culture Committee</td><td>Director-General (Chair)
Coordinator-General (or delegate)
Deputy Director-General, Business Solutions and Partnerships
Deputy Director-General, Industry Partnerships
Deputy Director-General, Infrastructure Policy and Planning
Deputy Director-General, Major Projects and Property
Deputy Director-General, Manufacturing and Industry Development
Deputy Director-General, Planning
Deputy Director-General, Regional Economic Development
General Manager, Economic Development Queensland
Executive Director, Corporate Services (observer)
Director, Human Resources (observer)</td></tr>
<tr><td colspan="2">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.</td></tr>
</table>

Corporate services

Government bodies

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

- Building Queensland Board ($1.771 million)
- GasFields Commission Queensland ($2.5 million)
- Queensland Reconstruction Authority ($204.840 million)
- Brisbane City Council for management of South Bank and Roma Street Parklands ($13.681million).

Payments made to the Building Queensland Board, Queensland Reconstruction Authority and Brisbane City Council represent 1 January 2018 to 30 June 2018 only. These functions were transferred into the department as part of the Machinery of Government changes effective 1 January 2018.

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**

Other government bodies within the department's portfolio include:

- Commonwealth Games Infrastructure Authority
- Economic Development Board
- Gladstone Foundation Board of Advice
- Industry and Manufacturing Advisory Group
- North Stradbroke Island Economic Transition Strategy
- Queensland Urban Design and Places Board.

Further information is available on the department's website: **www.dsdmip.qld.gov.au**

Risk management

The department is committed to a robust and integrated Enterprise Risk Management Framework that reflects our vision, values, objectives and resources while supporting good governance, accountability obligations and decision-making.

A medium risk appetite has been established to best support calculated risk in order to maximise the department's capacity to achieve strategic objectives.

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).

During 2017, a Risk and Opportunity Maturity Strategy project was initiated to embrace a developing risk maturity that promises a proactive, integrated, inclusive and accountable approach to risk management.

The department's Audit and Risk Management Committee (ARMC) reviews the effectiveness of the department's Enterprise Risk Management Framework, processes and system of risk registers. The ARMC also assesses and contributes to the department's internal audit planning processes that encourage opportunities for best practice risk management through continuous improvement.

Internal audit

Pursuant to section 29 of the *Financial and Performance Management Standard 2009* (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 assist the department to 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 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 2017–18 was set out in the approved Internal Audit Strategic Audit Plan 2017–20 and Annual Audit Plan 2017–18, subsequently amended for MoG changes that took effect 1 January 2018. This plan followed a risk-based methodology, balancing emerging issues against reviews of core business, emerging initiatives and transactional processes. Auditable areas were identified based on consultation, assessment of risk and assurance mapping.

Achievements of Internal Audit during 2017–18 include:

- developing and delivering a risk-based annual plan of audits covering assurance about, and improving effectiveness of, governance, financial controls, systems, operations, compliance and risk management
- providing advisory services to the department to help improve risk management, control and governance, and business operations
- completing audits and reviews as detailed in the annual internal 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
- providing effective secretariat services for the department's ARMC.

External scrutiny

In addition to his 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 audits directly applicable to the department included:

- *Auditor-General's Report 4: 2017–18,* Integrated Transport Planning—tabled in Parliament 12 December 2017
- *Auditor-General's Report 6: 2017–18,* Fraud Risk Management—tabled in Parliament 15 February 2018
- *Auditor-General's Report 8: 2017–18,* Confidentiality and Disclosure of Government contracts—tabled in Parliament 20 February 2018
- *Auditor-General's Report 11: 2017–18,* Queensland Government: 2016–17 results of financial audits—tabled in Parliament 22 February 2018.

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

Ethics and governance

Our Ethics and 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.

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

- complaints management
- registering declarations of interests and managing conflicts of interest
- gifts and benefits
- contacts with lobbyists
- preventing fraud and corruption
- training and development related to ethics and governance
- liaising with the Crime and Corruption Commission (CCC) and the Queensland Ombudsman's Office
- the management of public interest disclosures and complaints related to corrupt conduct
- right to information and privacy
- corporate policy coordination and review
- corporate delegations.

Within the realm of governance, the corporate policies and delegations have undergone a comprehensive review during 2017–18. The reviewed and updated policies and the development of complementary procedure documents will ensure that all corporate policies support requirements outlined in relevant legislation, as well as the ethical principles in the *Public Sector Ethics Act 1994*. The corporate delegations which have been reviewed support the operations of the department by ensuring that delegated accountabilities and responsibilities are clear, whilst ensuring that decisions can be made at the most appropriate levels of the department.

Departmental employees uphold the Code of Conduct for the Queensland Public Service and receive regular training on the code, starting at induction. During 2017–18, there were 22 workshops and training sessions delivered to staff on topics related to ethics and the Code of Conduct, including eight sessions delivered to SES and equivalent staff and nine sessions delivered to regional staff in the department's Regional and Economic Development Group.

Employees also have access to other training and development opportunities in relation to ethics and governance. During 2017–18, all staff were required to complete on-line code of conduct training, with over 95 per cent of staff completing this training. Information on ethics and governance was also embedded in the quarterly corporate induction sessions. The Ethics and Governance Unit has also provided tailored advice and information sessions to staff across the department on request, with over 200 pieces of specialist advice being provided.

During 2017–18, much of the advice and training has been focused on ensuring staff have an improved understanding and appreciation of the implications of gifts and benefits, as well as fraud and corruption prevention.

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 2017–18, there were 35 complaints lodged against the department, of which 18 resulted in business improvement and/or management action.

Information systems and records management

The department's information management strategy ensures compliance with the *Public Records Act 2002*, *Public Service Act 2008*, Information Standard 40 – Recordkeeping and Information Standard 31 – Retention and Disposal of Public Records.

Departmental employees are required to remain aware of their recordkeeping obligations and the requirement to capture, manage and secure documents, correspondence and files in the department's electronic Document Records Management System (eDRMS).

As part of the department's long-term goal of building an information management framework focused on integration of business systems, extensive mapping of data and information architecture is underway. This will assist in the use and accessibility of information to support decision-making.

Improvements to information security and associated security protocols have been a priority during 2017–18 and key initiatives included:

- strengthening authentication systems
- strengthening vulnerability management capability to reduce risk to websites
- increased security reviews, assessment and monitoring processes
- completion of information security classification labelling of departmental information (correspondence, documents and files) in the eDRMS
- delivery of mandatory employee information security eLearning training module.

The department continues to work towards more digital processes with a focus on the 'born digital stay digital' approach to managing its information and records. A sizable percentage of files are received electronically and managed through internal electronic approval processes. There was a 50 per cent reduction of physical files moved to storage compared to the previous year, an indicator of the increasingly digital nature of transactions.

The department did not experience any loss of files or important data.

Queensland Government open data

The department publishes some information relating to its annual reporting requirements via the Queensland Government Open Data website (https://data.qld.gov.au).

Items covered are:

- consultancies
- language services
- overseas travel.

Our workforce

Workforce planning and performance

The Workforce Plan 2017–2021 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 are valued and supported, and that enables new ways of thinking and encourages innovative solutions
- happy, healthy, engaged employees that are recognised and rewarded for their contributions
- a link to whole-of-government priorities and outcomes
- initiatives are in line with the industrial relations framework and environment.

The Workforce Plan is implemented in keeping with our commitment to demonstrating the public service values:

The 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 our levers for change, under which more detailed initiatives are identified.

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 our employees; and where our people are recognised and rewarded for their contributions, achievements and values-based behaviour.

Achievements include:

- three graduate rotation placements through participation in the Department of the Premier and Cabinet Policy Futures graduate program
- release of an on-line recruitment and selection training module and delivery of face-to-face training to employees, with a focus on contemporary recruitment practices, inclusion and diversity
- more visible advertising of roles that are suitable to support flexible working arrangements
- ongoing application of the reward and recognition program for employees who have demonstrated our public service values or excellence in service delivery.

Case study

Policy Futures graduate program

Policy Futures is a graduate development program aimed at building policy capability across the Queensland Government. The program builds high-performing, outcomes-focused policy professionals by providing graduates with a unique opportunity to work across a range of diverse and complex policy environments over two years.

During 2017–18, the department was assigned five graduates with demonstrated policy expertise across several fields including law, economics, commerce, environmental sciences and creative arts.

Under Policy Futures, the department obtained versatile, dynamic and enthusiastic individuals that fulfilled a vital role within their work teams. More importantly, they have been recognised for their valuable contribution to the department's culture and working environment through their appetite to learn and efforts to work collaboratively.

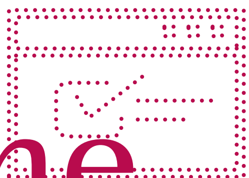
Image: Policy Futures graduate program participants Matthew Parsons, Nicole Scharf, Alex Marinovic, Hannah Surridge, and graduate supervisor Shane Steele.

2. Leadership and capability

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

Initiatives include:

- a refreshed formal induction program including a new leader on-boarding program
- continued implementation of an enhanced performance management framework 'My Conversations' to strengthen the department's performance management and development culture
- continued focus on learning and development activities emphasising a 70/20/10 per cent balance of time between workplace, social and formal learning
- continued enhancement of the learning and talent management system, ELMO which provides on-line training content. ELMO will be integrated in 2018–19 with the department's performance management framework
- continuing the mentoring program matching internal mentors and mentees to build a highly skilled workforce with increased succession planning opportunities
- a Leadership Development Strategy, focused on succession planning and developing emerging leaders
- availing senior leaders of an executive coaching panel.



3534 **online** courses completed through the department's internal learning and talent management system 'ELMO'

3. New ways of working

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 include:

- a *Workforce Agility Strategy* to achieve effective workforce planning, and utilisation of departmental workforce resources, meet capability requirements and increase workforce capacity
- establishment of the *Data Sharing and Analytics Strategy* and supporting team 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 corporate services functions
- information sharing and collaboration opportunities including regular staff forums.

Flexible working

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

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

Initiatives included:

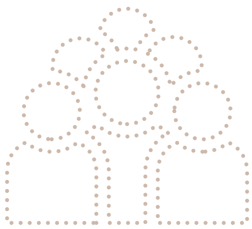
- participation in the whole-of-government Distributed Work Centres pilots at Robina, Ipswich and the Sunshine Coast
- release of an on-line training module 'Supporting Work/Life Balance'
- a leadership panel discussion on 'Sharing, caring and career success – a male perspective of flexible working'
- 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 National Flexible Working Day.

65%

of departmental employees

currently use flexible working arrangements



4. Culture

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

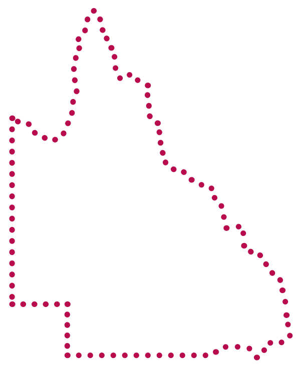
Achievements include:

- participation in the annual whole-of-government confidential employee opinion survey, *Working for Queensland*, including an analysis of results to inform Workforce Plan priorities
- participation in the White Ribbon Australia accreditation program to enhance prevention and response to domestic and family violence matters
- enhancing the ethics and governance framework and practices, including the refreshed on-line code of conduct training, management of gifts and benefits and conflicts of interest
- capability development programs and awareness campaigns to 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 focusing on physical, psychological, social, work and financial employee wellbeing. The program included:
    - health assessments for employees
    - skin cancer checks and flu vaccinations
    - ergonomic and posture care assessments
    - information sessions and on-line promotions
    - the employee assistance program including support for employees impacted by domestic and family violence
    - promotion of community awareness events including R U OK Day, Mental Health Awareness Month, Safe Work Month and Domestic Family Violence Awareness Month
    - establishment of the Wellness Warriors volunteer group.

96.5%

participation rate

in the annual Working for Queensland staff survey



Inclusion and diversity

In 2016, the Public Service Commission (PSC) requested all agencies 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 SO and SES job roles. Annual reporting on progress against these targets is provided externally to the PSC and internally to the People and Culture Committee.

During 2017–18, the department:

- published the *Inclusion and Diversity Policy* and linked these commitments through other human resources policies
- concluded a roll out of anti-discrimination training to all managers and employees, delivered by the Anti-Discrimination Commission
- released an inclusion and diversity on-line training module
- continued implementation of an Indigenous employment strategy, which allows for school-based and new trainees to enter the workforce at central or regional offices, and experience work conducted in various business groups
- undertook ongoing promotion of LGBTIQ+ (lesbian, gay, bisexual, transgender, intersex and queer) matters and events
- commenced implementation of a Gender Equality Action Plan focused on visible and vocal leadership commitment, recruitment, retention and capability development activities and opportunities
- launched the Workplace Adjustment Passport to assist employees with impairments to document agreed reasonable workplace adjustments
- trialed closed-captioning at staff forums and events.

Industrial and employee relations framework

All employees are covered by the *Industrial Relations Act 1999* 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 is provided to managers and employees in relation to terms and conditions of employment, policies and processes.

During 2017–18, one employee lodged a notice of dispute with the Queensland Industrial Relations Commission (QIRC) under section 261 of the *Industrial Relations Act 2016*. The matter in dispute was the refusal of an application for special leave. A conciliation conference was held by the QIRC between the parties, at which no settlement was reached. The employee withdrew the matter.

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 on a quarterly basis. The parties to the Committee are:

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

Consultation with the union was undertaken in late 2017/early 2018 to discuss potential impacts on employees arising from the implementation of the MoG changes as outlined in the Public Service Departmental Arrangements Notice (No.3) 2017. The MoG took effect on 12 December 2017.

Work Health and Safety Committee

The department takes an integrated approach to achieving and continuously improving our 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 on a quarterly basis. During 2017–18, the WHS Committee developed and commenced 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 health work environment'. Implementation progress is monitored by the Committee.

Workforce profile

The department has a workforce of 958 full time equivalent employees with a permanent separation rate of 5.66 per cent. This is an increase from 2016–17. Our workforce profile is depicted in the following graphs—Figure 4 and Figure 5.

Retirements, redundancies and retrenchments

During 2017–18, two employees received voluntary medical retirement packages at a total cost of $137,146.47.

