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REPORT**

2015



**Queensland
Government**

AUDAX AU FIDELIS

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To provide feedback about this annual report please
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A number of annual reporting requirements are now addressed through publication of information through the Queensland Government Open Data website www.qld.gov.au/data in lieu of inclusion in this annual report.

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Letter of compliance

9 September 2015

The Honourable Jackie Trad MP
Deputy Premier, Minister for Transport, Minister for Infrastructure,
Local Government and Planning and Minister for Trade
100 George Street
BRISBANE QLD 4000

Dear Deputy Premier

I am pleased to present the Annual Report 2014-2015 and financial statements for the Department of Infrastructure, Local Government and Planning.

This report is prepared on the basis of the current administrative arrangements for this Department applying for the whole of the 2014-15 financial year. That is, it reflects the structure, operations and performance of the Department as it now exists.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found in Appendix 2 of this annual report or accessed at www.dilgp.qld.gov.au.

Yours sincerely



Stephen Johnston
Acting Director-General
Department of Infrastructure, Local Government and Planning
Queensland Government

Director-General's foreword

The Department of Infrastructure, Local Government and Planning was established in February 2015 following the State Election and subsequent machinery of government changes. Planning, Economic Development Queensland, Infrastructure Policy and Planning and South Bank were incorporated into the Department from the former Department of State Development, Infrastructure and Planning, creating a Department focused on building a prosperous, connected, liveable, sustainable and resilient Queensland.

The new Department integrates the functions of infrastructure planning and policy, land use planning, local government and regional services, as well as economic and regional development—in one prominent agency. These areas work together to create better cities, towns and communities through future-focused planning, smart development and strong partnerships. The Department also has a key role in supporting and providing advice and capacity building to local governments throughout Queensland, implementing finance and funding programs, as well as community recovery and resilience building initiatives.

The Queensland Government is committed to growing the economy and building well-targeted and efficiently delivered infrastructure. That is why Building Queensland—the State's new infrastructure advisory body—is being created. Initially established within the Department under an interim arrangement, Building Queensland will emerge as an independent statutory body following the expected passing of the *Building Queensland Bill 2015* by the end of 2015. Building Queensland will be the State's centre of excellence for infrastructure ensuring a consistent approach across government in assessing major infrastructure projects. It will bring new rigour to infrastructure planning in Queensland and will provide the certainty that business needs to plan with confidence.

A key initiative for the Department is the renewal of the State's planning system to one that is contemporary, fair and easy to understand. At the core of renewing the system is legislative reform. Following extensive engagement with the planning community and recognition of concerns with existing legislation, the need for a new streamlined planning act was established.

To achieve this, a planning bill will be introduced into the Queensland Parliament in late 2015. The new legislation will, once enacted, enable responsible development, stimulate economic growth and innovation and ensure genuine public participation in the planning process. In addition, it will deliver an improved, more responsive set of processes for plan making and development assessment, reducing delays for system users and providing a balance between consistency and flexibility while producing sound planning outcomes.

The Department has worked with the new Government to set a new course for planning reform, which is articulated in the Directions Paper: *Next Steps for Planning Reform*, released in May. This course for planning reform is supported by funding of \$59.4 million which will provide for opportunities and resources to engage the broader community on planning matters and give it the capacity to provide meaningful support to local governments, ensuring a smooth transition to the new planning environment.

2014-15 saw the completion of the Local Government Floods Response Subsidy which was a three year program to support local governments implement recommendations of the Queensland Floods Commission of Inquiry. This program supported numerous flood management studies that assisted councils make decisions about mitigation strategies to protect their communities including essential infrastructure.

Central Queensland has been doing it tough in the aftermath of Tropical Cyclone Marcia. The final damage bill was more than half a billion dollars and there has been a substantial impact on those communities. The Central Queensland Special Reconstruction Funding provides \$40 million over the next two financial years for a special assistance package for the revitalisation of the riverfront in Rockhampton and the Yeppoon foreshore. The Department is working closely with both Rockhampton Regional and Livingstone Shire Councils in the development of the projects with discussions having been held with both councils about their scope of works and implementation plan.

The Department has continued to work collaboratively with the Local Government Association of Queensland and other agencies to support smaller and remote councils. Targeted training programs and workshops have been conducted and a range of online guidelines and resources have been published to build councils' capacity and capability.

Queensland's Indigenous communities have benefited from targeted support in excess of \$2.5 million through the Indigenous State Infrastructure Program for the upgrade of water and wastewater infrastructure in Pormpuraaw, Aurukun and Yarrabah Shire Councils. Stage 5 of the Major Infrastructure Program will see \$9.6 million provided in 2015-16 for infrastructure projects in the Torres Strait. We continue to work in partnership with traditional owners to complete the planning, delivery and funding strategy for delivering basic infrastructure facilities to the One Mile community.

To deliver on an ongoing commitment to infrastructure, better planning and development and to support the State's local government system, the Department plans to:

- establish the \$59.4 million Catalyst Infrastructure Program to invest in urban infrastructure that will unlock development and create construction and long-term employment over the next three years
- deliver a State Infrastructure Plan that will drive economic growth and facilitate priority development infrastructure
- finalise the establishment of Building Queensland as a new, independent and rigorous infrastructure advisor to government
- introduce a new planning legislative framework to provide for improved plan making arrangements, more streamlined development assessment processes, accessible dispute resolution that contributes to a positive planning culture in Queensland
- release a suite of supporting documentation and tools to help practitioners and the community understand how the new planning framework will operate and change
- employ a community engagement program to include and inform Queenslanders on planning that includes 'Meet the Planner' sessions, live streamed events and meeting with key representative groups
- detail and deliver a series of transitional projects to assist local government transition to a new planning system including internal systems and processes

- deliver a robust training and communication program across the state that supports the whole planning community to understand the new planning system and what new processes will be required
- progress the review of the South East Queensland regional plan in a manner that drives economic growth but also supports job creation, delivers effective infrastructure, protects the values of the region's natural assets and ultimately preserves South East Queensland's unique identity
- continue to enhance and deliver State Assessment and Referral Agency development assessment services to ensure a streamlined and coordinated development assessment approach and reasonable and timely decisions
- provide \$40 million for the new Community Resilience Fund, to support local governments to reduce the impact of natural disasters on important infrastructure and to better protect vulnerable communities
- continue to administer the Local Government Grants and Subsidies Program which will provide \$36.1 million for priority infrastructure projects to meet community needs that will deliver economic benefits to those communities
- support the Queensland Local Government Grants Commission in its administration of the financial assistance grant arrangements
- maintain and strengthen existing relationships with the Local Government Association of Queensland through the review and implementation of the Partners in Government Agreement
- continue to empower and support councils by providing a framework and targeted capacity building programs and resources to enable local governments to deliver services, resources and activities to their communities.

I would like to acknowledge the valuable contribution of my predecessor, Craig Evans AM, to the work of the State's local government sector and his commitment to progressing essential community resilience and recovery programs undertaken during his time as Director-General of the then Department of Local Government, Community Recovery and Resilience. My thanks also goes to the Department's staff for their patience and ongoing hard work as the machinery of government changes progressed and the Department of Infrastructure, Local Government and Planning was formed.

I welcome the opportunity to continue to work closely with Queensland councils following the March 2016 local government elections and I look forward to continuing to work with our professional and committed partners to build a better way for Queensland.

Stephen Johnston
Acting Director-General
Department of Infrastructure, Local Government and Planning

About the Department

With a vision to create better cities, towns and communities through future-focused planning, smart development, engagement and strong partnerships, the Department of Infrastructure, Local Government and Planning (DILGP) will –

- deliver the State Infrastructure Plan, *Total Asset Management Plan (TAMP) Framework* and coordinate input into whole-of-government infrastructure documents
- ensure local governments are able to make effective decisions that bring increased economic prosperity and social cohesion to their communities
- work with other agencies and local government partners to ensure local governments have the necessary autonomy, authority, capacity and resilience to deliver the best outcomes for their community
- deliver a better land use planning and development assessment framework that supports effective and genuine public participation, whilst providing for efficient and consistent decision making that instils investment and community confidence
- facilitate and manage the delivery of infrastructure as a catalyst for development of residential, industrial and urban projects, including within large greenfield areas and industrial estates, by working with local governments and industry to respond to economic development and community needs.

Legislation

Legislation administered by the Department is:

Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984 (Part 9, Div 2 and Part 10)

Agent-General for Queensland Act 1975

City of Brisbane Act 2010

Economic Development Act 2012

Integrated Resort Development Act 1987

Local Government Act 2009

Local Government Electoral Act 2011

Local Government (Robina Central Planning Agreement) Act 1992

Mixed Use Development Act 1993

Regional Planning Interests Act 2014

Royal National Agricultural and Industrial Association of Queensland Act 1971

Sanctuary Cove Resort Act 1985

South Bank Corporation Act 1989

Southern Moreton Bay Islands Development Entitlements Protection Act 2004

Sustainable Planning Act 2009 (except to the extent administered by the Minister for Housing and Public Works and Minister for Science and Innovation)

Townsville Breakwater Entertainment Centre Act 1991

Townsville City Council (Douglas Land Development) Act 1993

Trade and Investment Queensland Act 2013

Partners in Government Agreement

The Department oversees the operation of the Partners in Government Agreement (the Agreement) with the Local Government Association of Queensland (LGAQ).

The Agreement provides a clear set of principles to guide the relationship between both levels of government including those of mutual respect and cooperation. It also clearly articulates a commitment from the State Government to proper and meaningful consultation with local governments.

The Department has commenced a review of the Agreement in consultation with the LGAQ and looks forward to finalising a revised Agreement to cement the strong relationship that exists between the State Government and the LGAQ.

Role and functions

Infrastructure Policy and Planning

Leads the development of infrastructure policy and investment prioritisation for the State. Its functions include strategic policy advice about emerging infrastructure issues, infrastructure coordination, identifying infrastructure opportunities, secretariat support for an Interdepartmental Infrastructure Committee and reviewing a range of government programs for infrastructure implications.

Local Government and Regional Services

Supports councils to deliver stronger, safer and smarter communities. The local government sector is an important partner in the delivery of the Queensland Government's priorities locally and regionally. The Department's provision of legislative and governance frameworks, collaboration, general advice and support enables local governments across the State to deliver services, resources and activities to their diverse communities. The Department continues to lead the development and delivery of initiatives to enhance the State's level of disaster resilience and to position Queensland as the most disaster resilient State in Australia.

Planning

Responsible for the legislative framework and overarching policy for land use planning and development assessment in Queensland. The group works alongside local government, industry, key interest groups, the planning profession and the broader community to deliver a contemporary and effective system. Planning is leading the reform of the State's land use planning and development assessment framework to deliver balanced liveability, sustainability and prosperity for all Queenslanders.

Strategy, Governance and Resilience

Provides business and corporate support services to the Department's business groups to enable them to effectively deliver government priorities. The group consists of Legal, Legislation and Policy Services, Strategy Governance and Business Support, Communications, Media, Community Recovery and Resilience and Cabinet and Executive Services.

South Bank

Manages administrative responsibilities under the *South Bank Corporation Act 1989* and funds and manages Brisbane City Council's responsibility regarding Roma Street and South Bank Parklands. It supports the Deputy Premier as responsible Minister, and is the Government's central contact for all issues related to South Bank.

Economic Development Queensland

Operates as a specialist land use planning and property development unit within the Department. Economic Development Queensland (EDQ) works collaboratively with state and local governments, the development industry and the public to identify, plan, facilitate and deliver property development and infrastructure projects across Queensland to create prosperous, liveable and connected communities.

Building Queensland

Provides independent expert advice on infrastructure related matters to Government. Building Queensland will be governed by an eight-person board, with majority non-government sector representation and will depoliticise consideration of the infrastructure needs of Queensland. It will introduce a new rigour to the way Government plans for infrastructure. Building Queensland experts will use transparent and disciplined frameworks to evaluate proposals, develop rigorous business cases including cost benefit analysis, and undertake procurement and delivery of projects—if directed to do so.

A key output of Building Queensland will be the creation of a pipeline of priority projects that will be provided to the Queensland Government for consideration and will feed into future state infrastructure plans. Only projects that can deliver benefits and provide value for money will be considered.

Well directed investment in infrastructure provides significant economic benefit in the form of increased productivity, job creation and training and skilling opportunities. Building Queensland will be a key mechanism to support the realisation of these benefits.

Machinery of government changes

The Department of Infrastructure, Local Government and Planning (DILGP) was established in February 2015 following the State Election and subsequent machinery of government changes. Planning, Infrastructure Policy and Planning and South Bank, together with the commercialised business unit, Economic Development Queensland, were incorporated into the Department from the former Department of State Development, Infrastructure and Planning (DSDIP).

DILGP was created to build a prosperous, connected, liveable, sustainable and resilient Queensland. Our vision is to create better cities, towns and communities through future-focused planning, smart development and strong partnerships.

The Department is a prominent agency with the power and expertise to shape the future of Queensland by integrating:

- Infrastructure – coordinates the social and economic infrastructure that enables our towns, cities and regions to be more productive, connected and resilient.
- Local government – supports councils to play a central role in delivering stronger, safer and smarter communities.
- Planning – sets legislative framework, provides better planning methods, a positive culture and improved capacity, resulting in quality places for the people of Queensland.
- Economic Development Queensland – works collaboratively with local governments, the development industry and communities to identify, plan, facilitate and deliver property development and infrastructure projects across Queensland.

Our operating environment

Opportunities and challenges

To support the current and future prosperity of Queensland's population, the State requires strong local governments, planning and infrastructure that will support productivity, job creation and improved public spaces and community experiences. Achieving consensus between local government, industry and communities and managing private sector confidence in a fluctuating property market are key challenges for the Department.

Better planning and infrastructure will be achieved through developing regulatory frameworks that support better methods, a positive culture and improved capacity to provide quality places for the people of Queensland.

Economic growth and labour market conditions in Queensland continue to be influenced by the transition from the historic surge in resources investment towards growth driven by the household and trade sectors. The slowdown in the resources sector will continue to impact on Departmental land sales in some of the industrial and residential projects in these markets.

The current fiscal environment and increasing demands on Government revenue have seen an increased focus on the efficiency of Government investment in infrastructure. This focus has driven public and private sector scrutiny to ensure investments are well made. These trends are common across jurisdictions in Australia.

