Appendix 1. Financial statements

For the year ended 30 June 2013

Contents

General information

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

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

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

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

Level 12

100 George Street

Brisbane Queensland 4000

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

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

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

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

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

The accompanying notes form part of these statements.

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

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

The accompanying notes form part of these statements.

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

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

The accompanying notes form part of these statements.

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

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

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

The accompanying notes form part of these statements.

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

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

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

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

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

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

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

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

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

Income	28,452	27,481	104,606	9,774
Expenses	28,735	27,845	105,859	9,896

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

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

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

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

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

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

[4] *For the period 1 July 2012 to 31 January 2013. Transferred to Economic Development Queensland 1 February 2013.*

[5] *General non-attributed relates to an Impairment Loss for services that transferred from DSDIP as result of the 2012 machinery-of-Government changes.*

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

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

(1) *Refer to Note 3 for a description of major departmental services.*

(2) *Property Services Group transferred to Economic Development Queensland effective 1 February 2013.*

The accompanying notes form part of these statements.

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

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

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

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

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

The accompanying notes form part of these statements.

Note	Note Title
1	Objectives and principal activities of the department
2	Summary of significant accounting policies
3	Major departmental services
4	Reconciliation of payments from consolidated fund to departmental services revenue recognised in statement of comprehensive income
4	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
5	Sales of land
6	User charges, fees and fines
7	Grants and other contributions
8	Other revenue
9	Gains
10	Employee expenses
11	Key management personnel and remuneration
12	Supplies and services
13	Grants and subsidies
14	Depreciation and amortisation
15	Impairment losses
16	Revaluation decrements
17	Finance/borrowing costs
18	Other expenses
19	Cash and cash equivalents
20	Receivables
21	Inventories
22	Other assets
23	Non-current assets classified as held for sale
24	Intangible assets
25	Property, plant and equipment
26	Investment property
27	Income tax equivalent
28	Biological assets
29	Payables
30	Other financial liabilities
31	Accrued employee benefits
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33	Provisions
34	Asset revaluation surplus
35	Jointly controlled operations
36	Controlled entities
37	Restructuring of administrative arrangements
38	Reconciliation of operating surplus to net cash from operating activities
39	Non-cash financing and investing activities
40	Commitments for expenditure
41	Contingencies
42	Events occurring after balance date
43	Financial instruments

1. Objectives and principal activities of the Department of State Development, Infrastructure and Planning

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

2. Summary of significant accounting policies

(a) Statement of compliance

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

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

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

(b) The reporting entity

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

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

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

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

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

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

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

The entities that were material and were consolidated are:
- Biopharmaceuticals Australia (Network) Pty Ltd
- Southern Regional Water Pipeline Company Pty Ltd

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

Two entities were controlled by the department in 2011-12 but did not trade during the year:
- The Green Energy Corporation Pty Ltd
- Queensland Trade and Investment Office Pty Ltd

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

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

2. Summary of significant accounting policies (continued)

(b) The reporting entity (continued)

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

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

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

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

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

(c) Administered transactions and balances

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

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

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

(d) Trust/Agency transactions and balances

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

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

(e) Departmental services revenue/administered revenue

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

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

2. Summary of significant accounting policies (continued)

(f) User charges, fees and fines

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

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

(g) Interest Revenue

Interest revenue is recognised as it accrues.

(h) Grants and other contributions

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

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

(i) Special payments

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

(j) Cash and cash equivalents

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

(k) Receivables

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

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

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

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

(l) Inventories

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

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

2. Summary of significant accounting policies (continued)

(m) Biological assets

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

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

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

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

(o) Assets under construction (work in progress)

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

The department does not capitalise finance and borrowing costs.

(p) Acquisitions of assets

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

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

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

(q) Property, plant and equipment

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

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

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

(r) Intangible assets

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

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

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

2. Summary of significant accounting policies (continued)

(r) Intangible assets (continued)

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

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

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

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

(s) Revaluations of non-current physical assets

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

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

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

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

(u) Impairment of non-current assets

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

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

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

2. Summary of significant accounting policies (continued)

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

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

(v) Investment property

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

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

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

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

(w) Leases

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

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

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

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

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

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

Leaseback arrangements

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

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

2. Summary of significant accounting policies (continued)

(x) Jointly controlled operations

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

(y) Payables

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

(z) Financial instruments

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

Classification
Financial instruments are classified and measured as:

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

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

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

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

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

(aa) Employee benefits

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

(aa) Employee benefits (continued)

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

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

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

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

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

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

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

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

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

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

(ab) Provisions

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

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

(ac) Finance/Borrowing costs

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

No borrowing costs are capitalised into qualifying assets.

2. Summary of significant accounting policies (continued)

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

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

(ae) Insurance

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

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

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

(ag) Contributed equity

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

(ah) Taxation

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

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

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

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

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

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

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

(ai) Issuance of financial statements

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

2. Summary of significant accounting policies (continued)

(aj) Accounting estimates and judgements

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

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

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

(ak) Rounding and comparatives

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

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

(al) New and revised accounting standards

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

(al) New and revised accounting standards (continued)

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

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

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

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

(al) New and revised accounting standards (continued)

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

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

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

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

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

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

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

(am) Correction of prior period error

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

3. Major departmental services

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

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

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

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

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

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

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

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

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

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

(1) Refer to Note 2(aa).