Figure 4:
Workforce distribution by salary and gender as at 30 June 2018

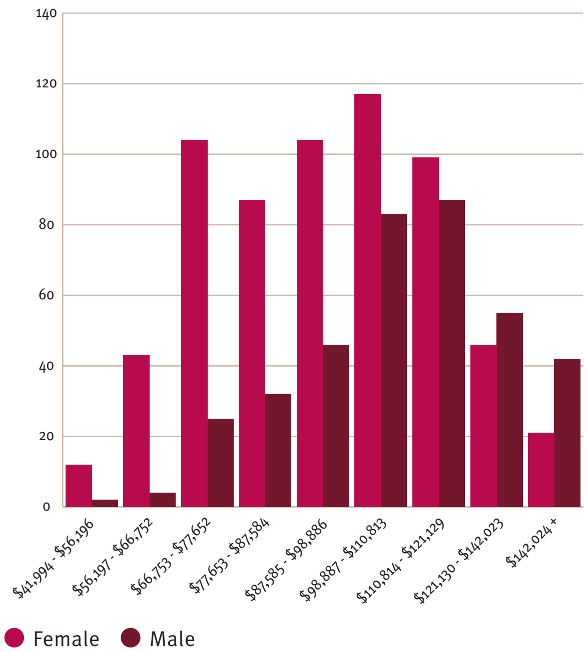


Figure 5:
Workforce distribution by age and gender as at 30 June 2018

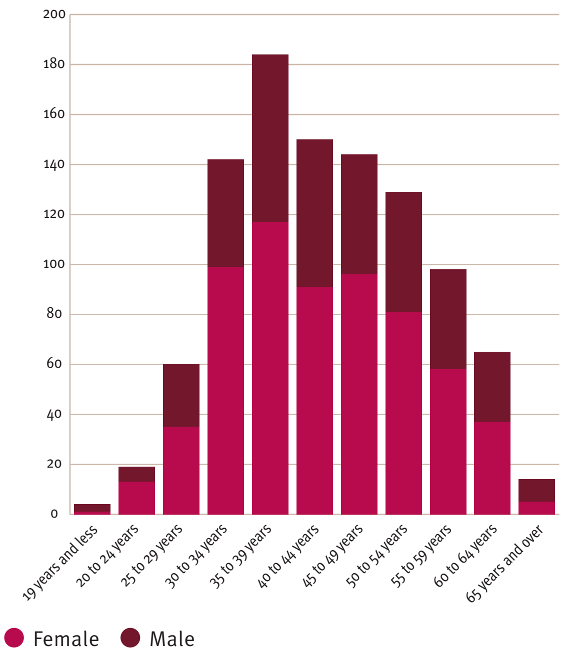


Image: Cook Medical facility, Eight Mile Plains

Financial statements

Department of State Development, Manufacturing, Infrastructure and Planning

Financial Statements for the year ended 30 June 2018

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 2018

	Notes	2018 $'000	2017 $'000
Income			
Appropriation revenue	5	358,569	185,294
User charges and fees	6	79,917	175,379
Land sales		23,168	-
Interest		4,430	-
Grants and other contributions		3,080	2,060
Other revenue		260	1,081
Total revenue		469,423	363,815
Gains on disposal and remeasurement of assets	7	934	11,687
Total income		**470,357**	**375,502**
Expenses			
Supplies and services	8	194,742	211,128
Grants and contributions	9	128,536	65,075
Employee expenses	10	99,939	74,262
Revaluation decrement		35,072	637
Finance/borrowing costs		11,589	2,141
Cost of land sales	15	10,354	-
Depreciation and amortisation		1,896	1,859
Impairment losses		86	290
Land inventory written off	15	26	-
Other expenses	12	25,686	8,192
Total expenses		**507,926**	**363,583**
Operating result before income tax equivalent		**(37,569)**	**11,919**
Income tax equivalents		15,594	-
Operating result after income tax equivalent		**(21,975)**	**11,919**
Total other comprehensive income		**-**	**-**
Total comprehensive income		**(21,975)**	**11,919**

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 2018

	Notes	2018 $'000	2017 $'000
Current assets			
Cash and cash equivalents	13	196,728	9,568
Receivables	14	108,355	16,265
Land inventories	15	316,149	-
Prepayments		1,006	211
		622,238	26,044
Non-current assets classified as held for sale	16	2,842	8,231
Total current assets		625,080	34,274
Non-current assets			
Receivables	14	82,006	505
Property, plant and equipment	17	350,736	124,124
Investment property	18	250,575	-
Intangible assets	19	17,720	11,374
Deferred tax equivalent asset	20	23,777	-
Total non-current assets		724,814	136,002
Total assets		**1,349,893**	**170,277**
Current liabilities			
Payables	21	87,005	24,452
Interest-bearing liabilities	22	21,430	7,721
Accrued employee benefits		4,490	3,232
Provisions	23	53,383	3,914
Deferred tax equivalent liability	20	3,065	-
Other liabilities	24	36,082	17,045
Total current liabilities		205,455	56,364
Non-current liabilities			
Payables	21	25,622	-
Interest-bearing liabilities	22	102,173	57,856
Provisions	23	13,126	6,114
Deferred tax equivalent liability	20	80,378	-
Other liabilities	24	7,972	1,443
Total non-current liabilities		229,271	65,414
Total liabilities		**434,726**	**121,777**
Net assets		**915,168**	**48,500**
Equity			
Contributed equity		1,354,124	465,481
Accumulated deficit		(438,956)	(416,981)
Total equity		**915,168**	**48,500**

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 2018

	Notes	Contributed equity $'000	Accumulated deficit $'000	Total $'000
Balance as at 1 July 2016		**476,319**	**(428,900)**	**47,418**
Operating result		-	11,919	11,919
Total comprehensive income for the year		-	11,919	11,919
Transactions with owners as owners:				
Appropriated equity withdrawals	5	(17,850)	-	(17,850)
Net transfers in from other Queensland Government entities		12	-	12
Non-appropriated equity injections		7,000	-	7,000
Net transactions with owners as owners		(10,838)	-	(10,838)
Balance as at 30 June 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 withdrawals	5	93,904	-	93,904
Net transfers in from other Queensland Government entities		(205)	-	(205)
Balance transferred through machinery-of-Government change		799,039	-	799,039
Non-appropriated equity injections		(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**

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 2018

	Notes	2018 $'000	2017 $'000
Cash flows from operating activities			
Inflows:			
Appropriation receipts		283,950	176,057
User charges and fees		65,143	153,046
Land sales		23,168	-
Grants and other contributions		2,546	1,829
GST input tax credits received from Australian Taxation Office		21,357	20,799
GST collected from customers		12,825	2,461
Interest receipts		3,222	-
Other inflows		586	1,086
Outflows:			
Supplies and services		(133,314)	(227,202)
Employee expenses		(99,426)	(73,757)
Grants and contributions		(114,430)	(65,075)
GST paid to suppliers		(22,228)	(20,665)
GST remitted to Australian Taxation Office		(10,740)	(2,428)
Finance/borrowing costs		(2,988)	(2,141)
Income tax equivalents		(331)	-
Other outflows		(2,992)	(6,068)
Net cash provided by/(used in) operating activities	25	**26,348**	**(42,059)**
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		10,981	21,876
Sales of intangible assets		-	340
Loans and advances redeemed		3,107	-
Outflows:			
Payments for property, plant and equipment		(51,579)	(4,827)
Payments for investment properties		(4,222)	-
Payments for intangible assets		(1,125)	(771)
Loans and advances made		(28,457)	-
Net cash provided by/(used in) investing activities		**(71,295)**	**16,618**
Cash flows from financing activities			
Inflows:			
Equity injections		87,351	19,042
Proceeds from borrowings		10,407	-
Outflows:			
Equity withdrawals		(1,500)	(29,318)
Borrowing redemptions		(12,018)	(7,434)
Net cash provided by/(used in) financing activities		**84,240**	**(17,710)**
Net increase/(decrease) in cash and cash equivalents		39,293	(43,151)
Increase in cash and cash equivalents from restructuring		147,867	-
Cash and cash equivalents at beginning of financial year		9,568	52,719
Cash and cash equivalents at end of financial year	13	**196,728**	**9,568**

The accompanying notes form part of these financial statements.

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 2018

	Driving Enterprise Development, Economic Growth and Job Creation *		Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth *		Infrastructure Policy and Planning *		Better Planning for Queensland *	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Income								
Appropriation revenue	206,961	102,801	118,178	82,493	7,631	39,704	25,799	42,188
User charges and fees	2,151	2,963	83,711	172,416	77	162	2,013	4,358
Land sales	-	-	-	-	-	-	-	-
Interest	19	-	-	-	-	-	-	-
Grants and other contributions	2,699	1,958	69	103	8	8	37	274
Other revenue	53	291	53	790	4	44	59	166
Total revenue	**211,884**	**108,013**	**202,012**	**255,802**	**7,720**	**39,918**	**27,908**	**46,986**
Gains on disposal and remeasurement of assets	-	1	476	11,687	-	-	-	-
Total income	**211,884**	**108,014**	**202,488**	**267,489**	**7,720**	**39,918**	**27,908**	**46,986**
Expenses								
Supplies and services	25,564	24,018	95,966	187,110	3,628	25,720	8,312	15,468
Grants and contributions	127,869	60,802	70,371	4,273	7	2,091	705	1,678
Employee expenses	43,425	40,046	30,252	34,215	3,426	8,492	14,985	27,265
Revaluation decrement	-	-	(13,331)	637	-	-	-	-
Cost of land sales	82	-	1,740	2,141	-	-	-	-
Finance/borrowing costs	-	-	-	-	-	-	-	-
Impairment losses	392	655	535	1,204	12	20	942	393
Depreciation and amortisation	-	-	-	290	-	-	-	(83)
Land inventory written off	-	-	-	-	-	-	-	-
Other expenses	5,532	4,295	12,790	3,897	405	3,596	2,088	2,271
Total expenses	**202,864**	**129,817**	**198,322**	**233,766**	**7,478**	**39,919**	**27,033**	**46,992**
Operating result before income tax equivalent	**9,020**	**(21,803)**	**4,166**	**33,723**	**242**	**(1)**	**875**	**(6)**
Income tax equivalents	-	-	-	-	-	-	-	-
Operating result after income tax equivalent	**9,020**	**(21,803)**	**4,166**	**33,723**	**242**	**(1)**	**875**	**(6)**
Other comprehensive income								
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**9,020**	**(21,803)**	**4,166**	**33,723**	**242**	**(1)**	**875**	**(6)**

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

Comparative figures have been restated as a result of the machinery-of-Government as outlined in Note 3.

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 2018

	Business and Economic Growth *		Inter-Service/Unit Eliminations		Total	
	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
Income						
Appropriation revenue	-	-	-	-	358,569	267,186
User charges and fees	8,774	22,990	(16,809)	(874)	79,917	202,015
Land sales	23,168	65,211	-	-	23,168	65,211
Interest	4,411	7,360	-	-	4,430	7,360
Grants and other contributions	70,682	38,239	(70,415)	(37,504)	3,080	3,077
Other revenue	190	587	(99)	-	260	1,878
Total revenue	**107,224**	**134,387**	**(87,324)**	**(38,378)**	**469,423**	**546,728**
Gains on disposal and remeasurement of assets	458	143	-	-	934	11,830
Total income	**107,682**	**134,530**	**(87,324)**	**(38,378)**	**470,357**	**558,558**
Expenses						
Supplies and services	78,178	56,917	(16,907)	(874)	194,742	308,359
Grants and contributions	-	-	(70,415)	(37,504)	128,536	31,340
Employee expenses	7,853	13,933	(2)	-	99,939	123,952
Revaluation decrement	48,403	-	-	-	35,072	637
Cost of land sales	9,767	2,148	-	-	11,589	4,289
Finance/borrowing costs	10,354	38,546	-	-	10,354	38,546
Impairment losses	15	50	-	-	1,896	2,322
Depreciation and amortisation	86	274	-	-	86	481
Land inventory written off	26	13,389	-	-	26	13,389
Other expenses	4,872	20,376	-	-	25,686	34,435
Total expenses	**159,554**	**145,633**	**(87,324)**	**(38,378)**	**507,926**	**557,749**
Operating result before income tax equivalent	**(51,872)**	**(11,103)**	**-**	**-**	**(37,569)**	**809**
Income tax equivalents	15,594	(7,048)	-	-	15,594	(7,048)
Operating result after income tax equivalent	**(36,278)**	**(18,151)**	**-**	**-**	**(21,975)**	**(6,239)**
Other comprehensive income						
Increase/(decrease) in asset revaluation surplus	-	5,510	-	-	-	5,510
Total other comprehensive income	**-**	**5,510**	**-**	**-**	**-**	**5,510**
Total comprehensive income	**(36,278)**	**(12,641)**	**-**	**-**	**(21,975)**	**(729)**

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

Comparative figures have been restated as a result of the machinery-of-Government as outlined in Note 3.