Key risks for infrastructure policy and planning include managing expectations about roles and responsibilities in relation to infrastructure, whole-of-government infrastructure reforms and the new State Infrastructure Plan, and effectively using available resources to meet expectations. These risks are being managed through relationship building activities and the establishment of the Infrastructure Interdepartmental Committee.

The integration of infrastructure, local government and planning and a focus on innovation in the planning, procurement, delivery and ongoing management of infrastructure, provides great opportunities to continue the delivery of services to Queenslanders in a fiscally constrained environment.

Building Queensland will provide an opportunity for the Government to deliver infrastructure that meets the needs of all Queenslanders. It will ensure the State invests in value for money infrastructure projects that provide long term benefits to our community.

The underlying challenge of providing better planning and infrastructure in Queensland also involves developing the best legislative framework which endeavours to provide for practice and methodology that creates a positive culture and improved capacity within local governments—resulting in quality places for the people of Queensland to live, work and play. The Department is committed to working in partnership with all stakeholders to deliver better planning for Queensland and will work consultatively to achieve this outcome.

Delivering planning reform is a key enabler for a better Queensland. It will deliver a more efficient and effective framework that supports investment and jobs, but not at the expense of community participation or the role of local government.

The timing of revenue and expenditure in relation to natural disasters, such as tropical cyclones and floods continues to significantly impact Queensland's budget position. The Department has been focussed on coordinating and implementing natural disaster mitigation and resilience projects in partnership with councils across the State to reinstate local government infrastructure and community facilities. Further, the Department will partner with councils to identify community infrastructure and resilience initiatives that will minimise the impact of future natural disasters in regions and communities across the State.

In regional and remote Queensland, local governments continue to face challenges related to their size, geographical location, demography, unpredictable seasonal conditions and environmental concerns.

The Department continues to address challenges to ensure that all councils have the necessary autonomy, authority and capacity to operate with accountability and efficiency to provide effective front line services for their communities. In addition to infrastructure and planning, the Department will assist councils to develop partnerships and collaborative relationships to facilitate major projects and grow strong and prosperous regions driven by cooperation across local government boundaries.

Services

The Department had five service areas during 2014-15:

- driving business and economic growth
- major project assessment, approval, facilitation and delivery
- local government
- community recovery and resilience
- reforming Queensland's planning system.

Details of the Department's performance against the 2014-15 Service Delivery Statement and results against annual targets are outlined below.

Driving business and economic growth

Major project assessment, approval, facilitation and delivery

Economic Development Queensland (EDQ) contributes to the service areas – 'driving business and economic growth' and 'major project assessment, approval, facilitation and delivery'. These service areas were transferred from the former DSDIP following machinery of government changes.

<i>Economic Development Queensland</i>	<i>Notes</i>	<i>2014-15 Target / estimate</i>	<i>2014-15 Estimated actual</i>	<i>2014-15 Actual</i>	<i>Result</i>
<i>Driving business and economic growth</i>					
Value of private sector investment generated through land sales	1	\$402.6 million	\$420.9 million	\$449.2 million	

Economic Development Queensland	Notes	2014-15 Target / estimate	2014-15 Estimated actual	2014-15 Actual	Result
Value of private sector investment generated through land sales per dollar spent on sales management	1, 2	\$6.70	\$7.25	\$7.35	
<i>Major project assessment, approval, facilitation and delivery</i>					
Percentage of projects managed, facilitated or delivered that meet committed timeframes and approved		90%	90%	92%	
Achieved or exceeded target					
1. The variation between the 2014-15 target/estimate and the 2014-15 actual is due to greater industrial sales being executed than originally budgeted. 2. The service standard shows the value of private sector investment generated through land sales for every dollar spent by Economic Development Queensland on land sales management.					

Figure 1: Economic Development Queensland Performance Statement

Local government

The ‘local government’ service area ensures local governments are able to make effective decisions that bring increased economic prosperity and social cohesion to their local government areas. The Department supports all local governments to have the necessary autonomy, authority, capacity and resilience to deliver the best outcomes for their communities. Services to local governments are delivered through a network of regional offices in the Department’s Northern and Southern regions. The Department’s local government service objectives are that council have:

- the authority and capacity to manage their interests, to be financially sustainable and accountable
- access to high quality capacity building programs and resources.

To achieve these objectives, the local government service area provides support and advice in the program areas of financial sustainability and accountability and capacity building.

Local government	Notes	2014-15 Target / estimate	2014-15 Estimated actual	2014-15 Actual	Result
Percentage of local governments satisfied with advice and services provided by the Department	1, 2	85%	83%	83.2%	
Percentage of scheduled capacity building activities and training programs undertaken by the Department completed within agreed timeframes and budget	3	85%	100%	100%	
Percentage of Local Government Grants and Subsidies (Infrastructure) Program funding agreements managed according to agreed timeframes	4	90%	100%	100%	
Achieved or exceeded target			Result is slightly below target		

Local government	Notes	2014-15 Target / estimate	2014-15 Estimated actual	2014-15 Actual	Result
<p>1. In 2015-16, this service standard will be discontinued and replaced by two new effectiveness measures – ‘level of satisfaction of local governments (mayors and chief executive officers (CEOs)) that the regulatory framework gives them the authority and capacity to manage their interests, to be financially sustainable and accountable’ and ‘level of satisfaction of local governments (mayors and CEOs) with the timeliness, effectiveness and consistency of advice and services provided by the Department’.</p> <p>2. The satisfaction level has improved from 2013-14, where 82 per cent of mayors and CEOs were satisfied or very satisfied. Changes to Departmental structure and responsibilities may have impacted on the survey response rate and results. In February 2015, as part of machinery of government changes following the State Election, the DILGP was renamed from the Department of Local Government, Community Recovery and Resilience and gained responsibility for infrastructure and planning. Respondents were asked to comment in relation to the former Department. In 2014-15 the survey obtained a response rate of 73.4 per cent from a pool of 154 mayors and CEOs. This rate is notably lower than previous years, 88.3 per cent in 2013-14 and 91.8 per cent in 2012-13.</p> <p>3. In 2015-16, this service standard will be discontinued as it measures how the service was delivered rather than the effectiveness of the service. This measure will be replaced by a new effectiveness measure, ‘extent to which capacity building training programs and initiatives increase participant’s understanding of local government roles and responsibilities’.</p> <p>4. In 2015-16, this service standard will be discontinued as timeliness is only one dimension of measuring service output effectiveness. This measure will be replaced by a new effectiveness measure ‘percentage of funded projects administered according to agreed timeframes and budget allocation’ and a new efficiency measure “administration costs as a percentage of all funding distributed”.</p>					

Figure 2: Local Government Performance Statement

Community recovery and resilience

The ‘community recovery and resilience’ service area facilitates Queensland Government agencies working together to build community resilience based on an all-hazards approach across the State. The service area provides:

- support and advice to oversee community recovery and resilience initiatives at a whole-of-government level
- governance frameworks to oversee and coordinate recovery and resilience activities undertaken by government agencies
- regular reporting to Government and the community on recovery and resilience activities and achievements
- a coordinated approach to working in partnership with communities at the grass roots level to identify simple, practical and cost-effective solutions to minimise the impact of future natural disasters.

Community recovery and resilience	Notes	2014-15 Target / estimate	2014-15 Estimated actual	2014-15 Actual	Result
Percentage of Local Government Grants and Subsidies (Flood) Program funding agreements managed according to agreed timeframes	1	90%	100%	100%	✓
 Achieved or exceeded target					
<p>1. In 2015-16, this service standard will be discontinued as timeliness is only one dimension of measuring service output effectiveness. This measure will be replaced by a new effectiveness measure ‘percentage of funded projects administered according to agreed timeframes and budget allocation’ and a new efficiency measure “administration costs as a percentage of all funding distributed”.</p>					

Figure 3: Community Recovery and Resilience Performance Statement

Reforming Queensland's planning system

This service area was transferred from the former DSDIP following machinery of government changes and in 2015-16, will be renamed Better Planning for Queensland. It is delivering a land use planning and development assessment framework recognised by industry as being world class and the best in Australia. This service area is contributing to the Government's Objective for the Community by building safe, caring and connected communities and will deliver:

- confidence, capability and discretion for councils to better plan for their communities in the context of State priorities
- greater certainty of outcome for developers, including reduced costs and quicker outcomes
- whole-of-government facilitation of appropriate development
- confidence for the community that the planning framework promotes and protects their interests.

Reforming Queensland's planning system	Notes	2014-15 Target / estimate	2014-15 Estimated actual	2014-15 Actual	Result
Percentage of stakeholders indicating they are satisfied with Queensland's simplified planning system	1	90%	N/A	N/A	N/A
Percentage of total decisions or referral responses where the State is the Assessment Manager or Concurrence Agency are appealed		Less than 2%	0.4%	0.17%	✓
Percentage of total referral responses or decision notices issued that do not require an additional information request		70%	81%	82%	✓
 Achieved or exceeded target					
1. A stakeholder survey has not been undertaken due to the State Election and subsequent machinery of government changes. This service standard will be discontinued in 2015-16 as it is a satisfaction measure that primarily relates to stakeholder views about changes to processes, not the effectiveness or efficiency of the service. A new efficiency measure will be developed and trialed in 2015-16 for future reporting.					

Figure 4: Reforming Queensland's Planning System Performance Statement

Review of services and standards

During 2014-15, the Department undertook an extensive review of its services and service standards in accordance with recommendations from the Department of the Premier and Cabinet and the Queensland Audit Office. From 2015-16, related services will be grouped where they contribute to common objectives and outcomes, resulting in seven new redefined service areas:

- leading infrastructure policy, planning, and assessment for Queensland
- capacity building
- community recovery and resilience
- governance and statutory services

- local government and community funding
- better planning for Queensland
- driving business and economic growth

In 2015-16, the Department will be reporting performance against the new service areas by way of a new suite of efficiency and effectiveness standards.

Realising outcomes for Queenslanders

The Department works with other Queensland Government departments, the Australian Government and local government to promote and achieve Government Objectives for the Community, to deliver its strategic plan and by extension to realise the aspirations of diverse and changing Queensland communities.

Contributing to Government Objectives for the Community

The Department's policies, programs and services align with the Queensland Government Response to The Queensland Plan (the Government Response). The Government Response supports the Government's Objectives for the Community and identifies the priorities and key initiatives that will contribute towards implementing Queenslanders' vision. The Department is focused on:

- *creating jobs and a diverse economy* through stimulating economic growth and innovation and delivering new infrastructure and investment
- *delivering quality frontline services* through providing responsive and integrated government services
- *protecting the environment* through enabling responsible development
- *building safe, caring and connected communities* through building regions and engagement with local government and the community.



Creating
jobs and a
diverse
economy

through stimulating economic growth and innovation and delivering new infrastructure and investment.

- Released in June 2015, the Directions Paper *Delivering an Infrastructure Plan for Queensland* provided an opportunity for industry and the community to help shape the State Infrastructure Plan. Stakeholders who participated in the targeted consultation activities were strongly supportive of the State Infrastructure Plan and provided valuable contributions. The Department is now considering stakeholder feedback in the development of a Draft State Infrastructure Plan for release in late 2015.
- The Deputy Premier announced the preferred development partner for the \$1.3 billion Toondah Harbour Redevelopment at Cleveland which is expected to generate over 1,000 jobs.
- Three Priority Development Infrastructure (PDI) projects have been identified in conjunction with the relevant local governments. These projects represent \$40.65 million in State Government co-investment and include a town bypass for Beaudesert, a new signalised intersection in Rockhampton to help facilitate

development of the Central Queensland University Priority Development Area (PDA) and sewer and water infrastructure at Mount Peter in Cairns. These three projects are now proceeding with two Infrastructure Agreements signed and the third well underway.

- Investigated and managed a network of industrial estates throughout Queensland enabling private sector investment and creating job opportunities through Economic Development Queensland (EDQ) land sales of \$64.7 million in the 2014-15 financial year. This includes the final sales within the Brisbane Technology Park and Synergy Park west of Brisbane as well as development approval for a new 50 hectare (Stage 1) industrial estate at Willowbank near Ipswich.
- 301 residential land settlements have been delivered across a number of residential projects in south-east and regional Queensland, resulting in EDQ revenue of \$63.1 million in the 2014-15 financial year.
- Two new PDAs were declared in Townsville and Toowoomba to support economic development and attract investment in these regional centres. The Department worked collaboratively with Townsville City Council and Toowoomba Regional Council to prepare draft development schemes for the two sites which will go out for community consultation in 2015-16 ahead of Government consideration and finalisation.
- South Bank Corporation is continuing to facilitate development activity and public infrastructure within the South Bank precinct including, for example, the \$590 million Transport Oriented Development, Southpoint. During the period of its construction, the Southpoint development is expected to support 1575 direct jobs.
- Exercising the reserve power under the *Sustainable Planning Act 2009* (known as a ministerial call in power) the Deputy Premier reassessed and re-decided two significant development applications, approving:
 - the \$1 billion Pacific View Estate project, enabling the creation of up to 3500 new homes for Queensland families, 2700 jobs for Queenslanders and a potential contribution of \$3.2 billion to our State's economy
 - the Mount Emerald Wind Farm, with the capacity to generate 225 megawatts (MW) of electricity, or 500,000 megawatt hours of renewable energy each year, potentially powering around 75,000 homes for 20 years. The project will also create 200 construction jobs, 15 operational jobs and generate direct and indirect economic benefits to the local, regional and national economy.



**Delivering quality
frontline services**

through providing responsive and integrated government services.

- Piloted the *Total Asset Management Plan (TAMP)* Framework with seven agencies. The TAMP Framework is a whole-of-government framework for the planning of physical non-current assets over a rolling ten year period.
- The *Local Government and Other Legislation Amendment Act 2015* was passed, which returns to the Queensland Electoral Commission, the power to appoint the returning officer for a local government election to ensure that local government elections are run

to the same high standards of independence and efficiency as state and federal elections. It also ensures the continuation of the Queensland Reconstruction Authority after 30 June 2015 in recognition of the integral work of the Authority in preparing for, responding to, and recovering from, natural disasters.

- Commenced the review of the Partners in Government Agreement and the Department looks forward to finalising this review in conjunction with the Local Government Association of Queensland (LGAQ), to cement the strong relationship which exists between the State Government and the LGAQ.
- Organised a Regional Round Table in December 2014, which was attended by over 100 delegates representing the majority of Councils in Queensland.