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

11. Key management personnel and remuneration

(a) Key management personnel

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

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

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

11. Key management personnel (continued)

(b) Remuneration

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

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

Remuneration packages for key management personnel comprise the following components:

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

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

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

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

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

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

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

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

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

11 (b) Key management personnel (continued)

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

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

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

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

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

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

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

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

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

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2012 $'000
14. Depreciation and amortisation			
Depreciation and amortisation were incurred in respect of:			
Buildings	2,554	8,951	8,951
Infrastructure	2,025	2,270	2,270
Major plant and equipment	3,955	3,955	3,955
Plant and equipment	1,691	13,306	13,306
Software purchased	27	96	96
Software internally generated	402	881	881
Total depreciation and amortisation	**10,654**	**29,459**	**29,459**
15. Impairment losses			
Land inventory	-	3,135	3,135
Software	-	57	57
Trade receivables	1,530	1,732	1,732
Total impairment losses	**1,530**	**4,924**	**4,924**
16. Revaluation decrements			
Buildings	32	1,473	1,473
Land	17,614	65,081	65,081
Land inventory	9,883	955	955
Total revaluation decrements	**27,529**	**67,509**	**67,509**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24. Intangible assets (continued)

Intangible assets reconciliation

Parent

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

Consolidated

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

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

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

25. Property, plant and equipment

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

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

25. Property, plant and equipment (continued)

Valuation methodology

Valuation of Mary Valley properties

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

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

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

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

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

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

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

Land

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

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

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

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

Buildings

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

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

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

Infrastructure and major plant and equipment

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

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

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

25. Property, plant and equipment (continued)

Property, plant and equipment reconciliation

Parent

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

Consolidated

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

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

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

No contingent rentals were recognised during the current reporting period.

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

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

Investment property reconciliation

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

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

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

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

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

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

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

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

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

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

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

No assets have been pledged as security for any liabilities.

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

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

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

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

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

Provision for land acquisition claims

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

33. Provisions (continued)

Provision for taxes

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

34. Asset revaluation surplus

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

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

35. Jointly controlled operations

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

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

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

36. Controlled entities

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

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

ZeroGen Pty Ltd

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

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

Revenues and expenses 1 July 2011 to April 2012

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

36. Controlled entities (continued)

BioPharmaceuticals Australia (Network) Pty Ltd

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

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

The Green Energy Corporation Pty Ltd

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

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

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

Queensland Trade and Investment Office Pty Ltd

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

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

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

Queensland Water Infrastructure Pty Ltd

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

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

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

Southern Regional Water Pipeline Company Pty Ltd

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

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

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

37. Restructuring of administrative arrangements

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

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

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

37. Restructuring of administrative arrangements (cont'd)

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

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

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

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

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

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

39. Non-cash financing and investing activities

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

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

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

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

40. Commitments for expenditure

(a) Non-cancellable operating lease commitments

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

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

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

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

40. Commitments for expenditure (continued)

(b) Capital expenditure commitments

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

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

(c) Grants and subsidies expenditure commitments

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

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

(d) Other expenditure commitments

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

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

41. Contingencies

(a) Guarantees and undertakings

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

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

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

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

(b) Litigation in progress

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

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

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

(c) Native title claims over departmental land

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

(d) Contingent assets

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

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

(e) Contract performance guarantees

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

42. Events occurring after balance date

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

43. Financial instruments

(a) Categorisation of financial instruments

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

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

(b) Financial risk management

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

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

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

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

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

(c) Credit risk exposure

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

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

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

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

Financial assets

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

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

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

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

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

43. Financial instruments (continued)

(c) Credit risk exposure (continued)

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

2013 financial assets past due but not impaired

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

2012 financial assets past due but not impaired – parent

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

2012 financial assets past due but not impaired – consolidated

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

2013 individually impaired financial assets

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

2012 individually impaired financial assets – parent

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

2012 individually impaired financial assets – consolidated

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

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

43. Financial instruments (continued)

(d) Liquidity risk

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

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

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

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

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

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

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

(e) Market risk

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

(f) Interest rate sensitivity analysis

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

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

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

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

43. Financial instruments (continued)

(f) Interest rate sensitivity analysis (continued)

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

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

(g) Fair value

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

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

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

44. Leases - as lessor

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

(a) Finance leases

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

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

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

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

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

44. Leases - as lessor (continued)

(b) Operating leases

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

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

Commercial and industrial properties (Economic Development Queensland)

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

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

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

Mary Valley properties

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

45. Schedule of administered items

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

45. Schedule of administered items (continued)

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

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

Statement of financial position - Administered
as at 30 June 2013

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

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

46. Trust transactions and balances

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

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

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

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

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

47 Correction of errors

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

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

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

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

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

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

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

Retrospective adjustments

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

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

Certificate of the Department of State Development, Infrastructure and Planning

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

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

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

Michael McKee FCPA	Colin Cassidy
Chief Finance Officer	Acting Director-General
…………………………………………	…………………………………………
30/8/2013	30/8/13

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Report

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

Accountable Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

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

(b) in my opinion:

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

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

Other Matters - Electronic Presentation of the Audited Financial Report

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

AUDITOR GENERAL
30 AUG 2013
OF QUEENSLAND

A M GREAVES FCA FCPA
Auditor-General of Queensland

Queensland Audit Office
Brisbane