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 2018

	Driving Enterprise Development, Economic Growth and Job Creation *		Assessing, Approving, Developing and Delivering Projects to Generate Jobs and Economic Growth *		Infrastructure Policy and Planning *		Better Planning for Queensland *	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Current assets								
Cash and cash equivalents	10,024	5,309	32,200	4,259	747	5,338	3,627	7,843
Receivables	25,568	8,535	49,333	7,730	2,191	5,287	10,679	1,204
Land inventories	-	-	-	-	-	-	-	-
Prepayments	272	137	79	74	2	71	419	223
	35,864	13,980	81,612	12,064	2,940	10,696	14,725	9,270
Non-current assets classified as held for sale	-	-	2,842	8,231	-	-	-	-
Total current assets	**35,864**	**13,980**	**84,455**	**20,294**	**2,940**	**10,696**	**14,724**	**9,270**
Non-current assets								
Receivables	1,557	-	-	505	-	-	19,524	19,524
Property, plant and equipment	345	693	184,632	123,430	26	65	125	206
Investment property	-	-	-	-	-	-	-	-
Intangible assets	1,585	995	10,417	10,379	-	-	5,718	7,486
Deferred tax equivalent asset	-	-	-	-	-	-	-	-
Total non-current assets	**3,487**	**1,687**	**195,049**	**134,313**	**26**	**65**	**25,365**	**27,216**
Total assets	**39,351**	**15,667**	**279,504**	**154,607**	**2,966**	**10,761**	**40,091**	**36,486**
Current liabilities								
Payables	7,630	10,719	29,200	13,733	2,945	5,229	24,758	5,239
Interest-bearing liabilities	-	-	7,936	7,721	-	-	-	-
Accrued employee benefits	960	1,765	1,143	1,467	316	386	1,446	1,223
Provisions	-	-	30,002	3,914	-	-	-	-
Income tax payable	-	-	-	-	-	-	-	-
Deferred tax equivalent liability	-	-	-	-	-	-	-	-
Other liabilities	12	14	25,938	17,030	1	203	351	642
Total current liabilities	**8,602**	**12,498**	**94,219**	**43,866**	**3,261**	**5,818**	**26,556**	**7,104**
Non-current liabilities								
Payables	6,663	-	4,579	-	497	-	2,411	-
Interest-bearing liabilities	-	-	49,992	57,856	-	-	-	-
Provisions	-	-	-	6,114	-	-	-	-
Deferred tax equivalent liability	-	-	-	-	-	-	-	-
Other liabilities	1,399	801	962	642	104	-	506	-
Total non-current liabilities	**8,063**	**801**	**55,533**	**64,613**	**601**	**-**	**2,918**	**-**
Total liabilities	**16,665**	**13,299**	**149,752**	**108,479**	**3,862**	**5,818**	**29,474**	**7,104**

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

Comparative figures have been restated as a result of the machinery-of-Government as outlined in Note 3.

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 2018

	Business and Economic Growth *		Inter-Service/Unit Eliminations		Total	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Current assets						
Cash and cash equivalents	150,129	182,776	-	-	196,728	205,525
Receivables	60,611	12,237	(40,028)	-	108,355	34,993
Land inventories	316,149	305,495	-	-	316,149	305,495
Prepayments	234	240	-	-	1,006	745
	527,123	500,748	(40,028)	-	622,238	546,758
Non-current assets classified as held for sale	-	-	-	-	2,842	8,231
Total current assets	**527,123**	**500,748**	**(40,028)**	**-**	**625,080**	**554,988**
Non-current assets						
Receivables	94,599	48,058	(33,674)	(19,524)	82,006	48,563
Property, plant and equipment	165,608	209,609	-	-	350,736	334,004
Investment property	250,575	259,933	-	-	250,575	259,933
Intangible assets	-	-	-	-	17,720	18,860
Deferred tax equivalent asset	23,777	3,122	-	-	23,777	3,122
Total non-current assets	**534,560**	**520,722**	**(33,674)**	**(19,524)**	**724,814**	**664,481**
Total assets	**1,061,683**	**1,021,470**	**(73,702)**	**(19,524)**	**1,349,893**	**1,219,470**
Current liabilities						
Payables	62,501	69,901	(40,028)	-	87,005	104,821
Interest-bearing liabilities	13,494	8,493	-	-	21,430	16,214
Accrued employee benefits	625	625	-	-	4,490	5,466
Provisions	23,381	-	-	-	53,383	3,914
Income tax payable	-	6,659	-	-	-	6,659
Deferred tax equivalent liability	3,065	-	-	-	3,065	-
Other liabilities	9,779	10,864	-	-	36,082	28,754
Total current liabilities	**112,845**	**96,542**	**(40,028)**	**-**	**205,455**	**165,828**
Non-current liabilities						
Payables	45,146	19,524	(33,674)	(19,524)	25,622	-
Interest-bearing liabilities	52,181	32,664	-	-	102,173	90,520
Provisions	13,126	-	-	-	13,126	6,114
Deferred tax equivalent liability	80,378	86,888	-	-	80,378	86,888
Other liabilities	5,000	6,000	-	-	7,972	7,443
Total non-current liabilities	**195,831**	**145,076**	**(33,674)**	**(19,524)**	**229,271**	**190,966**
Total liabilities	**308,676**	**241,618**	**(73,702)**	**(19,524)**	**434,726**	**356,793**

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

Comparative figures have been restated as a result of the machinery-of-Government as outlined in Note 3.

Preparation information

Departmental objectives and activities

Performance for the year

Operating assets and liabilities

Other notes

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 2017.

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 in Note 34.

Presentation

Currency and rounding: Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or where the amount is $500 or less, to zero, unless disclosure of the full amount is specifically required. 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 2016–17 financial statements.

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

Unless otherwise stated, the historical cost convention is used as the basis of establishing fair value.

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. Balances relating to the department's commercialised business unit (CBU), Economic Development Queensland (EDQ), are included from 1 January 2018.

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 2017–18 financial year.

2. Department objectives

The department brings together the functions of the Coordinator-General; manufacturing and industry development; regional economic development; major projects and property; industry partnerships; planning; infrastructure, policy and planning and EDQ. Our objectives are to attract investment, grow manufacturing and priority industry sectors, advance communities and regions, facilitate the delivery of strategic infrastructure projects and support the creation of places to live, work and play.

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 of create jobs in a strong economy, protect the Great Barrier Reef and be a responsive Government.

Infrastructure Policy and Planning

This service area's objective is to lead the Queensland Government’s efforts in developing and coordinating policy, planning and prioritisation of infrastructure activities. This includes coordinating infrastructure policy, and contributing to national infrastructure agendas and whole-of-state infrastructure planning. The service area is responsible for delivering an Infrastructure Program coordination function across government. It delivers reform initiatives that will improve the way infrastructure planning is coordinated, and strengthen integration with regional land-use and economic planning. 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.3) 2017* on 12 December 2017, the Department of State Development was renamed the Department of State Development, Manufacturing, Infrastructure and Planning. Under this notice, the following functions were transferred in and out of the department effective 1 January 2018:

- Planning; Infrastructure, Policy and Planning; and Economic Development Queensland (EDQ) functions were transferred in from the former Department of Infrastructure, Local Government and Planning (DILGP). EDQ is a Commercialised Business Unit (CBU) and incorporates joint ventures outlined in Note 1.
- Market Led Proposal Services was transferred in from Queensland Treasury.
- Special Projects Unit was transferred out to the Department of Innovation, Tourism Industry Development (DITID) and the Commonwealth Games.
- Priority Ports Master Planning was transferred out to Department of Transport and Main Roads (DTMR).

The responsibility of forwarding administered appropriation revenue of $220.292 million to the Queensland Reconstruction Authority, South Bank and Roma Street Parklands and Building Queensland has been allocated to the department from the former DILGP. Refer to Note 32 for further information.

The assets and liabilities transferred as a result of the machinery-of-Government (moG), effective from 1 January 2018, are outlined below. Please note that the Market Led Proposals Service and Priority Ports Master Planning did not have balance sheet balances to transfer at 1 January 2018.

	Transferred in		Transferred out	Net total
	Economic Development Queensland	Planning and Infrastructure	Special Projects Unit	
	$'000	$'000	$'000	$'000
Current assets				
Cash and cash equivalents	142,650	5,217	-	147,867
Receivables	30,903	-	-	30,903
Land inventories	311,527	-	-	311,527
Prepayments	407	187	-	594
Total current assets	485,487	5,404	-	490,891
Non-current assets				
Receivables	54,119	19,524	-	73,643
Property, plant and equipment	202,069		165	201,904
Investment property	260,618	-	-	260,618
Intangible assets	-	6,602	-	6,602
Deferred tax equivalent asset	2,942	-	-	2,942
Total non-current assets	519,748	26,126	165	545,709
Total assets	**1,005,235**	**31,530**	**165**	**1,036,600**
Current liabilities				
Payables	8,272	-	-	8,272
Interest-bearing liabilities	8,973	-	-	8,973
Provisions	50,707	-	-	50,707
Deferred tax equivalent liability	(517)	-	-	(517)
Other liabilities	13,098	2,788	-	15,886
Total current liabilities	80,533	2,788	-	83,321
Non-current liabilities				
Payables	19,524	-	-	19,524
Interest-bearing liabilities	55,664	-	-	55,664
Other liabilities	79,050	-	-	79,050
Total non-current liabilities	154,238	-	-	154,238
Total liabilities	**234,771**	**2,788**	**-**	**237,559**
Net assets	**770,464**	**28,742**	**165**	**799,041**

The net increase in assets of $799.041 million has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

As part of the machinery-of-Government changes, budgeted appropriation revenue of $90.820 million was reallocated to the department from the former DILGP and Queensland Treasury. In addition, budgeted appropriation revenue of $14.917 million was reallocated from the department to DITID and the Commonwealth Games and DTMR.

4. Budget to actual comparison

Statement of Comprehensive Income

	Variance notes	Adjusted Budget 2018 $'000	Actual 2018 $'000	Variance $'000
Income from continuing operations				
Appropriation revenue	(a)	399,027	358,569	(40,458)
User charges and fees	(b)	89,500	79,917	(9,583)
Land sales	(c)	50,111	23,168	(26,943)
Interest		223	4,430	4,207
Grants and other contributions		1,729	3,080	1,351
Other revenue		-	260	260
Total revenue		540,590	469,423	(71,166)
Gains on disposal and remeasurement of assets		-	934	934
Total income from continuing operations		**540,590**	**470,357**	**(70,232)**
Expenses from continuing operations				
Supplies and services	(d)	243,353	194,742	(48,611)
Grants and contributions	(e)	157,903	128,536	(29,367)
Employee expenses		98,881	99,939	1,058
Revaluation decrement	(f)	-	35,072	35,072
Finance/borrowing costs		4,509	11,589	7,080
Cost of land sales	(g)	40,525	10,354	(30,171)
Depreciation and amortisation		1,859	1,896	37
Impairment losses		-	86	86
Land inventory written off		-	26	26
Other expenses	(h)	4,719	25,686	20,967
Total expenses from continuing operations		**551,749**	**507,926**	**(43,823)**
Operating result from continuing operations before income tax equivalent		**(11,159)**	**(37,569)**	**(26,409)**
Income tax equivalents	(i)	-	15,594	15,594
Operating result from continuing operations after income tax equivalent		**(11,159)**	**(21,975)**	**(10,815)**
Total comprehensive income		**(11,159)**	**(21,975)**	**(10,815)**

The accompanying notes form part of these financial statements.

Explanations of major variances

(a) The decrease in Appropriation revenue of $40.458 million is primarily due to:
- the transferring of project and program expenditure of $114.528 million to future years. This includes the Maturing the Infrastructure Pipeline Program and Planning Reform initiatives which were extended due to the 2017 State Election; the North Stradbroke Island Economic Transition Strategy extending negotiations with co-funding stakeholders to complement the Queensland Government contribution; and the Building our Regions grant program which deferred funding from 2017–18 to future years due to severe weather conditions and council prioritisation,
- offset by an increase of $54.127 million for EDQ project costs for contractual obligations, of which $16.596 million has been recognised as trade payables, $36.507 recognised as provisions and $1.024 million represents the discounted component of the provision, and
- an increase of $20.967 million for other expenses (refer note h).

(b) The decrease in User charges of $9.583 million is primarily due to lower than budgeted user charges relating to major construction project recoveries.

(c) The decrease in Land sales of $26.943 million is due to lower than budgeted sales for residential projects as a result of the softening of the residential market in regional Queensland and updated timings of new projects from longer than expected project timeframes.

(d) The decrease in Supplies and services of $48.611 million is primarily due to:
- the transferring of expenditure to future years of $102.738 million for projects and programs including Maturing the Infrastructure Pipeline Program, Planning Reform initiative and the North Stradbroke Island Economic Strategy (refer note a),
- offset by an increase of $54.127 million relating to EDQ program expenditure (refer note a).

(e) The decrease in Grants and contributions payments of $29.367 million is primarily due to deferred funding from 2017–18 to future years for the Building our Regions grant program (refer note a).

(f) The increase in Revaluation decrement of $35.072 million primarily relates to the write down of $48.403 million on specific EDQ land sites, upon utilisation of the assets economic benefit. This increase is partially offset by increments for comprehensive land revaluations of $13.700 million, predominantly for land held within declared State Development Areas.

(g) The decrease in Cost of sales of $30.171 million is due to reduced land sales for EDQ (refer note c).

(h) The increase in Other expenses of $20.967 million is primarily due to:
- other expenses recognised for appropriation payable of $11.105 million resulting from the transferring of departmental projects and initiatives funding from 2017–18 to future years, and
- a payment of $9.082 million that was made to a proponent for services in relation to the proposed Integrated Resort Development for the Gold Coast Spit following the State's decision to terminate the proposal.

(i) 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.

4. Budget to actual comparison (continued)

Statement of Financial Position

	Variance notes	Adjusted Budget 2018 $'000	Actual 2018 $'000	Variance $'000
Current assets				
Cash and cash equivalents	(a)	75,457	196,728	121,271
Receivables	(b)	43,417	108,355	64,938
Land inventories	(c)	423,910	316,149	(107,761)
Prepayments		776	1,006	230
		543,560	622,238	78,678
Non-current assets classified as held for sale		10,005	2,842	(7,163)
Total current assets		553,565	625,080	71,515
Non-current assets				
Receivables	(d)	145,463	82,006	(63,457)
Property, plant and equipment	(e)	378,373	350,736	(27,637)
Investment property		245,078	250,575	5,497
Intangible assets		20,031	17,720	(2,311)
Deferred tax equivalent asset		2,323	23,777	21,454
Prepayments		9,219	-	(9,219)
Total non-current assets		800,487	724,814	(75,673)
Total assets		**1,354,052**	**1,349,893**	**(4,158)**
Current liabilities				
Payables	(f)	64,265	87,005	22,740
Interest-bearing liabilities	(g)	60,452	21,430	(39,022)
Accrued employee benefits		3,341	4,490	1,149
Provisions	(h)	30,000	53,383	23,383
Deferred tax equivalent liability		-	3,065	3,065
Other liabilities	(i)	14,315	36,082	21,767
Total current liabilities		172,373	205,455	33,082
Non-current liabilities				
Payables		-	25,622	25,622
Interest-bearing liabilities	(j)	125,391	102,173	(23,218)
Provisions	(k)	3,352	13,126	9,774
Deferred tax equivalent liability		88,761	80,378	(8,383)
Other liabilities		140	7,972	7,832
Total non-current liabilities		217,644	229,271	11,627
Total liabilities		**390,017**	**434,726**	**44,709**
Net assets / Total equity		**964,035**	**915,168**	**(48,867)**

The accompanying notes form part of these financial statements.