**Protecting
the
environment**

through enabling responsible development.

The Department has:

- adopted the Yeerongpilly transit oriented development (TOD) State Planning Regulatory Provision to enable development of an exemplar mixed use precinct. New roads and sewer upgrade at Northshore Hamilton have been completed. The Deputy Premier also announced the preferred development partners for the \$400 million Northshore Hamilton Civic Park project and the \$850 million Yeerongpilly TOD.
- continued to upgrade environmental health infrastructure in Indigenous communities through the Indigenous State Infrastructure Program. Over \$2.5 million was spent on a range of infrastructure projects including upgrades to solid waste landfill, water and wastewater infrastructure at Pormpuraaw Shire Council and upgrades to water and wastewater infrastructure at Aurukun and Yarrabah Shire Councils
- successfully completed a \$3.35 million improving water and wastewater service delivery project with a primary focus on the Indigenous Councils of Aurukun, Doomadgee, Hope Vale, Lockhart, Mornington, Woorabinda and Wujal Wujal. The three year capacity building project was funded by the Commonwealth Department of the Environment under the *Water for the Future – National Water Security Plan for Cities*.



**Building safe,
caring and
connected
communities**

through building regions by engaging with local government and the community.

The Department has:

- coordinated and monitored recovery from major disaster events such as Tropical Cyclone Oswald, Severe Tropical Cyclone Ita and Severe Tropical Cyclone Marcia

- approved and gazetted development schemes for the Maroochydore City Centre and Southport PDAs which has enabled the Department to be responsible for development assessment in the Maroochydore City Centre PDA and has assisted Gold Coast City Council assess development applications within the Southport PDA
- delivered a number of actions from the Regional and Resources Towns Action Plan in the Isaac, Central Highlands and Maranoa regions including the resolution of native title in Blackwater as well as the delivery of the \$6 million upgrade of sewer and water infrastructure in Roma
- maintained a commitment to consulting with stakeholders such as the LGAQ and the Local Government Managers Australia (LGMA) to understand issues impacting upon the local government sector and to review legislation in light of those concerns.

Achieving objectives through strategic planning

The Department's objectives are achieved through the initiatives undertaken in each of the service areas and are closely aligned to State Government Objectives for the Community and ministerial portfolio priorities. Our objectives are:

- leading infrastructure policy and planning for the State
- a legislative and policy framework that gives councils the authority and capacity to manage their interests, provide efficient front line services and deliver sound financial management
- councils with a sound understanding of roles and responsibilities and the capacity and confidence to serve the community they represent
- communities are more resilient to, and better prepared for, the impact of natural disasters
- an informed, efficient and effective Department
- reforming Queensland's planning system
- driving business and economic growth
- assessing, approving, facilitating and delivering major projects.

Leading infrastructure policy and planning for the State

The Department achieves this by:

- Leading an integrated whole-of-government approach to prioritising economic infrastructure development.
- Providing strong and effective whole-of-government leadership in infrastructure policy including developing and releasing an infrastructure plan.

This is measured by delivering infrastructure that is timely and provides value for money, and drives economic growth.

Outcomes

- ✓ Established Infrastructure Policy and Planning to deliver the State Infrastructure Plan, Total Asset Management Plan Framework, and the coordination of input into whole-of-government infrastructure documents.
- ✓ Delivered a Directions Paper: *Delivering an Infrastructure Plan for Queensland*, as a precursor to the release of the State Infrastructure Plan.
- ✓ Consulted face to face with more than 80 key stakeholders across industry and peak bodies and received more than 50 written submissions on the Directions Paper: *Delivering an Infrastructure Plan for Queensland*.
- ✓ Piloted the Total Asset Management Plan Framework with seven agencies. The framework is a whole-of-government approach for the planning of physical non-current assets over a rolling ten year period.
- ✓ Coordinated Queensland Government submissions to Infrastructure Australia and coordinated input on infrastructure matters to the Transport and Infrastructure Council.

Figure 5: Leading infrastructure policy and planning for the State – Achievements

A legislative and policy framework that gives councils the authority and capacity to manage their interests, provide efficient front line services and deliver sound financial management

The Department achieves this by:

- Providing and administering a strategic policy and legislative framework for local government which reflects community expectations and is outcomes focussed.
- Regularly reviewing legislation, always seeking better clarity, improved policy and red tape reduction.
- Removing unnecessary prescription and red tape, meeting the targets set by the Office of Best Practice Regulation.
- Ensuring key groups are consulted in relation to policies, programs and legislation that affects them and ensuring the spirit of the Partners in Government Agreement is adhered to in developing policy and progressing legislative amendments.
- Ensuring grant funding is administered in accordance with State Government priorities and guidelines.
- Highlighting financial sustainability issues of local governments to key government decision makers.
- Supporting councils' financial management practices and providing relevant and timely advice.
- Monitoring local government performance and corporate governance to determine appropriate capacity building and intervention strategies.
- Administering and managing the councillor conduct complaints management and referral process in a timely and effective way.

This is measured by:

- Key groups being engaged in relation to policy development and legislative processes.
- Red tape in legislation and policy frameworks being reduced.

Outcomes

- ✓ The *Local Government and Other Legislation Amendment Act 2015*, was passed which returns to the Queensland Electoral Commission the power to appoint the returning officer for a local government election to ensure that local government elections are run to the same high standards of independence and efficiency as state and federal elections. It also ensures the continuation of the Queensland Reconstruction Authority after 30 June 2015 in recognition of the integral work of the Authority in preparing for, responding to, and recovering from, natural disasters.
- ✓ A new system 'Resolve Express' was implemented for dealing with complaints about the conduct of local government councillors which has improved the timeliness through establishing benchmarks and consistent guidelines for the way in which the Department deals with these matters. The Department has also monitored the performance of local governments and undertaken two statutory interventions with local governments identified with financial risks, and has undertaken eight targeted capacity building initiatives to address issues with other local governments.

Figure 6: A legislative and policy framework that gives councils the authority and capacity to manage their interests, provide efficient frontline services and deliver sound financial management – Achievements

Councils with a sound understanding of roles and responsibilities and the capacity and confidence to serve the community they represent

The Department achieves this by:

- Brokering and delivering targeted capacity building programs and resources.
- Assisting local governments to develop regional resource sharing solutions.
- Providing support to medium and high risk councils in relation to financial management and governance practices.
- Assisting councils to identify collaboration and cooperation opportunities to build capacity and efficiencies.
- Assisting councils to identify investment infrastructure projects which provide safe and active lifestyles, promote connectivity between communities and are designed and built with longevity in mind.
- Implementing national partnership agreements and initiatives.

This is measured by:

- The level of satisfaction with the quality and usefulness of capacity building resources, tools and training programs provided by the Department.
- National partnership agreements and initiatives being implemented in accordance with prescribed timeframes.

Outcomes

- ✓ Successfully re-established the Far Northern Finance Officers Network and facilitated tri-annual meetings, encouraging the interchange of ideas and cooperation between councils.
- ✓ Facilitated networking between water and wastewater operators in Indigenous councils and initiated activities aimed at improving service standards, promoting the choice of appropriate technology and introducing water conservation and cost saving measures.
- ✓ Provided support to councils to achieve/maintain compliance in governance practices, policy and financial management.
- ✓ Brokered shared procurement relationships between councils to achieve cost saving measures.
- ✓ Assisted councils to resolve issues involving community groups and individuals at the local level in responding to issues raised by the public.
- ✓ Achieved an overall participant satisfaction level with capacity building programs of 4.5 on a 5-point scale (with 1 being not satisfied and 5 being very satisfied).
- ✓ Produced online guidelines to assist mayors and chief executive officers manage councillor conduct complaints and delivered two regional workshops for local governments that were identified as experiencing difficulties in this area.
- ✓ Undertook eight targeted capacity building initiatives for local governments with identified problems and facilitated four capacity building workshops for Indigenous councils.
- ✓ Conducted 68 visits to 34 councils which included client service meetings, delivery of training on roles and responsibilities, and funded project management visits
- ✓ Allocated \$26.4 million for 68 natural disaster resilience projects in 39 councils and four non-government organisations under the Natural Disaster Resilience Program (jointly funded by the State and Commonwealth).

Figure 7: Councils with a sound understanding of roles and responsibilities and the capacity and confidence to serve the community they represent – Achievements

Communities are more resilient to and better prepared for the impact of natural disasters

The Department achieves this by:

- Establishing and maintaining reporting frameworks and providing regular reports to Cabinet on recovery and resilience activities and achievements.
- Driving the delivery of recovery projects and implementing resilience initiatives in response to natural disasters.
- Establishing and maintaining governance frameworks to oversee and coordinate recovery and resilience activities undertaken by local governments and State Government agencies.
- Coordinating and monitoring State Government disaster resilience initiatives.
- Reviewing the Queensland Strategy for Disaster Resilience for continual improvement with regard to the State's initiatives to build and maintain Queensland's vision for disaster resilience.

This is measured by:

- Resilience projects being delivered in accordance with the Cabinet endorsed 2013 Queensland Flood Recovery Plan, Severe Tropical Cyclone Ita Recovery Plan, the Queensland Strategy for Disaster Resilience, the Severe Tropical Cyclone Marcia Recovery Plan and relevant funding agreement requirements
- RACQ Get Ready Queensland initiatives being delivered in accordance with relevant funding agreement requirements and the Queensland Strategy for Disaster Resilience.

Outcomes

- ✓ Coordinated and monitored recovery from major disaster events such as Tropical Cyclone Oswald, Severe Tropical Cyclone Ita and Severe Tropical Cyclone Marcia, including developing recovery plans and reporting to Cabinet on recovery progress.
- ✓ Administered disaster resilience and mitigation funding programs under the Natural Disaster Resilience Program and Local Government Floods Response Subsidy.
- ✓ Monitored and reported monthly on mitigation and resilience projects delivered under the Local Government Grants and Subsidies Program, Royalties for the Regions, Natural Disaster Resilience Program and the Regional Flood Mitigation Program.
- ✓ Chaired the Chief Executive Officer (CEO) Leadership Team – Community Recovery and Resilience to coordinate whole-of-government recovery and resilience activities.
- ✓ Managed arrangements for the two-year trial program with the not-for-profit organisation GIVIT (the grassroots charity connecting those in need with those willing to give), including chairing the Steering Committee overseeing the trial program with representatives from GIVIT and other relevant government agencies.
- ✓ Managed sponsorship arrangements, event coordination and program delivery of the RACQ Get Ready Queensland Program, the Government's year-round, all-hazards disaster preparedness and resilience-building initiative and approved \$1 million in funding to local government to drive resilience messages across the State.
- ✓ Reported to Cabinet on progress with implementation of the goals and outcomes of the Queensland Strategy for Disaster Resilience.
- ✓ Developed the 2014-15 State Resilience Activities Register to identify Queensland Government resilience activities to support the goals and outcomes of the Queensland Strategy for Disaster Resilience.

Figure 8: Communities are more resilient to and better prepared for the impact of natural disasters – Achievements

An informed, efficient and effective department

The Department achieves this by:

- Encouraging staff to put the Queensland Government public sector values into action.
- Implementing improved internal capacity building projects to enhance and maintain our understanding of portfolio responsibilities, with all teams sharing information through regular events such as the Communities of Practice.
- Ensuring risk management is undertaken at a strategic, business and operational level to enable informed decision making and resource allocation.
- Ensuring staff have access to professional development opportunities including ethical standards training.
- Ensuring staff have a current performance and learning plan that reflects the Department's objectives and values.
- Implementing the Workforce Plan.
- Implementing the recommendations of a strategic review of capacity building for local government.

This is measured by:

- All staff having access to relevant training and development opportunities.
- All staff having a current performance and learning plan.

Outcomes

- ✓ Staff have access to online resources to assist in performance and learning plan discussions with managers and development of their plans.
- ✓ A suite of sector-wide and in-house learning and leadership development activities were available including a range of corporate, specialist, management and leadership capability development programs covering topics including business planning, coaching, complaints management, culture-wise practice, ethical and good decision making, financial and project management and recordkeeping.
- ✓ 10 'community of practice' sessions were conducted for internal staff on topics related to local government, resilience and relevant legislation to enhance their ability to assist councils.
- ✓ Five staff members participated in the Council Placement Program.
- ✓ Strong relationships were maintained between DSD and the Department for the provision of corporate services under the Service Level Agreement.

Figure 9: An informed, efficient and effective Department – Achievements

Reforming Queensland's planning system

The Department achieves this by:

- Ensuring state, regional and local planning processes are efficient and deliver real economic outcomes for communities.
- Continuing to streamline and improve development assessment and approval processes.
- Working collaboratively with local

This is measured by industry and key stakeholder satisfaction with reforms and efficient decision-making supporting economic development.

Outcomes

- ✓ Released the Directions Paper – *Better Planning for Queensland Next steps in Planning Reform*.
- ✓ Received the 2014 Queensland and 2015 National Awards for Planning Excellence in the category of 'Improving Planning Processes and Practices' for the State Planning Policy.
- ✓ Introduced the FastTrack5 framework for assessing and deciding development applications within five business days.
- ✓ Reduced the number and types of development applications requiring assessment by the State.
- ✓ Implemented new internal business practices which support increased collaboration and early engagement with local government, to maximise the opportunity for a streamlined State interest review process.
- ✓ Delivered six new planning schemes for the Indigenous councils of Aurukun, Hope Vale, Mapoon, Napranum, Woorabinda and Pormpuraaw.
- ✓ Delivered two planning scheme amendments for Kowanyama Aboriginal Shire and Wujal Wujal Aboriginal Shire.
- ✓ Provided regional services input to major projects including the Mount Emerald wind farm and Aquis Integrated Resort Development.
- ✓ Held regular State Assessment and Referral Agency (SARA) Interagency Working Group meetings to streamline state agency input to SARA processes.

Figure 10: Reforming Queensland's planning system – Achievements

Driving business and economic growth

The Department achieves this by:

- Facilitating disposal or development of surplus government land that generates economic activity and achieves social outcomes.
- Facilitating the provision of priority development infrastructure that will unlock land to enable significant economic development.

This is measured by the economy expanding as benchmarked against the global economy and comparable jurisdictions.