Explanations of major variances

(a) The increase in Cash and cash equivalents of $121.271 million predominantly relates to EDQ's cash balance for development projects of $102.117 million and unbudgeted deposits received from proponents for future land acquisitions.

(b) The increase in Current receivables of $64.938 million primarily relates to unbudgeted appropriation receivable of $54.127 million for expenditure brought forward in relation to EDQ project costs, contractual obligations, and an equity injection receivable of $7.960 million from Queensland Treasury for construction costs.

(c) The decrease in Land inventories of $107.761 million is mainly due to the:
- reprioritisation of projects and programs and lower development expenditure as a result of a revised schedule of development activity,
- the value of inventory decreased due to the increase in Cost of goods sold, caused by the softening of the regional residential and industrial land market to reflect prevailing market conditions following biannual business case reviews and valuation reports, and
- transfer from inventory to property, plant and equipment for development and management costs related to investment property,
- offset by an adjustment from work in progress to land inventories.

(d) The decrease in Non-current receivables of $63.457 million is primarily due to a revised funding forecast for the Catalyst Infrastructure Program and Catalyst loans.

(e) The decrease in Property, plant and equipment of $27.637 million predominantly relates to the revaluation decrement on property, including EDQ properties.

(f) The increase in Current payables of $22.740 million predominantly relates to an additional $16.596m in relation to EDQ contractual obligations and $25.239 million for EDQ infrastructure contributions.

(g) The decrease in Current interest bearing liabilities of $39.022 million is primarily due to budgeted deposits received from proponents for future land acquisitions classified as other current liabilities (refer note i) and lower drawdown of debt related to development projects and the Catalyst infrastructure loans for EDQ.

(h) The increase in Current provisions of $23.383 million is primarily due to contractual commitments resulting from projects and programs managed by EDQ.

(i) The increase in Current other liabilities of $21.767 million is primarily due to budgeted deposits received from proponents for future land acquisitions originally budgeted against interest-bearing liabilities, but reassessed during the year as other liabilities (refer note g).

(j) The increase in Non-current payables of $25.622 million is for the addition of EDQ infrastructure contributions.

(k) The decrease in Non-current interest-bearing liabilities of $23.218 million due to a lower drawdown of debt related to development projects and the Catalyst infrastructure loans.

4. Budget to actual comparison (continued)

Statement of Cash Flows

	Variance notes	Adjusted Budget 2018 $'000	Actual 2018 $'000	Variance $'000
Cash flows from operating activities				
Inflows:				
Appropriation receipts	(a)	395,251	283,950	(111,301)
User charges and fees	(b)	88,931	65,143	(23,788)
Land sales	(c)	50,111	23,168	(26,943)
Grants and other contributions		1,519	2,546	1,027
GST input tax credits received from Australian Taxation Office		18,894	21,357	2,463
GST collected from customers		5,025	12,825	7,800
Interest receipts		212	3,222	3,010
Other inflows		6,824	586	(6,238)
Outflows:				
Supplies and services	(d)	(340,391)	(133,314)	207,077
Employee expenses		(98,648)	(99,426)	(778)
Grants and contributions	(e)	(157,903)	(114,430)	43,473
GST paid to suppliers		(18,277)	(22,228)	(3,951)
GST remitted to Australian Taxation Office		(4,977)	(10,740)	(5,763)
Finance/borrowing costs		(4,509)	(2,988)	1,521
Income tax equivalents		(6,201)	(331)	5,870
Other outflows		(3,758)	(2,992)	766
Net cash provided by/(used in) operating activities		**(67,897)**	**26,348**	**94,245**
Cash flows from investing activities				
Inflows:				
Sales of property, plant and equipment		14,024	10,981	(3,043)
Loans and advances redeemed		3,559	3,107	(452)
Outflows:				
Payments for property, plant and equipment	(f)	(68,307)	(51,579)	16,728
Payments for investment properties		-	(4,222)	(4,222)
Payments for intangible assets		-	(1,125)	(1,125)
Loans and advances made	(g)	(57,988)	(28,457)	29,531
Net cash provided by/(used in) investing activities		**(108,712)**	**(71,295)**	**37,417**
Cash flows from financing activities				
Inflows:				
Equity injections	(h)	104,055	87,351	(16,704)
Security deposits received		-	-	-
Proceeds from borrowings	(i)	53,505	10,407	(43,098)
Outflows:				
Equity withdrawals	(j)	(16,146)	(1,500)	14,646
Borrowing redemptions	(k)	(33,196)	(12,018)	21,178
Net cash provided by/(used in) financing activities		**108,218**	**84,240**	**(23,978)**
Net increase/(decrease) in cash and cash equivalents		(68,391)	39,293	107,684
Increase in cash and cash equivalents from restructuring		128,207	147,867	19,660
Cash and cash equivalents at beginning of financial year		15,641	9,568	(6,073)
Cash and cash equivalents at end of financial year		**75,457**	**196,728**	**121,271**

The accompanying notes form part of these financial statements.

Explanations of major variances

(a) The decrease in Appropriation revenue of $111.301 million is due to realigned appropriations (refer Note 5). This includes the Maturing the Infrastructure Pipeline Program and Planning Reform initiatives which were extended due to the 2017 State Election; the North Stradbroke Island Economic Transition Strategy extending negotiations with co-funding stakeholders to complement the Queensland Government contribution; and the Building our Regions grant program which deferred funding from 2017–18 to future years due to severe weather conditions and council prioritisation.

(b) The decrease in User charges of $23.788 million is due to lower than budgeted User charges relating to major construction project recoveries.

(c) The decrease in Land sales of $26.943 million is due to lower than budgeted sales for residential projects as a result of the softening of the residential market in regional Queensland and updated timing of new projects due to longer than expected project timeframes.

(d) The decrease in Supplies and services of $207.077 million is primarily due to the transferring of expenditure to future years for projects and programs including Maturing the Infrastructure Pipeline Program, Planning Reform and the North Stradbroke Island Economic Strategy (refer note a), and updated timing of new EDQ projects due to longer than expected project timeframes.

(e) The decrease in Grants and contributions payments of $43.473 million is primarily due to deferred funding from 2017–18 to future years for the Building our Regions grant program (refer note a).

(f) The decrease in payments for Property, plant and equipment of $16.728 million is due to realignment of costs to operating expenditure, a contingency saving and updated project milestones.

(g) The decrease in Loans and advances provided of $29.531 million is due to the Catalyst Infrastructure Program execution of contracts as a result of longer than expected project timeframes.

(h) The decrease in Equity injections of $16.704 million is due to less than forecast funding required from Queensland Treasury to fund EDQ activities of $10.235 million and equity injection receivable at 30 June 2018.

(i) The decrease in Proceeds from borrowings of $43.098 million is due to updated timing of Catalyst infrastructure loans following alignment to infrastructure delivery requirements.

(j) The decrease in Equity withdrawals of $14.646 million relates to forecast sale of land at the Salisbury Plains Industrial Precinct and planned sale of Mary Valley land deferred from 2017–18 to a future year, and equity withdrawal payable at 30 June 2018.

(k) The decrease in Borrowing redemptions of $21.178 million is due to an overall lower level of forecast debt in line with the revised EDQ development activity and lower sales, which has resulted in lower loan repayments.

	Notes	2018 $'000	2017 $'000
5. Reconciliation of payments from consolidated fund to appropriation revenue recognised in Statement of Comprehensive Income			
Budgeted appropriation receipts		319,348	310,513
Redistribution of government business		75,903	-
Lapsed appropriation receipts		(111,301)	(134,456)
Total appropriation receipts (cash)		**283,950**	**176,057**
Plus: Opening balance of deferred appropriation payable to Consolidated Fund		10,449	12,870
Plus: Closing balance of deferred appropriation receivable/(payable) to Consolidated Fund	14	53,065	(10,449)
Net appropriation receipts		**347,464**	**178,478**
Plus: Deferred appropriation payable to Consolidated Fund (expense)	12	11,105	6,816
Appropriation revenue recognised in Statement of Comprehensive Income		**358,569**	**185,294**
Reconciliation of payments from consolidated fund to equity adjustment recognised in Contributed equity			
Budgeted equity adjustment appropriation		43,193	6,355
Redistribution of government business		48,683	-
Lapsed equity adjustment appropriation		(6,025)	(23,631)
Total equity adjustment payments		**85,851**	**(17,276)**
Plus: Opening balance of equity adjustment payable/(receivable)	14	93	(481)
Plus: Closing balance of equity adjustment receivable/(payable)	14, 21	7,960	(93)
Equity adjustment recognised in Contributed equity		**93,904**	**(17,850)**

Accounting policy
Appropriation revenue
Appropriations provided under the *Appropriation Act 2016* 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 33.

	2018 $'000	2017 $'000
6. User charges and fees		
Fee for service *	71,593	174,350
Property income	7,902	784
Other fees	422	245
Total user charges and fees	**79,917**	**175,379**

* Includes recovery of construction costs for Commonwealth Games venues and village of $47.706 million (2017: $157.251 million)

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.

	2018 $'000	2017 $'000
7. Gains on disposal and remeasurement of assets		
Revaluation increment of land reversing previous revaluation decrement in profit or loss	-	7,808
Gain on sale of property, plant and equipment	739	3,879
Reversal of impairment loss on receivables	195	-
Total gains	**934**	**11,687**

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.

	2018 $'000	2017 $'000
8. Supplies and services		
Consultants and contractors *	140,302	161,253
Other project costs *	21,956	27,556
Property and building expenses	16,668	10,168
Information technology and computer equipment	7,479	5,173
Shared service provider fee	2,520	2,089
Travel and hospitality	1,519	1,432
Transport	1,232	896
Marketing and public relations	1,383	794
Other	1,683	1,766
Total supplies and services	**194,742**	**211,128**

* Includes expenditure for the construction and other costs of Commonwealth Games venues and village of $46.044 million (2017: $155.229 million).

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
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. Lease payments are allocated between rental expense and reduction of the liability.

	2018 $'000	2017 $'000
9. Grants and contributions		
Grants:		
Queensland and local government	113,328	57,411
Industry	14,699	7,553
Universities	200	-
Commonwealth agencies	100	-
Contributions	209	112
Total grants and contributions	**128,536**	**65,075**

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.

	2018 $'000	2017 $'000
10. Employee expenses		
Employee benefits		
Salaries and wages	74,225	55,762
Employer superannuation contributions	10,370	7,632
Annual leave levy	8,097	6,116
Sick leave	2,613	1,757
Long service leave levy	1,619	1,239
Other employee benefits	857	434
	97,782	**72,939**
Employee related expenses		
Payroll tax	364	-
Workers' compensation premium	102	130
Other employee related expenses	1,690	1,192
Total employee expenses	**99,939**	**74,262**
Full time equivalent employees:	958	593

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 and Long Service Leave schemes, 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

As from 2016–17, the department's responsible minister is identified as part of the department's KMP, consistent with additional guidance included in AASB 124 *Related Party Disclosures* . The department's ministers during the financial year are the Minister for State Development and Natural Resources and Mines (until 12 December 2017) and the Minister for State Development, Manufacturing, Infrastructure and Planning (from 13 December 2017).

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 2017–18 and 2016–17. Further information on these positions can be found in the body of the annual report under the section relating to Governance.

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	Responsible for planning, delivering and coordinating large-scale infrastructure projects, while ensuring environmental impacts are properly managed.
Assistant Coordinator-General	Assists the Coordinator-General in planning, delivering and coordinating large-scale infrastructure projects while ensuring environmental impacts are properly managed.
Deputy Director-General, Business Solutions and Partnerships	Responsible for providing business and corporate services support to the department.
Deputy Director-General, Manufacturing and Industry Development	Responsible for leading industry attraction and facilitation; developing priority, new and emerging industries; and providing expert commercial and economic analysis of projects and programs to measure and promote productivity.
Deputy Director-General, Planning	Responsible for managing planning legislation, an ongoing process of planning reform, regional planning, managing the State Assessment & Referral Agency, planning policy and strategy development and advice on planning matters.
Deputy Director-General, Infrastructure Policy and Planning	Responsible for the infrastructure planning and prioritisation agenda including implementing the State Infrastructure Plan and overseeing infrastructure portfolio performance across government.
Deputy Director-General, Regional Economic Development	Responsible for providing integrated suite of business, industry and regional development services throughout the state, focusing on regional economic growth to support regional employment.
Deputy Director-General, Industry Partnerships	Responsible for working across government to facilitate private sector projects and major defence industry projects.
Deputy Director-General, Major Projects and Property	Responsible for facilitating, developing and delivering projects and property solutions to achieve economic development and social outcomes across Queensland.
General Manager, Economic Development Queensland	Responsible for identifying, planning, facilitating and delivering property development and infrastructure projects across Queensland.
Project Chief Executive	Responsible for the delivery of integrated resort developments in Queensland.

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 2017–18, 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 expense

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)

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 01/01/ 2018)**	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 as outlined in Note 3.

2016–17

Position	Short-term employee expenses $'000	Long-term employee expenses $'000	Post-employment expenses $'000	Total expenses $'000
Director-General	312	6	38	356
Coordinator-General	569	11	64	644
Assistant Coordinator-General (from 15/02/2017)	90	2	9	101
Deputy Director-General, Business Solutions and Partnerships*	244	5	26	274
Deputy Director-General, Economic and Industry Development	242	5	26	272
Deputy Director-General, Regional Economic Development (to 16/06/2017)	224	4	26	255
Deputy Director-General, Industry Partnerships (from 08/05/2017)	36	1	2	39
Deputy Director-General, Major Projects and Property (Acting, from 13/04/2017)	42	1	3	46
Deputy Director-General, Major Projects and Property (to 12/04/2017)**	193	3	20	216
Project Chief Executive	350	7	41	397
Total	**2,301**	**44**	**254**	**2,599**

* Acting from 9 November 2015 to 21 August 2016
** Acting from 23 November 2015 to 21 August 2016

	Notes	2018 $'000	2017 $'000
12. Other expenses			
Deferred appropriation payable to Consolidated Fund	5	11,105	6,816
Special payments:			
Ex-gratia payments *		9,082	-
Taxes—land, rates and stamp duty		3,401	-
Sponsorships		295	53
External audit fee **		250	207
Insurance premiums—QGIF		153	95
Insurance premiums—other		86	-
Losses from disposal of property, plant and equipment		24	606
Losses from disposal of intangible assets		-	136
Donations and gifts		-	2
Other		1,290	278
Total other expenses		**25,686**	**8,192**

* A payment of $9.082 million made to a proponent for services in relation to the proposed Integrated Resort Development for the Gold Coast Spit following the State's decision to terminate the proposal.
** Total audit fees quoted by the Queensland Audit Office relating to the 2017–18 financial statements are $250,000 (2017: $207,000).

Accounting policy
Special payments
Special payments include ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out details of all special payments greater than $5,000.

	Notes	2018 $'000	2017 $'000
13. Cash and cash equivalents			
Cash at bank		21,592	9,568
Deposits at call—QTC		175,135	-
Total cash and cash equivalents		**196,728**	**9,568**

Payables and receivables of $18.439 million relating to the machinery-of-Government activities outlined in Note 3 have been offset against cash in accordance with Queensland Treasury guidelines.

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's 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 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	2018 $'000	2017 $'000
14. Receivables			
Current			
Trade debtors		23,097	10,221
Less: Allowance for impairment loss		(569)	-
		22,529	10,221
Appropriation revenue for services receivable	5	53,065	-
Reimbursements		9,263	3,384
Equity injection receivable	5	7,960	-
Loans and advances receivable *		7,415	-
Finance lease debtors		3,821	-
Annual leave reimbursements		1,432	999
GST receivable		1,346	1,400
Operating lease debtors		839	-
Long service leave reimbursements		401	232
Interest receivable		266	-
Other		19	29
Total current receivables		**108,355**	**16,265**
Non-current			
Loans and advances receivable *		68,701	-
Finance lease debtors		13,306	-
Reimbursements		-	505
Total non-current receivables		**82,006**	**505**

* $4.158 million of the current loans and advances and $38.731 million of the non-current loans and advances receivable is associated with loans to facilitate Catalyst infrastructure that are partially funded through borrowings with QTC.

Accounting policy
Receivables are measured at amortised cost which approximates their fair value at reporting date.

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 date.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are set based on the operations of the particular entities.

Loans and advances are measured at fair value and amortised over the life of the loan using the effective interest method. 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 finance/borrowing costs and then notional interest income is recognised over the term of the loan. The loss on loans issued at greater than fair value on initial recognition is $9.474 million (2017: Nil).

Credit risk exposure of receivables
The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any allowance for impairment.

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

Credit risk management strategies are detailed in Note 30.

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

14. Receivables (continued)

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

The collectability of receivables is assessed periodically with an allowance being made for impairment. The department has $0.699 million impaired receivables as at 30 June 2018. All known bad debts were written-off as at 30 June 2018.

	2018 $'000	2017 $'000
15. Land inventories		
Current		
Land held for resale	316,149	-
Total current land inventories	**316,149**	**-**
Land inventories reconciliation		
Carrying amount at 1 July	-	-
Transfer due to machinery-of-Government	311,527	-
Acquisition and development costs	19,533	-
Cost of land sales	(10,354)	-
Transfer between asset classes	(4,532)	-
Land inventory written off	(26)	-
Carrying amount at 30 June	**316,149**	**-**

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 its existing condition, ready for sale.

Key judgement
Industrial land inventory is independently valued every 12 months by an external certified valuer with a market review undertaken by management six months after this time. These values are monitored and assessed against the cost base to ensure compliance with AASB 102 *Inventories*. Where values have moved lower, the asset value is written down to the net realisable value and an expense is recorded in the Statement of Comprehensive Income.

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, an NRV adjustment is recognised as a reduction to the value of inventory and as an expense in the Statement of Comprehensive Income.

Cost of land sales
Industrial inventory sales apply a cost of goods sold allocation based on actual cost (land acquisition and development cost).

Key judgement
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.

	2018 $'000	2017 $'000
16. Non-current assets classified as held for sale		
Land	1,643	6,394
Buildings	1,199	1,353
Other intangibles	-	484
Total non-current assets classified as held for sale	**2,842**	**8,231**

Land and buildings classified as held for sale are Mary Valley and Narangba properties. Upon determination of the asset transfer to the held for sale class, market valuation is undertaken by a professional valuer. Determination of fair value is based on comparing selling prices to similar type assets in an active market. These valuations are categorised as Level 2 in the fair value hierarchy. Non-current assets classified as held for sale are contracted to be sold within the next twelve months.

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

Under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell is a non-recurring valuation. Such assets are no longer depreciated upon being classified as held for sale.

17. Property, plant and equipment

Closing balances and reconciliation of carrying amount

	Land		Buildings		Plant and Equipment		Capital Work in Progress		Total	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Gross	278,866	115,906	18,113	2,652	3,275	3,299	54,024	4,195	354,278	126,052
Less: Accumulated depreciation	-	-	(1,332)	(220)	(2,210)	(1,709)	-	-	(3,543)	(1,929)
Carrying amount at 30 June	**278,866**	**115,906**	**16,781**	**2,432**	**1,065**	**1,590**	**54,024**	**4,195**	**350,736**	**124,124**
Represented by movements in carrying amount:										
Carrying amount at 1 July	115,906	118,988	2,432	5,295	1,590	2,507	4,195	347	124,124	127,137
Acquisitions	374	548	538	407	30	325	50,034	4,158	50,976	5,438
Cost adjustment of accrued asset acquisition	(1,832)	(553)	-	-	-	-	-	-	(1,832)	(553)
Acquisitions through machinery-of-Government change	201,828	-	241	-	-	-	-	-	202,069	-
Disposals	(2,630)	(1)	-	(39)	(7)	(525)	-	-	(2,637)	(565)
Disposal through machinery-of-Government change	-	-	-	-	(166)	-	-	-	(166)	-
Assets reclassified as held for sale	-	(10,884)	-	(1,908)	-	-	-	-	-	(12,792)
Transfers between asset classes	133	-	(3)	-	74	310	(205)	(310)	-	-
Transfers from investment property	-	-	14,265	-	-	-	-	-	14,265	-
Transfers to inventory	(210)	-	-	-	-	-	-	-	(210)	-
Revaluation increments/(decrements) recognised in operating deficit	(34,704)	7,808	(369)	(637)	-	-	-	-	(35,072)	7,172
Depreciation	-	-	(325)	(687)	(455)	(1,026)	-	-	(780)	(1,713)
Carrying amount at 30 June	**278,866**	**115,906**	**16,781**	**2,432**	**1,065**	**1,590**	**54,024**	**4,195**	**350,736**	**124,124**

17. Property, plant and equipment (continued)

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.

State Valuation Services (SVS) were engaged to undertake comprehensive revaluations as at 30 June 2018. The rates applied to each lot to derive the valuation were dependant on the underlying land use type (ie. industrial, transport corridor, buffer/environmental management). 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)* .

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 the fair value.

Buildings

Buildings were revalued using either the income approach, market approach or depreciated replacement cost valuation methods depending on their use, with an effective valuation date of 30 June 2018.

For 2017–18, buildings under the market approach valuation were assessed by SVS who recommended the use of the Cordell Housing Price Index. 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 recommended the use of QTC OESR Implicit Price Deflator as this is the most appropriate for these particular assets.

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 QTC zero coupon rates are used to calculate the present value.

Categorisation of assets measured at fair value

	Level 2 $'000		Level 3 $'000		Total $'000	
Recurring fair value measurements	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Land	278,866	115,906	-	-	278,866	115,906
Buildings	1,642	1,712	15,139	720	16,781	2,432
Total recurring	**280,508**	**117,618**	**15,139**	**720**	**295,647**	**118,338**

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

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.

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 the Non-Current Asset Policies. 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.

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

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.

17. Property, plant and equipment (continued)

Revaluations using an independent professional valuer are undertaken at least once every five years. 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'.

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 depreciated replacement cost. Where the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recorded.

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.

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

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	**2018 Rate %**	**2017 Rate %**
Buildings	1.67% - 16.67%	1.67% - 16.67%
Plant and equipment	9.09% - 33.33%	9.09% - 33.33%

	2018 \$'000	**2017 \$'000**
18. Investment property		
Land and buildings—at fair value	250,575	-
Total investment property	**250,575**	**-**
Reconciliation of movement in investment property		
Carrying amount at 1 July	-	-
Acquisitions	4,222	-
Transfer due to machinery-of-Government change	260,618	-
Reclassification between investment property and buildings	(14,265)	-
Carrying amount at 30 June	**250,575**	**-**

Part of the investment property portfolio is 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:

- Not later than 1 year	2,698	-
- Later than 1 year and not later than 5 years	3,661	-
	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 \$2.117 million.

Direct operating expenses primarily for repairs and maintenance on property that generated rental income for the period were \$0.882 million. 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.

18. Investment property (continued)

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.

Transfers from inventory includes the initial recognition of common costs of improvement to inventory in accordance with AASB 102 *Inventories* para 10 and 15, which are subsequently transferred to investment property in accordance with AASB 140 *Investment Property* on a relative cost basis.

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.

For all investment properties SVS provided a market update on the market movement over the past 12 months. The advice was that there had been minimal market movement and no change in the fair value of investment property was recorded.

Buildings were valued using the discounted cash flow method incorporating consumer price index (CPI) rates and forecast rental cash flows over lease terms. The carrying value was substantiated by the discounted cash flow calculation indicating no change to fair value.

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

19. Intangible assets

Closing balances and reconciliation of carrying amount

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	-	7,303	10,417	-	17,720
Represented by movements in carrying amount:					
Carrying amount at 1 July	-	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	**-**	**7,303**	**10,417**	**-**	**17,720**

2017	Software internally generated $'000	Other intangibles $'000	Work in progress $'000	Total $'000
Gross	1,130	10,379	278	11,787
Less: Accumulated amortisation	(413)	-	-	(413)
Carrying amount at 30 June	717	10,379	278	11,374
Represented by movements in carrying amount:				
Carrying amount at 1 July	863	11,027	-	11,890
Acquisitions	-	587	278	865
Disposals	-	(476)	-	(476)
Impairment losses recognised in Statement of Comprehensive Income	-	(276)	-	(276)
Transfer to held for sale asset class	-	(484)	-	(484)
Amortisation	(146)	-	-	(146)
Carrying amount at 30 June	**717**	**10,379**	**278**	**11,374**

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 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 six years. Other intangible assets (easements) are not amortised as they have indefinite useful lives.

	Notes	2018 $'000	2017 $'000
20. Income tax equivalents			
(a) Income tax equivalent expense/(benefit)			
Current tax		3,914	-
Deferred tax		(19,508)	-
Balance as at 30 June		**(15,594)**	**-**
(b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable			
Loss before tax		51,980	-
Tax expense/(benefit) at the Australian tax rate of 30%		(15,594)	-
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:			
Entertainment expense		(1)	-
Income tax equivalent expense/(benefit)		**(15,594)**	**-**
(c) Non-current assets—deferred tax equivalent asset			
The balance comprises temporary differences attributable to:			
Allowance for doubtful debts		237	-
Accrued expenses		15,931	-
Written down value of other capitalised expenses		118	-
Building accumulated depreciation		132	-
Building accumulated impairment/devaluation		41	-
Concessional loan discount		7,319	-
Balance as at 30 June		**23,777**	**-**
(d) Current liabilities—income tax payable/(receivable)			
Balance at the beginning of the year		6,659	-
Income tax equivalent paid		(7,576)	-
Recognised in operating result		4,040	-
Under/(over) provision in previous years		(58)	-
Balance as at 30 June		**3,065**	**-**
(e) Non-current liabilities—deferred tax equivalent liabilities			
The balance comprises temporary differences attributable to:			
Land revaluations		15,693	-
Inventories		3,730	-
Investment property		46,036	-
Grants receivable		16,238	-
Deferred fee income		(1,319)	-
Balance as at 30 June		**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.

	Notes	2018 $'000	2017 $'000
21. Payables			
Current			
Trade creditors		68,057	13,836
Taxes, fines and fees payable		10,127	-
Grants payable		4,186	-
Equity withdrawal payable		4,148	93
Interest payable		152	-
Fringe benefits tax		75	57
Deferred appropriation payable to Consolidated Fund	5	-	10,449
Other		260	18
Total current payables		**87,005**	**24,452**

	2018 $'000	2017 $'000
21. Payables (continued)		
Non-current		
Trade creditors	25,622	-
Total non-current payables	**25,622**	**-**
Total payables	**112,627**	**24,452**

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.

	2018 $'000	2017 $'000
22. Interest-bearing liabilities		
Current		
QTC borrowings	21,430	7,721
Total current interest-bearing liabilities	**21,430**	**7,721**
Non-current		
QTC borrowings	102,173	57,856
Total non-current interest-bearing liabilities	**102,173**	**57,856**
Total interest-bearing liabilities	**123,603**	**65,577**

Interest-bearing liabilities comprise borrowings with QTC. Final repayment dates vary from February 2020 to September 2032, with a fixed interest rate range of 2.29% to 3.35% per annum. There have been no defaults or breaches of the loan agreement during the 2018 or 2017 financial years. No assets have been pledged as security for any borrowings.

EDQ utilise 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. Loan repayments are made progressively in line with sales and receipts.

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.

	2018 $'000	2017 $'000
23. Provisions		
Current		
Land acquisition claims	30,002	3,914
Other provision	23,381	-
Total current provisions	**53,383**	**3,914**
Non-current		
Land acquisition claims	-	6,114
Other provision	13,126	-
Total non-current provisions	**13,126**	**6,114**
Movements in provisions		
Land acquisition claims		
Current		
Balance at 1 July	3,914	10,972
Additional provision recognised	46,466	1,159
Restatement of provision	(287)	(7,187)
Reduction in provision as a result of payments	(24,525)	(4,016)
Reclassification from non-current provision	4,435	2,987
Balance as at 30 June	**30,002**	**3,914**
Non-current		
Balance at 1 July	6,114	3,352
Additional provision recognised	120	150
Restatement of provision	(1,800)	5,600
Reclassification to current provision	(4,435)	(2,987)
Balance as at 30 June	**-**	**6,114**

23. Provisions (continued)

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 initial estimate less costs recognised as payables 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.