Outcomes

- ✓ Identified three Priority Development Infrastructure projects in conjunction with the relevant local governments which have implemented the fair value schedule of charges. These projects represent \$40.65 million in State Government co-investment and include a town bypass for Beaudesert, a new signalised intersection in Rockhampton to help facilitate development of the Central Queensland University Priority Development Area and sewer and water infrastructure at Mount Peter in Cairns. These three projects are now proceeding with two Infrastructure Agreements signed and the third well underway.
- ✓ Undertaken rigorous processes to identify development partners for three major urban renewal projects resulting in the Deputy Premier announcing the preferred partners for the \$400 million Northshore Hamilton Civic Park Project, as part of the Northshore Hamilton precinct redevelopment, the \$850 million Yeerongpilly Transit Oriented Development and the \$1.3 billion Toondah Harbour redevelopment at Cleveland.
- ✓ Continued delivery of the Regional and Resources Towns Action Plan action items in areas including the delivery of the \$6 million upgrade of sewer and water infrastructure in Roma.

Figure 11: Driving business and economic growth – Achievements

Assessing, approving, facilitating and delivering major projects

The Department achieves this by managing the timely delivery of complex government projects such as the Commonwealth Games Village™ and Queen's Wharf Brisbane.

This is measured by delivering timely and targeted major projects providing value for money and driving economic growth.

Outcomes

- ✓ Reached financial close of the Development Agreement with Grocon and construction of the Gold Coast 2018 Commonwealth Games™ Village has now commenced.
- ✓ Declared the Queen's Wharf Brisbane Priority Development Area (PDA) and undertaken preparation of the proposed development scheme, the overarching planning document, which will go out for public comment in early 2015-16.

Figure 12: Assessing, approving, facilitating and delivering major projects – Achievements

Whole-of-government plans or specific initiatives

National Partnership Agreement

The Department is responsible for administering funding to, and working in partnership with, local governments, state agencies, businesses and non-government organisations (NGOs), to build community resilience to natural disasters under the National Partnership Agreement on Natural Disaster Resilience. The Natural Disaster Resilience Program (NDRP) is jointly funded by the State and Commonwealth Governments. Funding priorities of the NDRP are:

- mitigating against or building resilience to Queensland's highest natural hazard risks as identified in the 2012 state-wide Natural Hazard Risk Assessment
- enhancing community preparedness for natural events through community education and awareness training
- building partnership between sectors by strategically creating linkages between government, business, community and individuals
- encouraging a regional and catchment area approach to disaster mitigation and resilience
- supporting emergency management volunteers by building their capacity and ability to respond to disasters and support recovery efforts
- contributing towards the action themes of the National Strategy for Disaster Resilience.

Applications were assessed against the above priorities and were also ranked by those projects whose primary outcome was reducing flood risk, followed by projects addressing all hazards.

In 2014-15, a total of \$26.4 million was allocated to 39 councils and four NGOs for 68 natural disaster resilience projects.

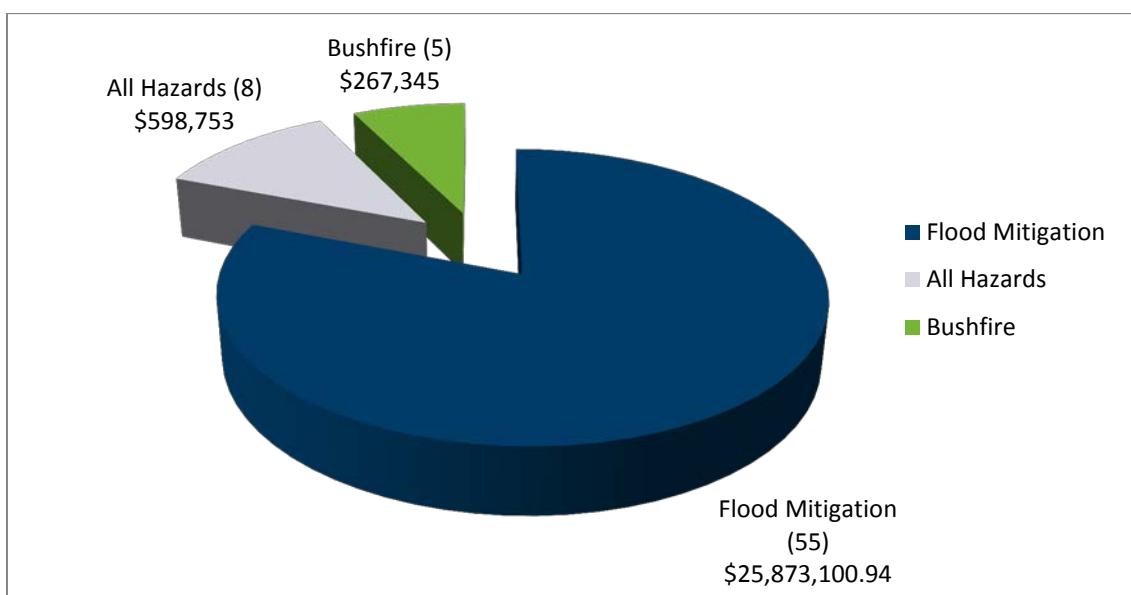


Figure 13: Number of Natural Disaster Resilience Projects and Total Funding by Hazard

Other whole-of-government initiatives

In addition, the Department is responsible for a number of disaster preparedness and resilience building strategies, plans and initiatives including:

- The Queensland Strategy for Disaster Resilience, which provides strategic direction to achieve the State Government's vision to make Queensland the most disaster resilient state in Australia. Its aim is to build resilience against all-hazards such as floods, bushfires, cyclones, severe storms, storm surges, landslips, tsunamis, earthquakes, oil spills, droughts and extreme heat events.
- The recovery plan for Severe Tropical Cyclone Marcia, which provides strategic guidance for the coordination and management of recovery and reconstruction efforts and disaster resilience activities undertaken after the event by the Queensland government, local governments, industry and other stakeholders, thereby ensuring that impacted communities recover as quickly as possible.
- The recovery plan for Severe Tropical Cyclone Ita, which provides strategic guidance for the coordination and management of recovery, reconstruction and community resilience activities undertaken by the Queensland Government, local governments, non-government partners, industry and not-for-profit organisations after the flood and damage impacts of the event.
- The RACQ Get Ready Queensland program which is a year-round, all-hazards disaster preparedness and resilience-building initiative that aims to position Queensland as Australia's most disaster-resilient state, integrate all preparedness activities year-round under one brand, engage all Queenslanders to participate and unite all of the State's preparedness and resilience activities under a single brand.
- Coordinating the State and relevant local government's participation in major Brisbane River Catchment Studies, following recommendations of the Flood Commission on Enquiry.

Intergovernmental agreements

- Economic Development Queensland (EDQ) has continued to partner with the Australian Government to provide ongoing funding and support for a stormwater recycling project - the Fitzgibbon Stormwater Harvesting (FiSH). The FiSH scheme was developed in conjunction with the Fitzgibbon Potable Roofwater Harvesting (PotaRoo) Scheme. The PotaRoo Scheme is a Queensland Government initiative jointly funded by the Commonwealth Government and the Japanese Government to capture roof water run-off from dwellings at Fitzgibbon Chase, ultimately for the supply of potable water to the town water network. Once testing is completed and the systems are fully operational they will be managed by a licensed operator.
- EDQ is leading an electric vehicle (EV) fast-charging infrastructure strategy to create an EV 'super-highway' along the M1 between Port Douglas and the Gold Coast, to prepare for and better enable EV travel over long distances. EDQ, supported by Ergon Energy, is seeking expressions of interest to build the first service station that has both traditional and alternative forms of energy in Oonoonba, Townsville.

Achievements in 2014-15

The Department established **Building Queensland** administratively within the government's first 100 days of office. Building Queensland's role will be to provide independent expert advice on infrastructure related matters to government.

- David Quinn has been appointed as the interim Chief Executive Officer.
- The *Building Queensland Bill 2015* has been introduced into Parliament and the process to appoint the Building Queensland Board has commenced.
- Two information sessions were held to introduce the *Building Queensland Bill 2015* to over 70 industry stakeholders, along with several one-on-one meetings with key industry associations.
- Building Queensland consulted widely across government including Government Owned Corporations.
- Building Queensland is well progressed in developing its frameworks and resourcing to be fully operational.

The new **Infrastructure Policy and Planning** (IPP) operates the functions of infrastructure policy and coordination, secretariat support for an interdepartmental infrastructure committee, promoting Queensland's interests and identifying infrastructure opportunities in support of the Transport and Infrastructure Council (COAG) meetings and reviewing a range of government programs for infrastructure implications.

- The Deputy Premier released a Directions Paper: *Delivering an Infrastructure Plan for Queensland*, as a precursor to the release of the State Infrastructure Plan.
- Consulted with more than 80 key stakeholders across industry, and peak bodies on the Directions Paper: *Delivering an Infrastructure Plan for Queensland*.
- Piloted the *Total Asset Management Plan* (TAMP) Framework, a whole-of-government framework for the planning of physical non-current assets over a rolling ten year period, with seven agencies.
- Coordinated Queensland Government submissions to Infrastructure Australia (IA) and coordinated input on infrastructure matters to the Transport and Infrastructure Council and its supporting committees.

Planning is responsible for creating a better planning and development assessment system for Queensland.

- Released the Directions Paper: *Better Planning for Queensland Next Steps in Planning Reform* in May 2015.
- Progressed preparation of a new Planning Bill in partnership with all stakeholders and consulting widely, as well as other initiatives that will bring about a more efficient system that supports investment and jobs.
- Commenced development of a new user-friendly electronic preparation and lodgement system to support the development application and assessment process that will align to the new legislative framework, as well as completing additional activities to stabilise the current system.

- Released for public consultation the Draft Wind Farm State Code and Draft Wind Farm State Code Planning Guideline for the assessment of wind farm proposals.
- Received the 2014 Queensland and the 2015 National Awards for Planning Excellence in the category of 'Improving Planning Processes and Practices' for the State Planning Policy.
- Hosted a series of Better Planning for Queensland workshops with the aim of restarting the conversation on planning reform, capturing feedback from practitioners on the directions and key elements, informing the drafting of the planning bill and outlining the next steps for reform and ways to get involved.
- The State Assessment and Referral Agency (SARA) implemented a fast track process for qualifying low risk applications within five business days.
- SARA is performing at a very high standard, with key targets and achievements being:

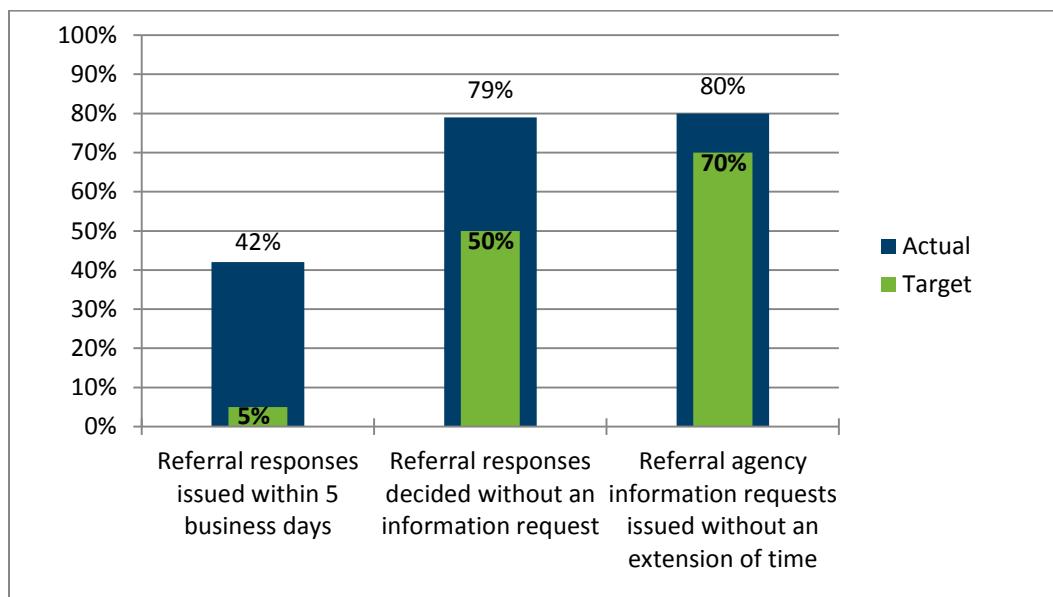


Figure 14: Referral responses and referral agency information requests

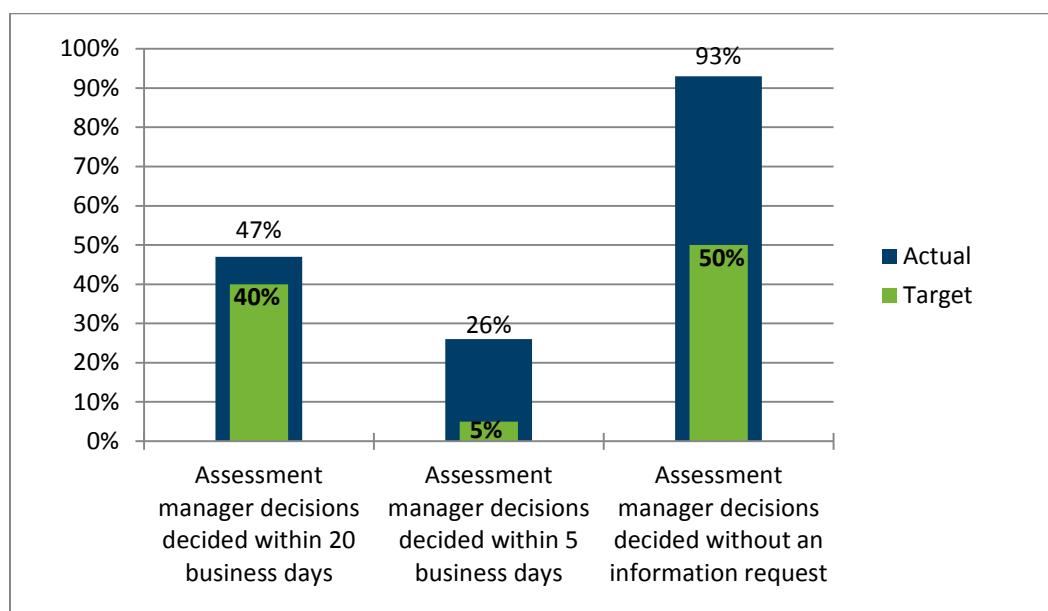


Figure 15: Assessment manager decisions

- Worked with Indigenous councils and their planning consultants by providing State interest review services and facilitating scheme amendments to ensure the schemes appropriately integrated the State Planning Policy. This collaboration resulted in the finalisation of the first ever planning schemes for six Indigenous councils on Cape York Peninsula. The planning schemes identify suitable land for much needed social housing to address overcrowding issues and will facilitate economic development through setting appropriate planning provisions.
- The Mackay Airport Land Use Plan was finalised in August 2014 and sets out the long-term land use planning framework for Mackay Airport as a major transport and employment hub for the region.