	2018 $'000	2017 $'000
24. Other liabilities		
Current		
Deposits held	24,355	12,551
Security deposits	2,256	-
Unearned revenue	8,747	3,617
Other	723	876
Total current other liabilities	**36,082**	**17,045**
Non-current		
Security deposits	5,000	-
Other	2,972	1,443
Total non-current other liabilities	**7,972**	**1,443**

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.

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

	2018 $'000	2017 $'000
25. Reconciliation of operating result to net cash from operating activities		
Operating surplus	(21,975)	11,919
Non-cash items:		
Depreciation and amortisation expense	1,896	1,859
Net gain on disposal of property, plant and equipment and intangible assets	(715)	(3,137)
Impairment loss reversals—receivables	(195)	-
Impairment losses	86	290
Revaluation decrement	35,072	637
Revaluation increment	-	(7,808)
Notional Interest	(967)	-
Loss on discounted loans advanced at concessional rates	9,711	-
Other non-cash items	1,234	(141)
Change in assets and liabilities:		
(Increase)/decrease in appropriation revenue receivable	(53,065)	-
(Increase)/decrease in receivables	(64,208)	(5,385)
(Increase)/decrease in inventories	(5,887)	-
(Increase)/decrease in deferred tax	(15,925)	-
(Increase)/decrease in prepayments	(201)	27
Increase/(decrease) in payables	74,388	(18,664)
Increase/(decrease) in accrued employee benefits	642	421
Increase/(decrease) in other liabilities	4,680	(17,780)
Increase/(decrease) in provisions	61,776	(4,295)
Net cash from operating activities	**26,348**	**(42,059)**

26. Changes in liabilities arising from financing activities

2018		Non-cash changes			Cash flows		
	Closing balance 2017 $'000	Transfers due to machinery-of-Government $'000	New leases acquired $'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**

	2018 $'000	2017 $'000

27. Commitments for expenditure

Non-cancellable operating lease

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2018 $'000	2017 $'000
- Not later than 1 year	13,336	9,193
- Later than 1 year and not later than 5 years	70,534	45,381
- Later than 5 years	140,132	91,872
Total non-cancellable operating lease commitments	**224,002**	**146,446**

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 2017–18 $9.062 million (2017: $6.141 million) was recognised by the department as an expense in the Statement of Comprehensive Income in respect of operating leases.

Accounting policy

Operating lease rentals

Operating leases are recognised on a straight line basis over the period of the lease term.

Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2018 $'000	2017 $'000
Capital works in progress		
- Not later than 1 year	245,310	50,536
- Later than 1 year and not later than 5 years	112,300	152,176
- Later than 5 years	19,222	-
Total capital expenditure commitments	**376,832**	**202,712**

The department has capital expenditure commitments for the construction of North Queensland Stadium and the Catalyst Infrastructure Program.

Grants and contributions expenditure commitments

Grants and contributions commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2018 $'000	2017 $'000
- Not later than 1 year	41,090	11,504
- Later than 1 year and not later than 5 years	39,081	6,231
- Later than 5 years	1,100	300
Total grants and contributions expenditure commitments	**81,271**	**18,035**

Other expenditure commitments

Other expenditure commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2018 $'000	2017 $'000
- Not later than 1 year	48,127	79,322
- Later than 1 year and not later than 5 years	4,437	1,673
- Later than 5 years	1,545	-
Total other expenditure commitments	**54,110**	**80,994**

The department holds approximately $12.907 million of commitments for the Commonwealth Games Village project. The Minister for Economic Development Queensland holds the legal agreements with the Village developer and investor and is ultimately responsible for executing these agreements.

28. 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 two grants within AQIAF as at 30 June 2018 is $2.036 million (2017: Nil).

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 $75.316 million.

EDQ is obliged to provide critical sewerage infrastructure for a priority development area and the expected value of this infrastructure delivery is $68.2 million. Contractual agreements are expected to be finalised in 2018–19.

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 2018 is $33.437 million ($31.204 million as at 30 June 2017).

At 30 June 2018, a total of $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 are three claims 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.

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

Native title claims over departmental land

At 30 June 2018, 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.

29. Events occurring after balance date

As a result of *Public Service Departmental Arrangements Order (No.3) 2018* on 16 August 2018 the Construction Project Delivery and Office of the Chief Architect functions will be transferred to Department of Housing and Public Works effective 1 September 2018. This will include a transfer of other expenditure commitments disclosed in Note 27, work in progress disclosed in Note 17 and contingencies disclosed in Note 28.

30. 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 has the following categories of financial assets and financial liabilities:

	Notes	2018 $'000	2017 $'000
Financial assets			
Cash and cash equivalents		196,728	9,568
Loans and receivables at amortised cost—comprising:			
Receivables	14	190,361	16,770
Total financial assets		**387,089**	**26,338**
Financial liabilities			
Financial liabilities measured at amortised cost—comprising:			
Payables	21	112,627	24,452
Interest-bearing liabilities	22	123,603	65,577
Total financial liabilities		**236,230**	**90,029**

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 Queensland Treasury. 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	Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables in Note 14.
Liquidity risk	Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables in Note 21 and borrowing from QTC in Note 22.
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 and cash deposited in interest bearing accounts.

(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 derivative management policy articulated in the departments' Financial Management Practice Manual.

30. Financial instruments (continued)

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	**2018 payable in**			
2018	**< 1 year $'000**	**1–5 years $'000**	**> 5 years $'000**	**Total $'000**
Payables	87,005	16,668	8,954	112,627
Interest-bearing liabilities	11,522	72,011	57,337	140,870
Total	**98,527**	**88,679**	**66,291**	**253,497**

	2017 payable in			
2017	**< 1 year $'000**	**1–5 years $'000**	**> 5 years $'000**	**Total $'000**
Payables	24,452	-	-	24,452
Interest-bearing liabilities	9,482	37,927	26,075	73,484
Total	**33,934**	**37,927**	**26,075**	**97,936**

Fair value measurement

The department does not recognise any financial assets or financial liabilities at fair value other than cash and cash equivalents. The classification of these financial assets in the fair value hierarchy is as follows:

	Level 1		**Level 2**		**Total**	
Financial assets recorded at fair value	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Cash at bank	21,592	9,568	-	-	21,592	9,568
Deposits at call—QTC	-	-	175,136	-	175,136	-
Total recurring	**21,592**	**9,568**	**175,136**	**-**	**196,728**	**9,568**

The above level 2 financial assets above are measured at net realisable value.

Fair value disclosures for financial liabilities measured at amortised cost

With the exception of 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 with the fair value hierarchy.

	2018		**2017**	
Financial liabilities at amortised cost:	**Carrying amount $'000**	**Fair value $'000**	**Carrying amount $'000**	**Fair value $'000**
QTC borrowings	123,603	123,942	65,577	66,197
Total	**123,603**	**123,942**	**65,577**	**66,197**

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 $1.419 million (2017: Nil). There were no financial assets or financial liabilities subject to floating rates).

2018 Interest rate risk		**-1%**		**+1%**	
Financial instruments*	**Carrying amount $'000**	**Operating result $'000**	**Equity $'000**	**Operating result $'000**	**Equity $'000**
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.

31. 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 Queensland Treasury are disclosed in Note 5.

The machinery-of-Government transfers of assets and liabilities from Queensland Treasury and the former Department of Infrastructure, Local Government and Planning and transfers of assets and liabilities to Department of Innovation, Tourism Industry Development and the Commonwealth Games and Department of Transport and Main Roads during 2017–18 is disclosed in Note 3.

The department is responsible for project management and infrastructure delivery of major projects including Commonwealth Games venues and village on behalf of Department of Innovation, Tourism Industry Development and the Commonwealth Games; Queensland State Netball Centre on behalf of Stadiums Queensland; Counter Terrorism and Community Safety Centre on behalf of Public Safety Business Agency; and Murray-Darling Basin Regional Economic Diversification Program on behalf of Department of Natural Resources and Mines. Costs incurred by the department are recovered via fee for service and disclosed in Note 6.

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 6.

The department has borrowings from Queensland Treasury Corporation (QTC), and Note 22 and Note 30 outlines the key terms and conditions of the borrowings. The department has deposits with QTC as disclosed in Note 13 and Note 30.

The department has leases with the Department of Housing and Public Works 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 24.

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 is administered by Queensland Treasury. 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 for the Townsville Eastern Access Rail Corridor project. Deposits are disclosed in Note 24.

EDQ has entered into an agreement with the Department of Transport and Main Roads to facilitate development in Priority Development Areas by providing funding for key infrastructure projects.

The department provides administered revenue to Gasfields Commission, Queensland Reconstruction Authority, Building Queensland and South Bank Corporation as disclosed in Note 33.

The department receives contributions from Queensland Treasury for the Back to Work program and North Stradbroke Island Workers Assistance Scheme as disclosed in grants and other contributions as disclosed on the income statement.

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.

32. 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 $5.794 million.

At 30 June 2018 a total of $11.000 million (2017: nil) 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.

33. Schedule of administered items

	Gasfields Commission		Queensland Reconstruction Authority *		Building Queensland *	
	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
Administered revenue						
Appropriation revenue	2,500	2,500	204,840	-	1,771	-
User charges and fees	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total administered revenue	**2,500**	**2,500**	**204,840**	**-**	**1,771**	**-**
Administered expenses						
Grants and contributions	2,500	2,500	204,840	-	1,771	-
Transfers of administered revenue to government	-	-	-	-	-	-
Total administered expenses	**2,500**	**2,500**	**204,840**	**-**	**1,771**	**-**
Operating surplus/(deficit)	**-**	**-**	**-**	**-**	**-**	**-**
Administered assets						
Current						
Cash	-	-	1,739	-	-	-
Total current assets	**-**	**-**	**1,739**	**-**	**-**	**-**
Total administered assets	**-**	**-**	**1,739**	**-**	**-**	**-**
Administered liabilities						
Current						
Payables	-	-	1,739	-	-	-
Total current liabilities	**-**	**-**	**1,739**	**-**	**-**	**-**
Net administered assets	**-**	**-**	**-**	**-**	**-**	**-**

	State Assessment and Referral Agency *		South Bank Corporation *		Total	
	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
Administered revenue						
Appropriation revenue	-	-	13,681	-	222,792	2,500
User charges and fees	3,180	-	-	-	3,180	-
Other revenue	-	-	6,106	-	6,106	-
Total administered revenue	**3,180**	**-**	**19,787**	**-**	**232,079**	**2,500**
Administered expenses						
Grants and contributions	-	-	13,681	-	222,792	2,500
Transfers of administered revenue to government	3,180	-	6,106	-	9,286	-
Total administered expenses	**3,180**	**-**	**19,787**	**-**	**232,079**	**2,500**
Operating surplus/(deficit)	**-**	**-**	**-**	**-**	**-**	**-**
Administered assets						
Current						
Cash	-	-	202	-	1,941	-
Total current assets	**-**	**-**	**202**	**-**	**1,941**	**-**
Total administered assets	**-**	**-**	**202**	**-**	**1,941**	**-**
Administered liabilities						
Current						
Payables	-	-	202	-	1,941	-
Total current liabilities	**-**	**-**	**202**	**-**	**1,941**	**-**
Net administered assets	**-**	**-**	**-**	**-**	**-**	**-**

* As part of the machinery-of-Government changes, the responsibility of forwarding administered appropriation revenue of $220.292 million to the Queensland Reconstruction Authority, Building Queensland, South Bank Corporation, and State Assessment and Referral Agency has been allocated to the department from the former DILGP. Refer to Note 3 for further information.

	2018 $'000	2017 $'000
33. Schedule of administered items (continued)		
Reconciliation of payments from Consolidated Fund to administered revenue		
Budgeted appropriation	2,500	2,500
Transfers from other departments—redistribution of public business	315,446	-
Lapsed administered appropriation	(95,154)	-
Administered revenue recognised in Statement of Comprehensive Income	**222,792**	**2,500**
This is represented by grants and contributions to:		
Statutory authorities	222,792	2,500
Total grants and contributions	**222,792**	**2,500**

Budget to actual comparison	Variance notes	Budget 2018 $'000	Actual 2018 $'000	Variance $'000
Administered revenue				
Appropriation revenue	(a)	317,946	222,792	(95,154)
User charges and fees		3,700	3,180	(520)
Other revenue		5,293	6,106	813
Total administered revenue		**326,939**	**232,079**	**(94,860)**
Administered expenses				
Grants and contributions	(b)	317,946	222,792	(95,154)
Transfers of administered revenue to government		8,993	9,286	293
Total administered expenses		**326,939**	**232,079**	**(94,860)**
Operating surplus/(deficit)				
Administered assets				
Current				
Cash		1,739	1,941	202
Total current assets		**1,739**	**1,941**	**202**
Total administered assets		**1,739**	**1,941**	**202**
Administered liabilities				
Current				
Payables	(c)	-	1,941	1,941
Total current liabilities		**-**	**1,941**	**1,941**
Net administered assets		**1,739**	**-**	**(1,739)**

Explanations of major variances

(a) Actual Appropriation revenue at 30 June 2018 is $95.154 million lower than budgeted primarily due to funding deferred to outyears for the Queensland Reconstruction Authority (QRA) as a result of the QRA utilising prior year operating surplus through cash reserves to fund Natural Disaster Relief and Recovery Arrangements (NDRRA) grants in 2017–18.

(b) Grants and contributions expense at 30 June 2018 is $95.154 million lower than budgeted due to funding for the QRA as a result of utilising prior year operating surplus through cash reserves to fund NDRRA grants in 2017–18, and revised estimates associated with NDRRA.

(c) Payables at 30 June 2018 is higher than budget due to a cash balance of $1.739 million received from the former DILGP during the machinery-of-Government changes, which is yet to be transferred to QRA.

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.

34. Summary of other significant accounting policies

Accounting standards applied for the first time

AASB 2016-2 *Amendments to Australian Accounting Standards—Disclosure Initiative: Amendments to AASB 107* requires the disclosure of information that will allow users to understand changes in liabilities arising from financing activities. Additional disclosure has been added to the notes to the Statement of Cash Flows section. No comparative information is required in respect of 2016–17.

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 commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- Special purpose grants received to construct non-financial assets controlled by the department will be recognised as a liability, and subsequently recognised progressively as revenue as the department satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The department has commenced evaluating its grant arrangements as to whether revenue from those grants could be deferred under the new requirements—however no conclusion on the potential impact, if any, has been determined at the present time.
- 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.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the department's goods and services such that some revenue may need 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 (such amounts would be reported as a liability in the meantime). The department is yet to complete its analysis of existing arrangements for the sale of its goods and services and the impact, if any, on revenue recognition has not yet been determined.
- A range of new disclosures will also be required by the new standards in respect of the department's revenue.

AASB 9 *Financial Instruments* and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

These standards will first apply to the department's financial statements for 2018–19. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the department's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The department has commenced reviewing the impact of AASB 9 and has identified the following:

- There will be no change to the classification or valuation of cash and cash equivalents.
- Trade receivables will continue to be classified and measured at amortised cost on the basis that the carrying amount is expected to be a reasonable approximation of fair value due to their short-term nature. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The department will be adopting the simplified approach under AASB 9 and measure lifetime expected credit losses on all trade receivables. An interim review of the nature of the department's portfolio of trade receivables has found that department can use a provision matrix approach as a practical expedient to measure the impairment provision.
- The department provides interest free repayable risk capital under its Biofutures Industry Development Fund and loans to facilitate Catalyst infrastructure. The department recognises notional loan interest. These loans meet the Solely Payment of Principal and Interest (SPPI) test under AASB 9 as they constitute a basic lending arrangement. As such, these loans will continue to be categorised as amortised cost. Similar to trade receivables, new impairment requirements will result in a provision being applied to all loans and advances receivables.
- All financial liabilities will continue to be measured at amortised cost. The department does not expect a material change in the reported value of financial liabilities.
- A number of one-off disclosures may be required in the 2018–19 financial statements to explain the impact of adopting AASB 9.

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 standards, 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. Under this standard, the majority of operating leases will now be reported on the Statement of Financial Position. 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 department has commenced analysing its existing operating lease commitments disclosed in Note 27 by type of lessor and type of lease to estimate the expected impacts on transition based on information available at 30 June 2018.

The department's operating lease commitments comprise arrangements with other Queensland Government agencies as lessor (i.e. internal-to-Government leases) and with lessors external to Government. These leases are primarily for office accommodation, storage facilities and car park spaces.

Internal-to-Government

At 30 June 2018, the department has operating lease commitments of $198.863 million and annual lease payments of $8.359 million per year under Internal-to-Government arrangements. 'Considering their operations and impact across the whole-of Government, the department is currently awaiting formal guidance from Queensland Treasury as to whether the internal-to-Government arrangements should be accounted for on-balance sheet under AASB 16.

External-to-Government

The department estimates, based on the current operating lease commitments totalling $0.446 million, a right-of-use asset (an corresponding lease liability) would be recognised in the balance sheet on transition. This commitment amount is after applying the short-term lease exemption available under AASB 16.

Certificate of the Department of State Development

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; and

(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 2018 and of the financial position of the department at the end of that year; and

(c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Alison Mohr	RHunter
Alison Mohr CPA	**Rachel Hunter**
Chief Finance Officer	**Director-General**
Date: 28 August 2018	**Date: 28 August 2018**

Queensland
Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the 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 2018, 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 2018, 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.

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.

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- 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 2018:

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.

31 August 2018

Vaughan Stemmett
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Image: Vaccine bottles

Appendices

Appendix 1 – Legislation administered by the department

Legislation administered by the department

The Department of State Development, Manufacturing, Infrastructure and Planning is the Administrative Unit under the *Administrative Arrangements Order (No 4) 2017* 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* (ss14-17)
- *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*
- *State Development and Public Works Organisation Act 1971*
- *Strong and Sustainable Resource Communities Act 2017*
- *Surat Basin Rail (Infrastructure Development and Management) Act 2012*
- *Sustainable Planning Act 2009* (except to the extent administered by the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport)
- *Townsville Breakwater Entertainment Centre Act 1991*
- *Townsville City Council (Douglas Land Development) Act 1993*
- *Townsville Zinc Refinery Act 1996*.

Appendix 2 – Progress against service standards

The Department of State Development, Manufacturing, Infrastructure and Planning service areas are:

- driving enterprise development, economic growth and job creation
- assessing, approving, developing and delivering projects to generate jobs and economic growth
- infrastructure policy and planning
- better planning for Queensland
- business and economic growth.

Differences in estimated actuals reported in the 2018–19 *Service Delivery Statement* and the 2017–18 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.

Driving enterprise development, economic growth and job creation

The objective of this service area is to boost enterprise development, increase economic growth and stimulate job creation opportunities. It delivers policies, projects and programs that drive enterprise development, economic growth and job creation consistent with the government's economic development and job creation agenda. The service area drives the expansion of Queensland's economic growth as benchmarked against the global economy and comparable jurisdictions by:

- industry facilitation which realises government policy as an enabler of economic growth; leading industry and regional growth programs and regulatory reform; assisting Queensland-based companies to increase their supply chain participation and providing whole-of-government advice on initiatives to boost economic development and increase investment across Queensland for sustainable job creation
- investment programs which administer the government's revised Market-Led Proposal framework to streamline the assessment process including assessing and negotiating proposals submitted from the private sector under this process
- regional economic development which strengthens regional Queensland through investment enabled by the Building our Regions program.

Key achievements

During 2017–18, the service area:

- spearheaded Queensland's successful bid with Rheinmetall Defence Australia to build a new fleet of armoured vehicles as part of the LAND 400 Phase 2 contract worth $5.2 billion, with a new Military Vehicle Centre of Excellence to be built in Ipswich
- attracted six new projects generating more than 530 jobs over five years and over $180 million in capital expenditure through the Advance Queensland Industry Attraction Fund
- assisted 18 priority projects, not subject to the Coordinator-General's statutory processes, totalling $3.2 billion in capital expenditure and approximately 5000 construction and operational jobs by providing tailored project facilitation services
- completed the strategic development of three priority industry sectors by releasing roadmaps and action plans for defence industries, aerospace and the mining equipment, technology and services sectors
- progressed the $158 million Brisbane International Cruise Terminal project through the government's Market-Led Proposal process and the project is now in its delivery phase
- committed more than $70.3 million to 65 projects under Building our Regions Program Round 3 and allocated a further $70 million to Round 4.

Service Standard	Notes	2017–18 Target Est	2017–18 Actual
Driving enterprise development, economic growth and job creation			
Service: Industry facilitation			
Effectiveness measures Value of capital investment enabled through industry facilitation	1, 2	$370 million	$711.9 million
Estimated number of jobs enabled through industry facilitation	1, 2, 3	1,110	1,965
Efficiency measure Capital investment enabled per dollar spent on industry facilitation	1, 2	$50.71	$57.40
Service: Investment programs			
Effectiveness measure Percentage of proposal assessment recommendations endorsed upon submission to investment panel	4, 5	85%	100%
Efficiency measure Average cost per proposal assessment	4, 6	$127,000	$126,450
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	7, 8, 9	$674.6 million	$784.6 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	7, 8, 9	$464.11	$539.79

Notes:

1. Industry facilitation services include support services and post-approval monitoring of projects that require multiple regulatory approvals; are complex or sensitive in nature; require significant coordination across government; and respond to a recognised regional need or government priority. The capital investment value includes investment from private sector as well as government agencies.
2. The 2017–18 Actual is higher than the 2017–18 Target/Estimate due to the introduction of the Made in Queensland Program and Project Facilitation services during the year which were not previously included in this measure.
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. This service was previously published in the Commercial Services service area in the Queensland Treasury 2017–18 Service Delivery Statement and was transferred to the Department of State Development, Manufacturing, Infrastructure and Planning due to MoG changes in December 2017.
5. This service standard is based on the number of recommendations endorsed as a proportion of total recommendations put to the investment panel within the relevant financial year.
6. This service standard is based on the average cost to assess proposals (Stage 1) from initial receipt of a submission to production of a report for the investment panel's consideration within the relevant financial year. The calculation is based on the average cost of staff assessing each proposal. The wording has changed to clarify that the measure relates to Stage 1 proposals only however the methodology remains the same.
7. 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 is comprised of four separate streams. Department of State Development, Manufacturing, Infrastructure and Planning oversees the Regional Capital Fund, Royalties for Resource Producing Communities Fund and the Remote and Indigenous Communities Fund, and these are reported in the department's service standards. The Department of Transport and Main Roads oversees the Transport Infrastructure Development Scheme, which is not included in these service standard calculations.
8. The 2017–18 Actual is higher than the 2017–18 Target/Estimate as the value of investment for Building our Regions Round 3 approved projects was higher than originally estimated. This factor and changes to project delivery timeframes for other projects increased measures of program effectiveness and efficiency in 2017–18.
9. The investment amount reported refers to the full investment value over the entire life of the project, even where this is expected to be fulfilled over several financial years.

Assessing, approving, developing and delivering projects to generate jobs and economic growth

The objective of this service area is to assess, approve, develop and deliver projects that generate jobs and economic growth. It facilitates the timely planning and delivery of projects that drive economic growth and provides job creation opportunities. The service area is made up of two services: Project Development and Delivery; and Economic Development through Coordinated Projects, State Development Areas.

It provides tailored regulation, advisory, facilitation and delivery services, to support increased economic activity. It is contributing to the government's objectives for the community of creating jobs and a diverse economy, and protecting the environment by:

- facilitating and delivering projects including the North Queensland Stadium and the GC2018 Commonwealth Games venues and village
- enabling growth and jobs and facilitating large scale industrial development, infrastructure delivery and projects through efficient project assessment as well as planning, development and management of state development areas
- ongoing improvement of environmental assessment processes
- undertaking appropriate land acquisition programs to deliver economic development and infrastructure initiatives
- conducting early feasibility assessment of public and private projects of state significance for economic development
- generating economic development from improvement opportunities that result in value uplift for the state's property portfolio and deliver increased public benefit
- partnering with EDQ and Queensland Treasury to deliver a work program for the Advancing Our Cities and Regions Strategy to deliver innovative approaches to renewing and repurposing Government property to deliver economic, community and financial outcomes for all Queenslanders
- partnering with all levels of government, industry and community to facilitate more

collaborative and cost-efficient uses of current assets and social infrastructure investment

- promoting and generating regional economic development.

Key achievements

During 2017–18, the service area:

- successfully delivered three new competition venues for the GC2018, and upgrades to a further seven venues and completion of the Athletes' Village
- launched the *Strong and Sustainable Resource Communities (SSRC) Act 2017*. The Act ensures that residents of communities near large resource projects benefit from the construction and operation of those projects
- progressed Environmental Impact Statements on 12 coordinated projects worth a total capital value of around $18.9 billion with potential to create around 31,700 construction and operational jobs.

Service Standard	Notes	2017–18 Target Est	2017–18 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	New measure	New measure
estimated numbers of jobs enabled through projects developed or delivered	1	New measure	New measure
efficiency measure Value of capital investment enabled per dollar spent on project development and delivery	1	New measure	New measure
service: Economic development through coordinated projects and state development areas			
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	2	100%	100%
Efficiency measure Potential capital expenditure leveraged per dollar spent on the Coordinator-General's annual budgeted staff expenses to assess and facilitate projects to construction	3	$2,500	$4,212

Notes:

1. This is a new service standard for the 2018–19 Service Delivery Statement (SDS) due to the MoG changes in December 2017 impacting on the service standard published in the 2017–18 SDS. The wording of the service standard remains unchanged from the 2017–18 SDS, however the calculation methodology has been amended to exclude the transferred out Integrated Resort Developments and Global Tourism Hubs function. A new target has been set for 2018–19 which represents the total value of public and private sector capital investment.

2. This service standard covers a key outcome of the project delivery process, which is compliance with the Coordinator-General's imposed conditions. During the environmental assessment process under the *State Development and Public Works Organisation Act 1971* (SDPWO Act), the Coordinator-General may apply conditions 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.

3. This service standard captures the potential capital expenditure on Queensland projects (being assessed and facilitated by the Coordinator-General) for every dollar invested in annual budgeted Coordinator-General staff expenses. Potential capital expenditure on Queensland projects (being assessed and facilitated under the SDPWO Act) will fluctuate depending on a number of factors, including market conditions, project capital expenditure, size of the project, and resources available to the Coordinator-General. In addition, it is ultimately a commercial decision for each proponent to progress the project, which is outside the control of the Coordinator-General.

Infrastructure policy and planning

The objective of this service area is to deliver quality infrastructure policy, planning and prioritisation in Queensland. This includes coordinating infrastructure policy and contributing to national infrastructure agendas and whole-of-state infrastructure planning. The service area is responsible for delivering an infrastructure program coordination function across government. It delivers reform initiatives that will improve the way infrastructure planning is coordinated and strengthen integration with regional land use and economic planning. 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.

A range of infrastructure policy, planning and coordination activities are undertaken by the service area including:

- providing strategic policy, coordination, planning and prioritisation of infrastructure activities
- monitoring and updating the State Infrastructure Plan
- monitoring and reporting on the capital program
- delivering a range of implementation initiatives outlined in the State Infrastructure Plan
- administering funding programs under the State Infrastructure Fund
- driving infrastructure innovation and best-practice across government and program coordination, including value-sharing policy
- providing a cross-government perspective to infrastructure
- coordinating the state's input and advice on infrastructure-related issues to the Australian Government
- implementing the Strategic Asset Management Plan Framework.

Key achievements

During 2017–18, the service area:

- delivered on phase 1 and released phase 2 of the Maturing the Infrastructure Pipeline Program. This program complements existing grant programs and will assist local governments in determining their infrastructure priorities
- delivered a new State Infrastructure Plan Part B program to provide a coordinated and integrated approach to planning, funding and delivering infrastructure to Queensland
- actively monitored the delivery of Queensland Government's capital program, achieving a significant improvement in capital expenditure.

  Monitoring will continue to support delivery of the $45.769 billion in infrastructure over the next four years, the highest forecast since the 2011 flood recovery
- released a discussion paper identifying challenges and opportunities for smarter infrastructure and highlighted cases where innovation and technology are utilised in September 2017. Following on from this, held a Smarter Infrastructure Summit in October 2017 with a Smarter Infrastructure for Queensland Directions Paper then released in May 2018. This included seven key themes which will be considered by members of a joint industry-government Infrastructure Innovation Taskforce who will provide thought leadership to the Queensland Government.