Economic Development Queensland (EDQ) facilitates economic development and development for community purposes.

- The Deputy Premier announced the preferred development partners for the \$400 million Northshore Hamilton Civic Park project, the \$850 million Yeerongpilly TOD and the \$1.3 billion Toondah Harbour redevelopment at Cleveland.
- Delivered 301 residential land settlements across a number of its residential projects in south east and regional Queensland, resulting in EDQ revenue of \$63.1 million in the 2014-15 financial year.
- Managed a network of industrial estates throughout Queensland enabling private sector investment and creating job opportunities through EDQ land sales of \$64.7 million in the 2014-15 financial year.
- Planning for the Queen's Wharf Brisbane project is well underway with the declaration of the site as a PDA.
- Received the 2015 Property Council of Australia National Award for 'Government Leadership' for the Northshore Hamilton mixed use renewal project.
- Received the 2014 Urban Development Institute of Australia, Queensland award for 'Affordable Housing' for the Woodlands, Andergrove residential development in Mackay.
- Provided representation on the working group formed to facilitate the drafting of the Townsville City Waterfront PDA development scheme. The PDA will provide a mix of recreation, culture, tourism and urban lifestyle choices for the Townsville community along with residential, commercial and business uses.

A clear **legislative and policy framework** empowers and supports local governments across the State and in 2014-15 the Department:

- prepared and supported passage of the *Local Government Legislation Amendment Act 2014* which saw the review of the *Local Government Electoral Act 2011* aimed at improving the conduct of local government elections and aligning where appropriate, state and local government electoral systems
- prepared and supported passage of the *Local Government and Other Legislation Amendment Act 2015* which returns to the electoral commission the power to appoint the returning officer for a local government election to ensure that local government

elections are run to the same high standards of independence and efficiency as state and federal elections. It also provides for the continuance of the Queensland Reconstruction Authority after 30 June 2015 in recognition of the integral work of the Authority in preparing for, responding to, and recovering from, natural disasters

- commenced, and looks forward to finalising, the review of the Partners in Government Agreement in conjunction with the Local Government Association of Queensland (LGAQ), to cement the strong relationship which exists between the State Government and the LGAQ
- consulted widely with stakeholders on the *Building Queensland Bill 2015* and introduced the Bill into the Legislative Assembly
- has maintained a commitment to consulting with stakeholders such as the LGAQ and Local Government Managers Australia (LGMA) to understand issues impacting upon the local government sector and to review legislation in light of those concerns.

The Department's **financial, advisory and grants programs** assist councils in meeting appropriate performance standards and in undertaking infrastructure projects that support other community endeavours. The Department:

- managed and implemented the Local Government Grants and Subsidies Program and committed \$16.3 million to 15 councils for 20 floods response projects, and \$9.8 million to 51 councils for 71 local government infrastructure projects
- has continued to provide advice and assistance to local governments on an ad hoc basis and published online templates, guidelines and bulletins including Illustrative General Purpose Financial Statements, Financial Management (Sustainability) Guidelines and an Annual Report Checklist
- participated as an observer on the Road Asset Valuation Expert Panel, convened by LGAQ, as part of the Roads Alliance project
- promoted the understanding of contemporary accounting issues and legislative requirements through the delivery of five workshops for council finance officers
- engaged with council finance officers concerning audit and sustainability issues identified by the Queensland Audit Office (QAO), on both an ad-hoc basis and through formal workshops
- liaised with Queensland Treasury Corporation (QTC) to identify and monitor potential and emerging financial sustainability issues through the annual credit review program, held discussions with councils and consultation with other government agencies.

The Department continued to improve **environmental health infrastructure in Indigenous communities** by:

- upgrading drinking water and wastewater infrastructure in Aurukun, Doomadgee, Mornington Island and Yarrabah through the Indigenous State Infrastructure Program (ISIP)
- completing a \$3.35 million water and wastewater service delivery project that established on-site water testing laboratories in targeted communities for the detection of E.coli, significantly reducing the ongoing cost to councils of water sampling and testing

- upgrading the solid waste facility at Pompuraaw
- completing chlorine drinking water disinfection upgrade projects in Mapoon and Aurukun Shire Councils to address significant risks to drinking water in the communities
- negotiating a Memorandum of Understanding with the Australian Government for the Major Infrastructure Program Stage 5, for upgrades to environmental health infrastructure within the three targeted council areas of Torres Strait Island Regional Council, Torres Shire Council and the Northern Peninsula Area Regional Council.

With a focus on improving **community recovery and on building greater resilience** in the face of natural disasters, the Department:

- administered disaster resilience and mitigation funding programs under the Natural Disaster Resilience Program and Local Government Floods Response Subsidy
- disseminated and promoted the Queensland Strategy for Disaster Resilience (the Strategy) to key stakeholders and published it on the Department's website
- developed the 2014-15 State Resilience Activities Register to identify Queensland Government resilience activities to support the goals and outcomes of the strategy
- reported to Cabinet on progress with implementation of the goals and outcomes of the strategy, with the 2014 progress report showing significant advancement in the implementation of the strategy's goals through increased resilience and preparedness of Queenslanders
- entered into a sponsorship agreement with RACQ in August 2014, providing naming rights sponsorship of the Get Ready Queensland program to RACQ
- approved \$1 million in funding to local government to drive resilience messages across the State and supported RACQ Get Ready Queensland community-based activities which focus on disaster preparedness
- delivered the RACQ Get Ready Queensland campaign's call to action in RACQ Get Ready Week, RACQ Get Ready Day in October 2014 and a media and digital campaign to support the 'Get Ready' brand. Other activities conducted during 2014-15 included:
 - the 2014 Get Ready Queensland – Resilient Australia Awards
 - participation in Get Ready Queensland Preparedness Seminars across the State
 - community events across the State promoting the RACQ Get Ready Queensland message
 - a state wide public awareness and advertising campaign across multiple mediums
 - continued execution of the digital interactive preparedness program, 'One Step at a Time'
- chaired the Steering Committee overseeing the trial program with representatives from GIVIT and other relevant government agencies, worked with GIVIT following disaster events to assist affected communities with donated goods and services, and progressed monthly reports monitoring key performance measures on GIVIT's online platform, donor and community engagement, local government engagement, media and communications activities and ongoing sustainability

- chaired the Chief Executive Officer (CEO) Leadership Team – Community Recovery and Resilience to coordinate whole-of-government recovery and resilience activities
- maintained membership of key state and national disaster management groups, including the Queensland Disaster Management Committee, the State Disaster Coordination Group and the Australia New Zealand Emergency Management Committee – Community Engagement Sub-committee and Recovery Sub-committee.

The Department works across Queensland Government agencies to broker **collaborative solutions** for councils. The Department:

- provided funds and managed Brisbane City Council's responsibility regarding Roma Street and South Bank Parklands and finalised and secured operational savings of \$848,157 for the 2013-14 year through economies of scale achieved through the joint administration and management of both parklands, improved services management and increased income, including by way of increased parklands public activation
- promoted the role and responsibilities of councillors and encouraged good governance practices through targeted capacity building programs
- provided support and advice to newly appointed chief executive officers, with a focus on those in remote and Indigenous councils
- made two statutory interventions in local government to address identified financial management problems and delivered eight targeted capacity building initiatives for local governments identified as being at risk
- participated in and supported Local Government Association of Queensland and Local Government Manager's Australia conferences
- re-established the Far Northern Finance Officers Network and used this to provide training and information relevant to sustainability and financial management and the opportunity to share examples of good practice
- continued to provide advice, online resources and training to local governments on an ad hoc basis including:
 - guidelines for mayors and chief executive officers on dealing with complaints about councillor conduct
 - guides on 'how to calculate and levy general rates' and 'information on the State Valuation Service for rateable land'
- continued to sponsor and co-deliver the LGAQ's nationally-accredited, Diploma of Local Government Administration program by offering sponsorships to 61 suitably-qualified, local government candidates to undertake the 'Governance and Administration' and the new 'Asset Management' streams of the program, at a cost of approximately \$280,000 (with candidates' tuition fees being reimbursed upon their successful completion of the program)
- referred 16 divided local government that had divisions out of quota and five voluntary requests from local governments, for changes to their electoral arrangements to the Local Government Change Commission
- assessed 22 applications from local governments to conduct the 2016 quadrennial local government elections by postal ballot

- engaged the Queensland Treasury Corporation (QTC) to undertake a pilot Business Review of Yarrabah Aboriginal Shire Council
- developed the Local Government Capacity Building Evaluation Database which is a centralised system with in-built reporting and evaluation tools to capture data in relation to Departmental capacity building programs. It is designed to provide informed reporting for future planning, budgeting and identifying areas of capacity building needs for local government
- implemented the Resolve Express Complaints management system for dealing with complaints made under the *Local Government Act 2009* about the conduct of local government councillors
- supported the Queensland Local Government Grants Commission in its determinations for the final allocations for 2014-15 with the payments made to councils as scheduled
- developed and presented five workshops for council finance officers in collaboration with Queensland Audit Office and QTC
- liaised with the Department of Natural Resources and Mines to provide local governments with access to a Standing Offer Arrangement to facilitate the engagement of professional valuers for asset valuations.

Looking forward to 2015-16

Initiatives that have been planned for 2015-16 are listed below and grouped according to the Department's new redefined service areas.

Leading infrastructure policy, planning, and assessment for Queensland

Formally establish Building Queensland as a statutory body to provide independent, expert advice on infrastructure related matters to government.

Appoint the Building Queensland Board and fully resource Building Queensland.

Develop an infrastructure pipeline of priority projects to be provided to Government for consideration.

Develop and deliver a State Infrastructure Plan including consulting with key stakeholders, drive economic growth through innovative property and infrastructure partnerships and facilitate priority development infrastructure.

Coordinate Queensland input into national infrastructure forums and initiatives.

Coordinate the preparation and delivery of Total Asset Management Plans across all government agencies.

Participate in the market-led proposals panel which is comprised of representatives from key government agencies and has been established to encourage infrastructure investment and development.

Capacity building

In preparation for the quadrennial local government elections to be held in March 2016, coordinate development and delivery of state wide information seminars for intending candidates and 'Councillor Induction Programs' to assist newly-elected councillors to understand their roles and responsibilities, statutory obligations and public interest disclosure requirements under the local government legislation.

Develop and deliver programs to assist Indigenous local governments identify rateable land and implement a rating regime from 1 July 2016, and practice good governance, financial and asset management.

Develop and deliver training to local governments and other stakeholders, including their statutory obligations on dealing efficiently and effectively with complaints about the conduct of councillors.

Deliver best practice governance training for individual councils or regional groupings of councils targeting rural and remote councils.

Broker and sponsor state wide delivery—in metropolitan, regional and remote locations—of the LGAQ's nationally-accredited Diploma of Local Government Administration program to local government employees and councillors.

Capacity building

Provide comprehensive online resources to support and promote understanding of local government legislation. For example, develop a general rates manual to provide a quick reference guide to local governments when developing general rating strategies, and implementing and managing equitable revenue raising systems and revenue policies as required under the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Provide targeted and high quality capacity building resources, training and solutions for councils to enable strong and responsive local government for Queensland.

Present opportunities for inter-council collaboration to build capacity, efficiencies and revenue.

Provide capacity building for Departmental staff to improve and maintain understanding of local government.

Community recovery and resilience

Continue implementation and management of the Queensland Strategy for Disaster Resilience.

Lead the development and delivery of initiatives to enhance the State's level of disaster resilience and to position Queensland as the most disaster resilient State in Australia.

Management of:

- governance frameworks and development of State disaster recovery plans to oversee and coordinate recovery and resilience activities undertaken by Queensland Government agencies
- the State Resilience Activities Register
- sponsorship arrangements, event coordination and program delivery of the RACQ Get Ready Queensland program
- the two year trial program with the not-for-profit organisation, GIVIT, to register and match donations with community need after a disaster event.

Governance and statutory services

Review and maintain the regulatory framework to support the local government system in Queensland.

Provide strategic policy coordination across Queensland government portfolios.

Continually review local government legislation to ensure it is contemporary.

Finalise the new Partners in Government Agreement with the LGAQ to maintain a strong relationship, focussing on key policy and legislative issues.

Progress the *Building Queensland Bill 2015* through the Legislative Assembly.

Governance and statutory services

Lead and deliver strategic and business planning and reporting outcomes for the Department.

Provide strategic communications planning and advice and media services.

Local government and community funding

Administer the \$40 million Community Resilience Fund to build resilient infrastructure.

Administer the Local Government Grants and Subsidies Program with an allocation of \$36.1 million to support councils to generate local economic activity and job creation.

Administer a \$40 million special assistance package following Tropical Cyclone Marcia for iconic projects in Rockhampton and Livingstone shires.

Continue to upgrade environmental health infrastructure in Indigenous communities through the Indigenous State Infrastructure Program with water and wastewater infrastructure upgrades in Pormpuraaw and Palm Island Shire Councils.

Support the Queensland Local Government Grants Commission in its administration of the financial assistance grant arrangements.

Better planning for Queensland

Deliver a better land use planning and development assessment framework that supports effective and genuine public participation, whilst providing for efficient and consistent decision making that instils investment and community confidence.

Undertake comprehensive whole-of-government review and community consultation on the State Development Assessment Provisions (SDAP) and the State Planning Policy (SPP).

Introduce a new planning legislative framework to provide for improved plan making arrangements, more streamlined development assessment processes, more timely dispute resolution and a much more positive culture in planning practice.

Release a suite of supporting documentation to help practitioners and the community understand how reform will translate into improved plan making and development assessment practices.

Deliver a user-friendly electronic preparation and lodgement system to support the development application and assessment process aligned to the new legislative framework.

Deliver State Assessment and Referral Agency development assessment services, including the provision of timely and reasonable decisions.

Release the South East Queensland Regional Plan for public consultation.

Better planning for Queensland

Work in partnership with traditional owners to complete a planning, delivery and funding strategy for delivering basic infrastructure facilities to the One Mile community.

Progress red tape reduction initiatives as prioritised by the Construction, Planning and Red Tape Reduction Panel.

Provide planning reform workshops for local government and key stakeholders and planning forums for Indigenous councils in regional centres, including Cairns.

Continue to chair the Project Governance Committee which provides oversight of the construction of the \$26.2 million Torres Strait Seawalls project and coordination across four funding agencies and the Torres Strait Island Regional Council.

Driving business and economic growth through Economic Development Queensland

Continue development of the Gold Coast 2018 Commonwealth Games™ athletes' village including completion of a Development Management Agreement for the first Health and Knowledge development.

Commence works within the Yeerongpilly Transit Oriented Development, Toondah Harbour Priority Development Area and Northshore Civic Park, and complete significant upgrades to roads and public realm within Northshore Hamilton and Yeerongpilly.

Realise sales of up to \$50 million from existing residential land estates across south-east and regional Queensland and investigate opportunities for further housing diversity and supply across Queensland.

Realise sales of up to \$44 million in industrial land, including the Sunshine Coast Industrial Park and Gladstone State Development Areas, and procure \$14 million in development works across a number of industrial estates.

Investigate the supply of industrial land for regional Queensland to identify and assess future economic development and catalyst infrastructure needs.

Establish a Catalyst Infrastructure Program of \$59.4 million over three years to invest in urban infrastructure that unlocks development and creates construction and long-term employment.

Invest an initial \$13.6 million and oversee the delivery of the Priority Development Infrastructure Co-investment projects in Beaudesert, Mt Peter Cairns and the Central Queensland University Rockhampton.

In consultation with local governments, investigate potential further Priority Development Areas for declaration.

Undertake public consultation for the Queen's Wharf Brisbane PDA draft development scheme, which is the overarching planning document for the area.

Driving business and economic growth through Economic Development Queensland

Finalise the development schemes for the Townsville Waterfront, Toowoomba Railway Yards and Queen's Wharf Brisbane PDAs.

Our financial performance

Summary of Financial Performance

The financial statements represent the Department of Infrastructure, Local Government and Planning established as a Queensland Government department under the *Public Service Act 2008*.

This section provides an overview of the financial statements of the Department of Infrastructure, Local Government and Planning for the 2014-15 financial year, which are provided in detail at the 'Financial statements' section of this report.

Changes to the Department

The Public Service Departmental Arrangement Notice (No.1) 2015, dated 16 February 2015, renamed the Department of Local Government, Community Recovery and Resilience to Department of Infrastructure, Local Government and Planning. Under this notice the planning, infrastructure and Economic Development Queensland functions were transferred from the former Department of State Development, Infrastructure and Planning effective 1 March 2015. For further information on the extent of the changes refer to note 21 Restructuring of administrative arrangements.

Operating result

Table 1: Operating result

	2015 \$'000	2014 \$'000
Total Income	249,890	148,257
Total Expenses	262,383	185,718
Operating Result from Continuing Operations (before tax)	(12,493)	(37,461)
Income tax equivalent expense	266	-
Operating Result from Continuing Operations (after tax)	(12,227)	(37,461)
Increase in asset revaluation reserve	2,129	-
Total comprehensive income	(10,098)	(37,461)

Income

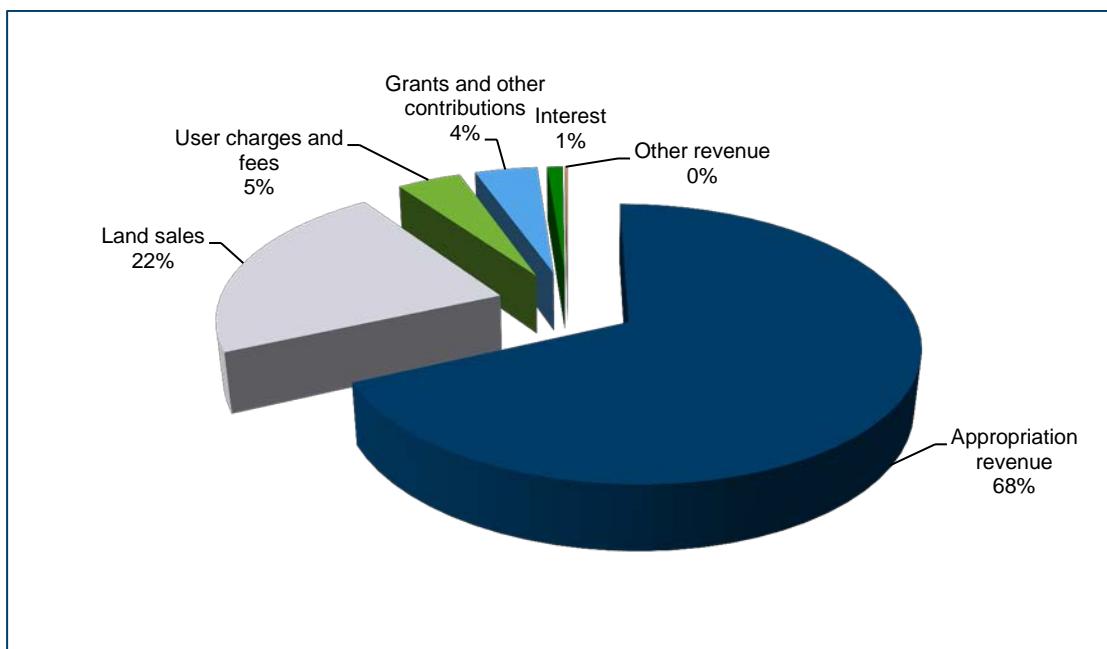


Figure 16: Income by category for year ended 30 June 2015

The Department's main income source is appropriation revenue from the State Government. In 2014-15, \$170.432 million was appropriated representing an increase of \$27.412 million on 2013-14. The increase of approximately 19 per cent is predominantly due to the transfer of planning and infrastructure functions as a result of machinery of government changes.

The Department recorded land sales of \$54.982 million in 2014-15 (2013-14: nil). These sales relate to activities undertaken by Economic Development Queensland (EDQ) that were also transferred to the Department on 1 March 2015 as a result of machinery of government changes.

User charges and fees increased from \$0.978 million in 2013-14 to \$10.844 million in 2014-15. Approximately \$7.1 million is income streams in EDQ business operations and \$3.6 million for planning functions inherited by the department on 1 March.

In 2014-15 grants and contributions received by the Department totalled \$10.576 million, an increase of \$6.891 million from 2013-14. This variance predominately relates to a \$5.3 million increase in grant receipts from Housing and Public Works for Municipal and Essential Services (MUNS), and grant revenue of \$3.8 million received by EDQ for the Regional and Resource Towns Action Plan (RRTAP).

The Department had a significant increase in interest revenue in 2014-15 due to interest earned on cash held by EDQ. Interest revenue for 2014-15 was \$2.664 million compared to \$0.568 million in 2013-14.

Expenses

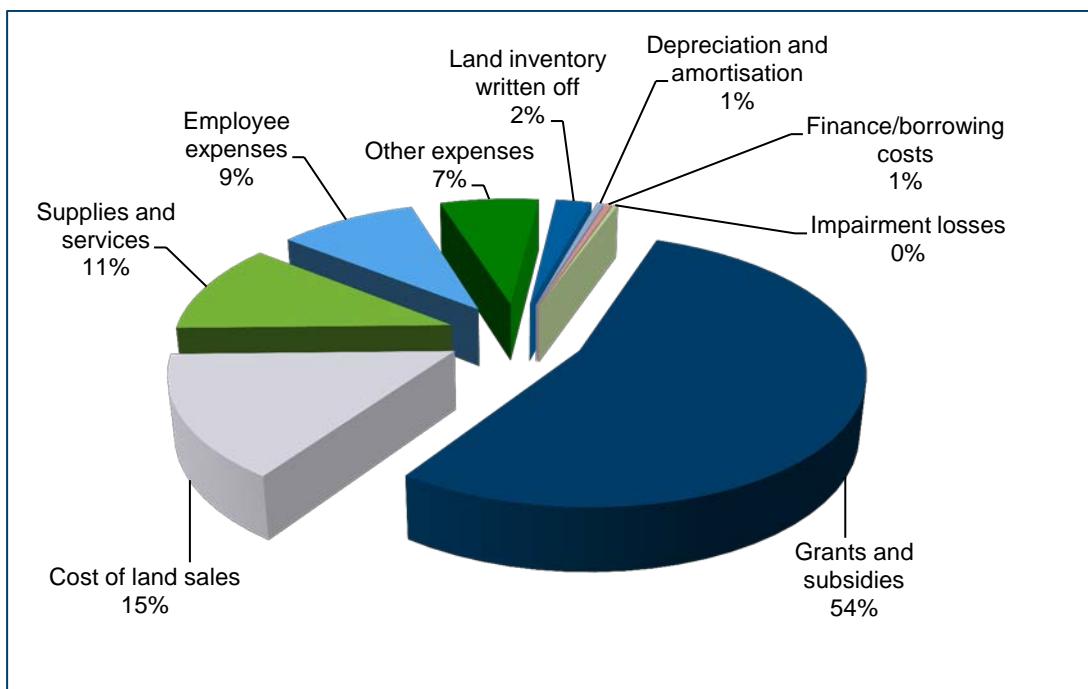


Figure 17: Expense by category for year ended 30 June 2015

The Department's main categories of expenses were grants and subsidies, cost of land sales and supplies and services. Grants and subsidies account for 54 per cent of the Department's total expenditure, which is in line with the Department's purpose to lead community recovery projects that support Queenslanders' resilience to future natural disasters. Cost of land sales account for 15 per cent and supplies and services account for 11 per cent of the Department's total expenditure.

In 2014-15, grants and subsidies expense totalled \$141.871 million (2013-14: \$160.775 million). The 12 per cent decrease in grants and subsidies expense when compared to 2013-14 is largely related to the decrease in transfer of infrastructure assets to Indigenous councils and a decrease in grants paid under the South West Queensland Flood Mitigation Fund. This is partially offset by an increase in payments made under the Royalties for Regions Program and the Natural Disaster Resilience Program.

Due to the transfer of planning and infrastructure functions to the Department on 1 March, the Department recorded cost of land sales of \$39,420 as a result of EDQ activities undertaken during the four month period.

Supplies and services increased by \$18.421 million to \$29.003 million in 2014-15 (2013-14: \$10.582 million). This is primarily due to contractor and consultants expenses in EDQ and the planning function, and an increase in marketing and public relations expenditure directly relating to the Get Ready Queensland Program.

Operating Result from Continuing Operations (after tax)

The deficit for 2014-15 (\$12,227 million) is mainly attributed to the transfer of infrastructure assets to Indigenous councils at nil value.

Statement of Financial Position—Assets and Liabilities

Table 2: Statement of Financial Position—Assets and Liabilities

	2014 \$'000	2013 \$'000
Total Assets	1,138,689	97,928
Total Liabilities	233,534	19,316

The increase in assets and liabilities is principally due to the transfer of EDQ and the planning and infrastructure functions to the Department as a result of machinery of government changes.

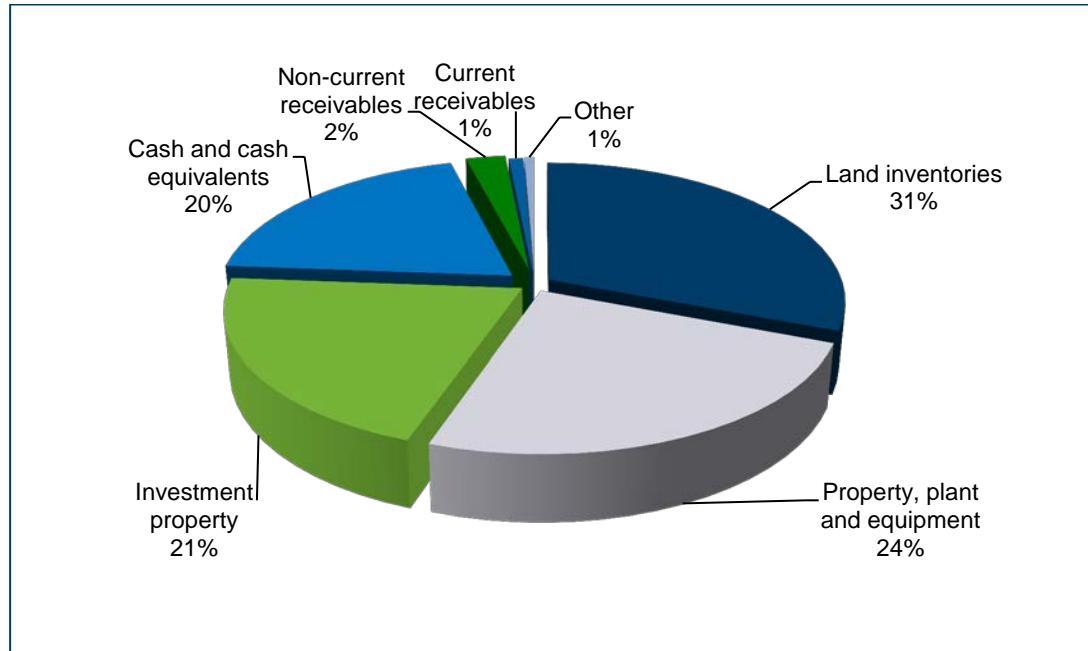


Figure 18: Assets by category for year ended 30 June 2015

The increase in assets principally relates to assets owned by EDQ including land inventories, land, buildings, heritage and cultural assets, plant and equipment, Commonwealth Games Village work in progress, cash and investment properties.

Governance

Organisation structure



Executive Leadership Team

Stephen Johnston, Acting Director-General—responsible for the efficient, effective and economic administration of the Department and appropriate management of public resources.

Amanda Pafumi, Chief Operating Officer, Strategy, Governance and Resilience—responsible for the delivery of responsive and robust business and governance services and for leading the government's work to build community resilience.

Bill Gilmore, Acting Deputy Director-General, Local Government and Regional Services—responsible for promoting and supporting a sustainable local government sector, and for driving the relationship between local governments and the State.

Greg Chemello, Deputy Director-General, Planning and Acting General Manager, Economic Development Queensland—responsible for delivering the legislative framework and overarching policy for land use planning and development assessment, and identifying, planning, facilitating and delivering property development and infrastructure projects across Queensland.