Service Standard	Notes	2017–18 Target Est	2017–18 Actual
Service: Project development and delivery			
Effectiveness measure Level of satisfaction of key stakeholders with timeliness and effectiveness of consultation undertaken by Infrastructure and Planning	1, 2	70%	79%
Efficiency measure Administration costs as a percentage of infrastructure investment coordinated through the service area	1, 3	<0.5%	0.18%

Notes:

1. This service area was transferred from the former Department of Infrastructure, Local Government and Planning following MoG changes in December 2017.
2. The components of timeliness and effectiveness together measure key stakeholders' overall experience with consultation undertaken by Infrastructure Policy and Planning. The stakeholders surveyed comprise of a cross section of industry experts, state and local government, and academia.
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.

Better planning for Queensland

The objective of this service area is to deliver a streamlined planning framework that supports investment, jobs and community participation. The service area administers the *Planning Act 2016* and has responsibility for:

- providing the legislative framework and overarching policy for land use planning and development assessment in Queensland
- delivering a contemporary and effective planning system in collaboration with local government, key industry groups, the planning profession and the broader Queensland community
- improving the state's land use planning and development assessment processes.

Key achievements

During 2017–18, the service area:

- delivered on four years of legislative reform and transition work with the commencement of the *Planning Act 2016* on 3 July 2017
- released *ShapingSEQ, a South East Queensland Regional Plan* that provides a framework for managing the region's growth during the next 25 years and sets a vision for the next 50 years
- facilitated sustainable development across Queensland balancing competing state interests and streamlining development approvals through the State Assessment and Referral Agency. In 2017–18, 2842 decision approvals were issued
- allocated Round 1 of the Innovation and Improvement Fund and opened Round 2, allowing further funding opportunities for local governments to improve the overall performance of the planning system.

Service Standard	Notes	2017–18 Target Est	2017–18 Actual
Better planning for Queensland			
Effectiveness measure Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system	1, 2	70%	70.83%
Efficiency measure Average administration costs per decision made by the State Assessment and Referral Agency	1, 3	$3,100	$3,581

Notes:

1. This service area was transferred from the former Department of Infrastructure, Local Government and Planning following MoG changes in December 2017.
2. This is a measure of 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.
3. The 2017–18 Actual is greater than the 2017–18 Target/Estimate due to contributing factors such as the decrease in the number of decisions issued by the State Assessment and Referral Agency, an increase in legal expenditure, and the escalated staffing costs as a result of the 2017–18 enterprise agreement.

Discontinued measures

Performance measures included in the 2017–18 *Service Delivery Statement* that have been discontinued or replaced are reported in the following table.

Discontinued measures

Service Standard	Notes	2017–18 Target Est	2017–18 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	$4.287 billion	..
Estimated numbers of jobs enabled through projects developed or delivered	1, 2	5,585	..
Efficiency measure Value of capital investment enabled per dollar spent on project development and delivery	1, 2	$351	..
Service: Economic development through coordinated projects and state development areas			
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	2	100%	100%
Efficiency measure Potential capital expenditure leveraged per dollar spent on the Coordinator-General's annual budgeted staff expenses to assess and facilitate projects to construction	3	$2,500	$4,212

Notes:

1. This service standard has been discontinued due to MoG changes and the calculation methodology being amended to remove values from the Integrated Resort Developments and Global Tourism Hubs function which has been transferred to the Department of Innovation, Tourism Industry Development and the Commonwealth Games.
2. The 2017–18 Actual is unable to be reported due to the transfer out of the Integrated Resort Developments and Global Tourism Hubs function as a result of the MoG changes. A new service standard has been introduced where the wording has remained unchanged from the 2017–18 Service Delivery Statement, however the calculation methodology has been amended to exclude the transferred-out function and a new target set for 2018–19 which will represent the component remaining in the department.

Commercialised Business Unit
Economic Development Queensland

Business and economic growth

The objective of this service area is to drive business and economic growth in Queensland. It delivers policies and programs that drive business and economic growth consistent with the government's economic development agenda. It will drive the expansion of Queensland's economic growth as benchmarked against the global economy and comparable jurisdictions by:

- driving economic, business and community growth by delivering the Advancing Our Cities and Regions Strategy to renew and repurpose surplus and underutilised state property
- supporting and enabling new growth in Queensland communities through fast tracking opportunities for urban, residential, industrial and community development across Queensland
- facilitating the provision of priority development infrastructure that will unlock development opportunities for local governments, key industry sectors, the community and the state.

Key achievements

During 2017–18, the service area:

- partnered with local governments, utility providers and select developers to invest in infrastructure projects through the Catalyst Infrastructure Program. During 2017–18, $34.81 million worth of infrastructure was funded across Queensland
- sold $11.62 million of land in the Sunshine Coast Industrial Park at Caloundra. The development supports approximately 430 direct and indirect jobs and contributes $52 million a year to the local economy
- undertook stakeholder engagement on two key projects – the former TAFE site at Yeronga, and the former Oxley Secondary College
- continued with the development of the Carseldine Urban Village with the approval of a new $6.5 million sport and recreation precinct and the lodgement of the development application for Stage 1
- launched The Village, New Home Test Drive, which gives genuine buyers an opportunity to stay in a new three-bedroom home for up to two nights in the master-planned community, The Village, in Townsville
- declared the Mackay Waterfront Priority Development Area in May 2018 which will advance the region's economy and job creation opportunities by establishing a waterfront destination with enhanced recreation, lifestyle, tourism and investment opportunities.

Service Standard	Notes	2017–18 Target Est	2017–18 Actual
Business and economic growth			
Effectiveness measure Value of private sector investment generated through the facilitation of economic and community development projects	1	$319 million	$225.2 million
Efficiency measure Administrative costs as a percentage of private sector investment generated through the facilitation of economic and community development projects	2	New measure	New measure

Notes:

1. This measure is the value of private sector investment generated through the facilitation of economic and community development projects in EDQ, including the value of land sales for which EDQ is responsible. The variance between 2017–18 Target/Estimate and 2017–18 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 new measure has been created to more appropriately reflect the efficiency of the service area. 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.

Discontinued measures

Performance measures included in the 2017–18 *Service Delivery Statement* that have been discontinued or replaced are reported in the following table.

Discontinued measures

Service Standard	Notes	2017–18 Target Est	2017–18 Actual
Value of investment enabled through the Priority Development Infrastructure co-investment and Catalyst Infrastructure programs	1, 2	$110.1 million	$82.7 million
Percentage of development projects managed, facilitated or delivered within committed timeframes and approved budget	3	92%	92%
Value of investment enabled per dollar invested in the management of the Priority Development Infrastructure co-investment and Catalyst Infrastructure programs	1, 4	$1.44	$2.02
Value of private sector investment generated through the facilitation of economic and community development projects per dollar spent on project management	5, 6	$3.81	$3.27

Notes:

1. This measure has been discontinued as the Priority Development Infrastructure co-investment program has closed for new applications and the Catalyst Infrastructure Program has limited funds for new applications.
2. The variance between the 2017–18 Target/Estimate and the 2017–18 Actual is due to revised timeframes for the delivery of Priority Development Infrastructure and Catalyst Infrastructure Program projects.
3. This service standard has been discontinued as it has been assessed as not meeting the requirements of the Queensland Government Performance Management Framework as a measure of effectiveness. This service standard will not be reported elsewhere.
4. The variance between the 2017–18 Target/Estimate and the 2017–18 Actual is due to a higher proportion of coinvestment by the project proponents.
5. This service standard has been discontinued and replaced with a new efficiency measure, administrative costs as a percentage of private sector investment generated through the facilitation of economic and community development projects, which reflects total operating efficiency rather than just project management efficiency.
6. The variance between the 2017–18 Target/Estimate and 2017–18 Actual is mainly due to a change in market conditions regarding the Northshore Hamilton, Yeerongpilly Green and Advancing Our Cities and Regions projects.

Appendix 3 – Our contacts

Brisbane offices

Brisbane Central offices

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

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)
niseconomictransition@dsdmip.qld.gov.au

Appendix 4 – 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 Glossary	ARRs – section 9.1	Page 4 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 2,10,11
	Agency role and main functions	ARRs – section 10.2	Page 10
	Machinery of government changes	ARRs – section 31 and 32	Page 11
	Operating environment	ARRs – section 10.3	Pages 12,13
Non-financial performance	Government's objectives for the community	ARRs – section 11.1	Page 14
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	Pages 19,20
	Agency objectives and performance indicators	ARRs – section 11.3	Pages 123–129, 131,132 Discontinued measures pages 130, 133
	Agency service areas and service standards	ARRs – section 11.4	Pages 124, 126, 128, 129, 132
Financial performance	Summary of financial performance	ARRs – section 12.1	Pages 58–61

Summary of requirement		Basis for requirement	Annual report reference
Governance – management and structure	Organisational structure	ARRs – section 13.1	Pages 62–63
	Executive management	ARRs – section 13.2	Pages 64–65
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 71
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* ARRs – section 13.4	Page 73
	Queensland public service values	ARRs – section 13.5	Page 75
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 68 ,71
	Audit committee	ARRs – section 14.2	Pages 68
	Internal Audit	ARRs – section 14.3	Pages 71–72
	External scrutiny	ARRs – section 14.4	Page 72
	Information systems and recordkeeping	ARRs – section 14.5	Pages 73–74
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Pages 75–80
	Early retirement, redundancy and retrenchment	Directive No.11/12 *Early Retirement, Redundancy and Retrenchment* Directive No.16/16 *Early Retirement, Redundancy and Retrenchment* (from 20 May 2016) ARRs – section 15.2	Page 80
Open data	Statement advising publication of information	ARRs – section 16	Pages 2, 74
	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 42, 43 and 50 ARRs – section 17.1	Page 117
	Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	Pages 118–120

FAA Financial Accountability Act 2009
FPMS Financial and Performance Management Standard 2009
ARRs Annual report requirements for Queensland Government agencies

Abbreviations

AOCR	Advancing Our Cities and Regions
AQIAF	Advance Queensland Industry Attraction Fund
ARMC	Audit and Risk Management Committee
BAP	Biofutures Acceleration Program
BoR	Building our Regions
BSP	Business Solutions and Partnerships
CCC	Crime and Corruption Commission
CHaPs	Community Hubs and Partnerships
DIQ	Defence Industries Queensland
DNRME	Department of Natural Resources, Mines and Energy
DSDMIP	Department of State Development, Manufacturing, Infrastructure and Planning
ECRi	Engineering Construction and Resources Innovation Hub
eDRMS	Electronic Document Records Management System
EDQ	Economic Development Queensland
EIS	Environmental Impact Statement
EPBC Act	*Environment Protection and Biodiversity Conservation Act 1999*
ERG	Economic Recovery Group
FAA	*Financial Accountability Act 2009*
FAMC	Finance and Asset Management Committee
FIFO	Fly-in-Fly-out
FPMS	*Financial and Performance Management Standard 2009*
GC2018	Gold Coast 2018 Commonwealth Games
GVA	Gross Value-Added
IAR	Impact Assessment Report
IMAG	Industry Manufacturing Advisory Group
IRDs	Integrated Resort Developments
ISC	Information Steering Committee
JEL	Juru Enterprises Ltd
JRGF	Jobs and Regional Growth Fund
LGIP	Local Government Infrastructure Plans
LNG	Liquefied Natural Gas
MDL	Mineral Development Licence
METS	Mining Equipment, Technology and Services
MIQ	Made in Queensland
MLP	Market-Led Proposal
MoG	Machinery of Government

MPP	Major Projects and Property
MRO	Maintenance Repair and Overhaul
NDRRA	Natural Disaster Relief and Recovery Arrangements
NRL	National Rugby League
NSI	North Stradbroke Island
PDA	Priority Development Area
PSC	Public Service Commission
PSE Act	*Public Sector Ethics Act 1994*
QAO	Queensland Audit Office
QUT	Queensland University of Technology
QGC	Queensland Gas Corporation
RED	Regional Economic Development
SDA	State Development Area
SIA	Social Impact Assessment
SMEs	Small to Medium Enterprises
SDPWO Act	*State Development and Public Works Organisation Act 1971*
SSRC Act	*Strong and Sustainable Resource Communities Act 2017*
UAS	Unmanned Aerial Systems
WHS	Work Health and Safety

Glossary

Term	Description
Administrative Arrangements Orders	Set out the principal responsibilities of government ministers and their portfolios.
Advancing Our Cities and Regions (AOCR) 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.
Biofutures Acceleration Program (BAP)	This program aims to attract and support development of new or expanded commercial-scale biorefinery projects.
Biofutures Commercialisation Program	This program seeks to attract national and international bioindustrial expertise to partner with Queensland researchers and/or businesses to scaleup and test new or improved technologies and processes at the pilot or demonstration scale.
Biofutures Industry Development Fund	This fund helps companies with new projects reach a point at which they can better access venture capital, supporting companies pursuing innovative industrial biotech and bioproducts projects.
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.

Term	Description
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.
Engineering, Construction and Resources Innovation Hub (ECRi Hub)	Established to link innovative technology, end users, investors and international partners to identify commercial opportunities throughout Queensland.
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.
Igniting METS Accelerator	A joint initiative between the Queensland Government and METS Ignited – the national growth centre for METS – and operated by KPMG.
Industry and Manufacturing Advisory Group (IMAG)	Supporting the state's $19 billion manufacturing industry, this group assists industry growth by concentrating on: • changing demand and emerging opportunities • productivity and competitiveness • innovation and technology • local content, business costs and regulation.
Integrated Resort Developments (IRDs)	A high-quality, mixed use destination aimed at providing tourism, leisure and entertainment facilities that appeal to as broad a demographic as possible, including the international market. An IRD could include: • iconic architecture with expansive high amenity public realm • five or six-star hotels • arcades, casino, pools, salons, gyms and other recreational facilities • meeting and conference spaces • tourist attractions including maritime museums and aquariums • theatre and convention facilities • cinemas • boutique retail • bars • celebrity chef restaurants.

Term	Description
Jobs and Regional Growth Fund (JRGF)	A $150 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 to 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	A site declared by the state government to facilitate the development of land in Queensland for economic development or community purposes.
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 (R4R)	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 Areas	Clearly defined areas 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.

Term	Description
Social Impact Assessment	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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Department of State Development, Manufacturing, Infrastructure and Planning

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