David Quinn, Interim Chief Executive Officer, Building Queensland—responsible for providing expert advice to the government on Queensland's infrastructure priorities to ensure the State invests in value for money infrastructure projects that provide long term benefits to our community.

Darren Crombie, Executive Director, Infrastructure Policy and Planning—responsible for driving the Department's whole-of-government leadership role in infrastructure policy, planning and coordination, including delivery of the State Infrastructure Plan.

Bronwyn Blagoev, Executive Director, Legal, Legislation and Policy Services—responsible for the provision of legal services and for ensuring portfolio legislative and policy frameworks are contemporary and deliver the government's objectives for Queensland.

Megan Read, Director, South Bank—responsible for managing the Department's relationship with South Bank Corporation and managing the State's obligations and responsibilities with Brisbane City Council in its role as park managers for the South Bank and Roma Street Parklands.

Governance framework

The Department is committed to operating in an ethical, transparent and accountable manner and supports the Director-General to deliver high quality, value for money outcomes for Queenslanders. Good governance supports and guides Departmental staff in the actions they take and the decisions they make every day, to achieve the government's objectives. The Department delivers its services by:

- establishing strategy and direction including governance committees
- effective performance management and reporting that supports our strategic direction
- effective compliance and accountability that underpins our services
- developing capable people who deliver services in an ethical and accountable way.

For an overview of the Department's governance framework, view Appendix 1: Governance Framework.

Governance committees

Committee	Membership
Executive Leadership Team (ELT)	Director-General (Chair)
	Chief Operating Officer
	Deputy Director-General, Planning
	Deputy Director-General, Local Government and Regional Services
	Interim Chief Executive Officer, Building Queensland
	General Manager, Economic Development Queensland
	Executive Director, Infrastructure Policy and Planning
	Executive Director, Legal, Legislation and Policy Services
	Director, South Bank

The ELT supports the Director-General in discharging his responsibilities as the Department's Accountable Officer. The ELT provides leadership, direction and guidance and focusses on issues including, but not limited to, strategic planning, policy setting, risk and issues management and resource allocation, financial performance management and reporting, ensuring the Department is responsive to changing community and business needs, and Government priorities. The ELT meets on a weekly basis.

Committee	Membership
Finance Committee	<p>Director-General (Chair)</p> <p>Chief Operating Officer</p> <p>Deputy Director-General, Local Government and Regional Services</p> <p>Deputy Director-General, Planning</p> <p>Executive Director, Infrastructure Policy and Planning</p>

The Finance Committee is established pursuant to the requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009* to assist the Director-General in the management of the Department's finances, through the provision of advice and direction, to deliver Departmental services in the most efficient, effective and economical manner. The Committee meets quarterly or as otherwise determined by the Chair.

Information Steering Committee (ISC) (committee shared with Department of State Development (DSD) as network and system provider)	<p>Deputy Director-General, Regional Services, DSD (Chair)</p> <p>Chief Operating Officer, DILGP</p> <p>Chief Operating Officer, DSD</p> <p>Deputy Director-General, Local Government and Regional Services, DILGP</p> <p>Deputy Director-General, Major Projects Office, DSD</p> <p>Deputy Director-General, Planning, DILGP</p> <p>Deputy Director-General, State Development, DSD</p> <p>Executive Director, Land Acquisition and Delivery, Office of the Coordinator-General, DSD</p> <p>General Manager, Economic Development Queensland</p>
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The role of the ISC is to provide advice to the Director-General on the strategic application of information management and technology (IMT), related personnel resources and funding to ensure that new IMT investments support the goals and needs of the Department. The ISC aims to obtain the greatest value and return for its use within well-controlled risk containment and benefits management frameworks.

The ISC meets quarterly or as otherwise determined by the Chair and is supported by the Information Management Subcommittee that provides advice on the development, implementation and management of the Department's information assets.

Committee	Membership
Audit and Risk Management Committee (ARMC)	Director-General, DILGP Chief Operating Officer, DILGP Deputy Director-General, Planning, DILGP 2 external members The Committee Chair is an external member

DILGP has established an Audit and Risk Management Committee (in accordance with Section 35 of the *Financial and Performance Management Standard 2009*) with direct responsibility to the Director-General. The committee meets at least four times each year to provide independent assurance and assistance to the Director-General regarding the risks, control and compliance frameworks of the Department and external accountability responsibilities as prescribed in legislation and standards.

Related entities and government bodies

The Department administers or provides secretariat services to the following entities.

Entity or Government Body	Role
Board for Urban Places is a non-statutory advisory body with a statewide remit.	<p>The Board:</p> <ul style="list-style-type: none"> • champions high quality urban design and fosters an holistic approach to land use and infrastructure planning to create vibrant and adaptable urban places • provides independent design advice on local, state and private sector projects, general and project specific advice on urban design, planning, architecture, landscape architecture, sustainability and built environment issues.
In 2014-15, the Board provided urban design review and technical advice on a number of key projects including Ferny Grove Station carpark redevelopment, Cleveland Station mixed use redevelopment, Toondah Harbour Priority Development Area, Redevelopment of the Toowoomba Railyards, BaT Tunnel and Albion Transit Oriented Development.	
Economic Development Board is an advisory board established under the <i>Economic Development Act 2012</i> .	<p>The Board:</p> <ul style="list-style-type: none"> • advises and makes recommendations to the Minister for Economic Development Queensland (MEDQ) about how MEDQ can effect to the main purpose of this Act • monitors and reports to the MEDQ about the performance of the MEDQ's functions or exercise of the MEDQ's powers by entities (including the Board) to whom the functions or powers are delegated • ensures the MEDQ adopts best practice corporate governance and financial management and accountability arrangements • performs the functions and exercises the powers of the MEDQ delegated under this Act.

In 2014-15, the Board met nine times and endorsed:

- the preferred development partner for the \$400 million Northshore Hamilton Civic Park, \$850 million Yeerongpilly Transit Oriented Development, \$1.3 billion Toondah Harbour Redevelopment at Cleveland
- the declaration of Queens Wharf Brisbane, Toowoomba Railway Parklands and Townsville Waterfront as priority development areas (PDAs).

The Board also oversaw the financial close of the Development Agreement with Grocon for the development of the Gold Coast 2018 Commonwealth Games™ Village was achieved.

Entity or Government Body	Role
<p>Local Government Change Commission is a statutory authority established under the <i>Local Government Act 2009</i>.</p>	<p>The Commission is established to assess whether a proposed local government change is in the public interest and includes a change to the boundaries of a local government area, the number of councillors for a local government or the name of a local government area. Commissions comprise the:</p> <ul style="list-style-type: none"> • Electoral Commissioner (ex-officio) or any combination of the Electoral Commissioner • Deputy Electoral Commissioner (ex-officio) or • Casual Commissioners (as nominated by the Electoral Commissioner). <p>The Local Government Change Commission heard and determined four proposed local government changes in 2014-15.</p>
<p>Local Government Remuneration and Discipline Tribunal is established under the <i>Local Government 2009</i> and provides a regulatory function.</p>	<p>The Tribunal determines categories of local government and the remuneration for local government councillors and determines the most serious allegations of misconduct referred to it by the Department's Chief Executive.</p> <p>During 2014-15, the Tribunal determined categories of local government and the remuneration for local government councillors. It also determined the most serious allegations of misconduct referred to it by the Director-General.</p>
<p>Queensland Local Government Grants Commission is a statutory body comprised of five external members and one senior officer from the Department, established under the <i>Local Government Act 2009</i>.</p>	<p>The Commission:</p> <ul style="list-style-type: none"> • makes recommendations to the Minister with respect to the finances of local governing bodies, particularly regarding the annual Commonwealth Financial Assistance Grant • collects data from councils annually and uses other state and Australian Government data to inform annual Financial Assistance Grant recommendations. <p>During 2014-15, the Commission held four meetings and:</p> <ul style="list-style-type: none"> • visited 24 councils to explain funding allocation methodology and to hear concerns • allocated the Financial Assistance Grant totalling \$453.1 million, approved by the federal Minister responsible for local government, and approved a draft allocation for the 2015-16 Financial Assistance Grant • collected data from 71 councils to inform the Financial Assistance Grant allocation process and to form the basis of the Comparative Information Report.

Entity or Government Body	Role
<p>Queensland Reconstruction Authority is a statutory authority established under the <i>Queensland Reconstruction Authority Act 2011</i>.</p> <p>Further information about the operations, priorities and achievements of the Authority are provided in the Queensland Reconstruction Authority Annual Report 2014-15.</p>	<p>The Authority manages and coordinates the Government's restoration of communities and infrastructure reconstruction within disaster affected communities.</p>
<p>Regional Conduct Review Panels are established under the <i>Local Government Act 2009</i>.</p> <p>During 2014-15, the Panels heard and determined allegations of misconduct about local government councillors referred to it by the Director-General.</p>	<p>The panels hear and determine allegations of misconduct referred to it by the Department's Chief Executive.</p>
<p>Royal National Agriculture and Industrial Association of Queensland (RNA) is established under the <i>Royal National Agricultural and Industrial Association of Queensland Act 1971</i>.</p> <p>Further information about the operations, priorities and achievements of the Association are provided in The Royal National Agriculture and Industrial Association of Queensland Annual Report 2014.</p>	<p>The Association is responsible for management of the RNA showgrounds and staging of the annual Brisbane exhibition.</p> <p>The Department's involvement is limited to the administration of the Act.</p>
<p>South Bank Corporation is a statutory authority established under the <i>South Bank Corporation Act 1989</i>.</p> <p>Further information about the operations, priorities and achievements of the Corporation are provided in the South Bank Corporation Annual Report 2014-15.</p>	<p>The Corporation's role is to promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation Area, in order to ensure that the development accords with the highest possible standards and is in the interests of the people of the City of Brisbane and of Queensland.</p>
<p>Trade and Investment Queensland Board is a statutory body established under the <i>Trade and Investment Queensland Act 2013</i>.</p> <p>Further information about the operations, priorities and achievements of the Board are provided in the Trade and Investment Queensland Annual Report 2014-15.</p>	<p>The Board is responsible for the effective and efficient performance of Trade and Investment Queensland, which is the Government's lead agency responsible for facilitating and promoting trade and investment opportunities for Queensland, including between Queensland and foreign countries.</p>

Ethics and integrity

The Department's ethics and integrity framework ensures systems, policies, procedures and resources are in place to provide assurance that all activities are conducted in an ethical, accountable and transparent manner. The framework covers important integrity services and functions including complaints management, lobbyist contacts, declarations of interest registration, gift and benefits registration, ethics advice and training, liaison with the Crime and Corruption Commission (CCC), public interest disclosure management, and fraud and corruption prevention.

The Department has embedded the principles and values of the *Public Sector Ethics Act 1994* explicitly and implicitly in its strategic planning process and documents, and in its human resource management policies and procedures. The Department engages with employees, stakeholders, the general public and the private sector in an honest, impartial and accountable manner. Ethical principles and values are incorporated in employees' Performance and Development Agreements.

Departmental employees uphold the Code of Conduct for the Queensland Public Service. Employees receive regular training in the Code of Conduct including at induction, through online training and face-to-face training provided by Departmental and external training providers. Online training in ethical decision making has been updated and redeveloped and will be rolled out to staff in the coming financial year. More intensive workshop style ethics and integrity and fraud and corruption prevention training has been rolled out across the Department.

The Department supports managers and staff to implement the code throughout their work by providing:

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

Managing risk and accountability

Risk management

The Department implements a risk management framework to identify, assess and manage risks that may impact its business operations and the delivery of its programs and projects. The framework is aligned to the international risk management standard, AS/NZ ISO 31000:2009.

The Executive Leadership Team is responsible for reviewing and approving the Department's risk management framework and overall risk management strategy. The Audit and Risk Management Committee monitors the effectiveness of the framework in the management of the Department's strategic, business and operational risks, including in relation to financial, health and safety, delivery, legal, environmental and reputational consequences. Risk management is integrated into Departmental activity through incorporation in operational planning, ensuring risks and opportunities are identified and subsequent actions appropriately aligned with Departmental objectives.

In 2014-15 the Department's risk management framework underwent a full review. The revised framework was endorsed by the ARMC and approved by the Director-General. It is:

- a concise, diagrammatic representation of the risk management process
- designed to provide an overarching picture of the key elements, systems and connections in conducting risk management
- supported by risk management guidelines and process outlines that explain the governance, requisite capability components, process stages, levels of risk and applicable artefacts, reporting and escalation opportunities and benefits and Departmental risk appetite.

External scrutiny

Auditor-General reports

In addition to his audit of the Department's financial statements, the Auditor-General conducted audits during the year where recommendations were specifically addressed to the Department or addressed to all agencies to consider.

These audits included:

- Auditor-General's Report 1: 2014–15, Internal Control Systems 2013-14 tabled in Parliament 11 July 2014
- Auditor-General's Report 4: 2014-15, State Public Sector Entities for 2013-14 tabled in Parliament 25 November 2014
- Auditor-General's Report 16: 2014–15, Local Government Entities 2013-14 tabled in Parliament 5 May 2015

- Auditor-General's Report 19: 2014–15, Fraud Management in Local Government tabled in Parliament 2 June 2015.

Recommendations addressed to the Department were accepted and management plans are in place to implement those recommendations. Progress in implementing Auditor-General recommendations is monitored and followed-up by Internal Audit and reported to the Audit and Risk Management Committee for review.

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) was established pursuant to the *Financial and Performance Management Standard 2009*.

The ARMC provides independent assurance and assistance to the Director-General on the Department's:

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

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

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

The ARMC met on four occasions during 2014-15.

Membership of the ARMC and remuneration (if applicable) in 2014-15 included:

- Eric Muir – Chair and external member of the ARMC. Remuneration: \$5868.50
- Karen Smith-Pomeroy - external member of the ARMC. Remuneration: \$3207.60
- Craig Evans AM, Director-General (membership ceased 3 December 2014)
- Stephen Johnston, Acting Director-General (commenced 3 December 2014)
- Greg Chemello, Deputy Director-General Planning (commenced 14 April 2015).

Key achievements for the ARMC during 2014-15 included:

- reviewed and endorsed the Department's financial statements for the year ended 30 June 2014
- reviewed and endorsed the Department's Internal Audit Strategic Plan 2015-18 Annual Audit Plan 2015-16
- endorsed the ARMC Charter and the Internal Audit Charter for 2015-16
- received regular reports on internal audit activities including audits and reviews completed as part of the Internal Audit Annual Audit Plan 2014-15
- reviewed and considered the QAO Strategic Audit plan and the Client Strategy for the Department

- considered the scheduling, status, findings and audit recommendations of QAO financial and performance audits
- oversaw the implementation status of internal and external audit recommendations
- endorsed the Department's Risk Management Framework and received regular reports on the Department's risk status.

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

Internal audit

Internal audit is a key component of our corporate governance.

Pursuant to section 29 of the *Financial and Performance Management Standard 2009* the Department has an established independent Internal Audit function and operates under an approved Internal Audit Charter.

Internal Audit provides independent and objective advice to the Director-General and aids him in the discharge of his statutory functions and duties as the accountable officer. The scope of Internal Audit coverage is set out in the Internal Audit Strategic Plan 2015-18 which was endorsed by the Audit and Risk Management Committee (ARMC) and approved by the Director-General. This plan follows a risk-based methodology, balancing emerging issues against reviews of core business and transactional processes.

The Head of Internal Audit (HIA) is directly accountable to the Director-General for leading an effective and efficient internal audit function and for ensuring the internal audit activity meets its objectives and adds value to the Department. The HIA reports regularly to the ARMC, which reviews the work of the internal audit function.

The Internal Audit Charter has been prepared with reference to the relevant provisions of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, the Institute of Internal Auditors (IIA) International Professional Practice Framework, the Queensland Treasury Audit Committee Guidelines—*Improving Accountability and Performance* and the better practice guidance issued by the Australian National Audit Office. The Charter was endorsed by the ARMC and approved by the Director-General and is consistent with accepted auditing and ethical standards.

Achievements of Internal Audit during 2014-15 include:

- developed and delivered a risk-based annual plan of audits endorsed by the ARMC and approved by the Director-General covering assurance about, and improving effectiveness of, governance, financial controls, systems, project management, operations, compliance and risk management
- providing advisory services to the Department in order to improve risk management, control and governance, and business operations
- completing audits and reviews as agreed with the ARMC, resulting in appropriate management recommendations for improving governance processes and business operations
- assessing the effectiveness and efficiency of key Departmental financial and operating systems, reporting processes and activities

- proactive follow-up with management regarding their timely implementation of internal and external audit recommendations
- provision of secretariat services as outlined in the ARMC Charter
- adoption of a co-sourced service delivery model for the provision of an effective internal audit function
- maintaining an effective working relationship with the Queensland Audit Office.

Information systems and recordkeeping

Good information and recordkeeping practices assist the Department to capitalise on existing knowledge and experience. They also support consistency, continuity, efficiency and productivity in customer service, program delivery, management and administration. The ongoing use and maintenance of best practice information and records management policy, procedures and systems—including the use of an electronic document records management system (eDRMS)—enables the Department to capture, maintain and protect the accuracy and reliability of its information for as long as they are required to support business, regulatory, social and cultural needs.

The eDRMS provides a secure, effective and efficient management of correspondence, documents and records. Additionally, the Department uses the whole-of-government SAP and Aurion systems for finance and human resource management respectively.

Committed to meeting our responsibilities under the *Public Records Act 2002*, the Department protects information assets through our Information and Recordkeeping Policy. This ensures that Departmental information and records are the basis for organisational accountability, current and future policy formation, and management decision making. It also supports compliance with legislative and regulatory requirements, and documentation of Departmental activities, developments and achievements.

Our records information and records management approach includes:

- implementing and maintaining an Information and Records Management Framework that includes clear and concise policy, procedures and work instructions
- managing programs, information and recordkeeping systems that comply with legislation and government directives, including collaboration and sharing tools
- developing and implementing digitised physical records policy and framework - resulting in a 50 per cent reduction of physical paper records maintained in the Department
- development of an information management digitisation strategy
- preparing to implement ‘Paper Lite’ approaches to records management by adhering to the following key principles:
 - born digital, stay digital strategy—new documents received or created should remain in digital format
 - digitisation of physical records and electronic processing
 - ensure eDRMS use is maximised in all business groups
 - use of collaboration and sharing tools that incorporate information and records management

- implement retention and disposal schedules, as well as archives management frameworks and strategies
- use cultural reform to drive cross-agency collaboration, including the development and distribution of policies and training initiatives such as clear desk and information management awareness
- developing baseline storage requirements
- establishing realistic performance goals and effective monitoring programs
- leading cultural reform by creating supportive information management awareness resources and system training in order to provide proactive staff assistance, guidance and awareness of legislative responsibilities
- retention and disposal of public records in accordance with the *Public Records Act 2002* and the *General Retention and Disposal Schedule for Administrative Records*. A Departmental Retention and Disposal Schedule was developed and endorsed by the Queensland State Archivist during 2014.

Modernisation of core Departmental technologies has included rolling out Windows 8.1, Office 365 cloud environment, VoIP technology and Wi-Fi, coupled with increased availability of electronic processing. These initiatives have improved productivity and provided flexibility to support our mobile workforce information management practices.

Security of our records is of the utmost importance, and is maintained through the Department's electronic document and records system in accordance with the Department's information security policies and whole-of-government standards.

Following Administrative Arrangements changes in March 2015, 40000 active records relating to infrastructure and planning functions were transferred to DILGP.

In line with the Department's archive management framework and the approval of four core agency retention and disposal schedules during 2014, our disposal programme is being implemented with 1000 records being approved for disposed during 2014-15 following the expiry of their retention period. This equates to an estimated annual saving of \$2000 for the Department in storage and security costs. There have been no reported records lost or destroyed due to disasters.

Our workforce

The People and Performance unit of the Department of State Development (DSD) provides human resources advice and services to the DILGP under a Service Level Agreement (SLA).

Queensland public service values

The Queensland public service values and supporting behaviours are a key foundation to creating a high performance workforce that meets the needs of Queenslanders.



- Customers first**
- Know your customer
 - Deliver what matters
 - Make decisions with empathy



- Ideas into action**
- Challenge the norm and suggest solutions
 - Encourage and embrace new ideas
 - Work across boundaries



- Unleash potential**
- Expect greatness
 - Lead and set clear expectations
 - Seek, provide and act on feedback



- Be courageous**
- Own your actions, successes and mistakes
 - Take calculated risks
 - Act with transparency



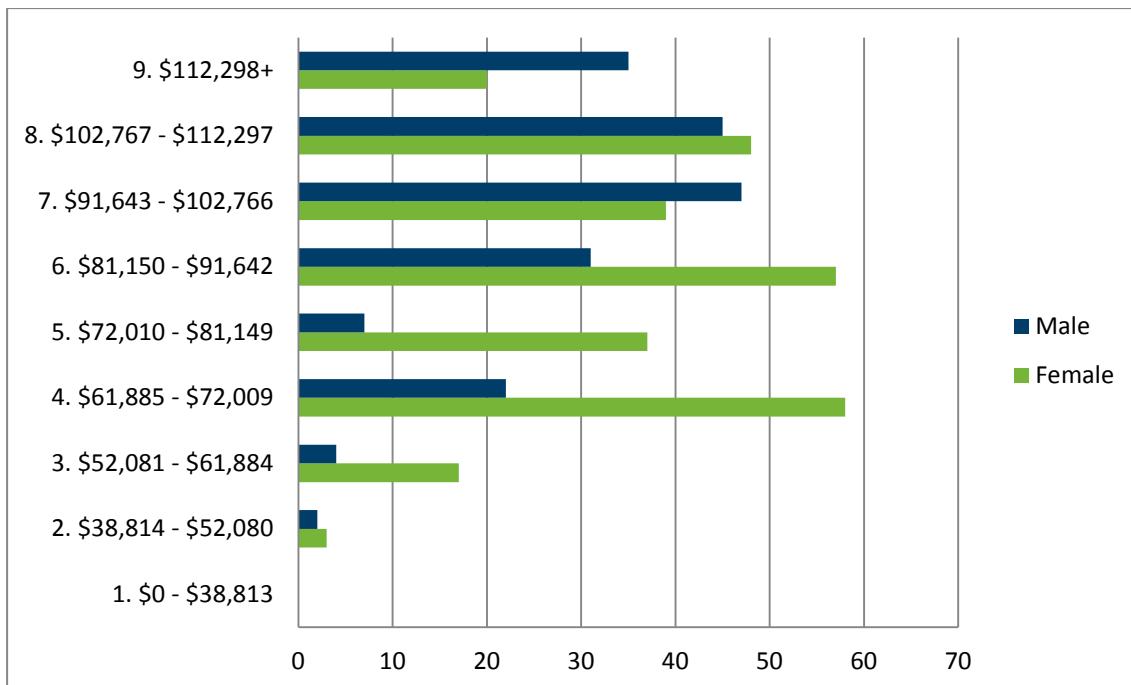
- Empower people**
- Lead, empower and trust
 - Plays to everyone's strengths
 - Develop yourself and those around you

These values are the building blocks for our workplace culture—working efficiently, productively and smarter. Teams and individuals are encouraged to demonstrate quality, innovation, inclusion, diversity, creativity and collaboration every day.

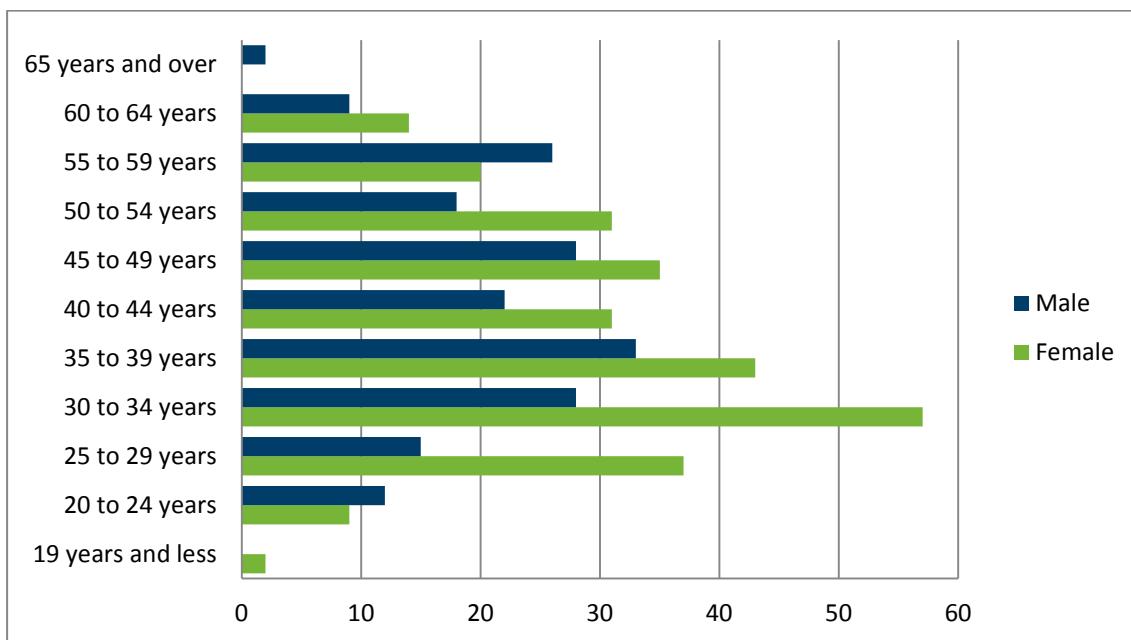
Workforce profile

As at 30 June 2015, the Department had 447 fulltime equivalent staff with a head count of 472. The permanent separation rate for the 2014-15 financial year was 3.9 per cent.

Staff annual earnings, showing the proportion of male and female staff in earnings ranges for 2014-15, are shown in Figure 19.

**Figure 19: Employees by Salary and Gender**

Representation of employees by age group as at 30 June 2015 is illustrated below.

**Figure 20: Employees by Age Group**

Workforce planning

The Department recognises the importance of building a decentralised and inter-regional workforce which is customer focused both in the design and implementation of solutions and services. In 2014-15 the Department implemented human resource policies, strategies and programs that supported the attraction, development and retention of a range of highly skilled employees. We continued to build a culture that values and

embraces health and safety, leadership and management capability, performance management, diversity and encourages work-life balance, with a focus on the workforce becoming innovative and enablers of change both internally and externally.

Performance management

A continued focus on employee management was maintained in 2014-15 which enabled contribution to the achievement of the Department and government priorities. The performance and development process focuses on performance conversations that are regular and ongoing throughout a 12 month period. It focuses on aligning performance management to support the Department's objectives, incorporating the Queensland Public Service values and providing opportunity for greater employee engagement and performance.

For Executive Leaders, the Public Service Commission's e-Plan (online performance management platform) has been implemented which supports the processes involved with developing, reviewing and assessing chief and senior executive agreements, allowing a focus on achieving objectives and leading high performance.

Developing our people

The Department is committed to developing an adaptive and responsive workforce and providing the opportunities and environment to promote the knowledge, experience and skill transfer between generations. Succession strategies for critical roles include building internal talent through capability development, relieving opportunities and mobility programs.

A suite of external and in-house learning and leadership development activities aligned to the Capability and Leadership Framework and the Strategic Workforce Plan were available in 2014-15. These included a range of corporate, specialist, management and leadership capability development programs including the Leadership Xchange program, the council placement program, change management and ethical decision making workshops. Executive leaders are supported to participate in regular professional development workshops brokered by the Public Service Commission and a number of staff accessed study and research assistance to gain or improve qualifications in capabilities related to their professional roles.

The Department also continued investing in the health and wellbeing of staff in 2014-15 through the delivery of the health and wellbeing program. The program included health assessments, skin cancer screening, flu vaccinations and sponsorship of corporate games.

Industrial and employee relations framework

The Department's managers and employees are provided advice and support in relation to entitlements, policies, processes and performance, by the People and Performance unit. This includes intervention strategies to assist with the early resolution and management of issues at the local level.

In 2014-15 a policy reform project to review all human resource policies, procedures, guidelines and forms was completed. The objective was to ensure the provision of current, concise information that is easy to use and understand.

The implementation of streamlined processes has continued to ensure duplication and bureaucracy are addressed, along with the continuous improvement of business processes. As part of this, significant improvements have been made to the separation procedures to resolve issues relating to potential overpayments, security and government property. Improvements such as the inclusion of smart forms continue to be undertaken.

The Department was not party to any industrial disputes during 2014-15. There were no disciplinary actions taken by the Department and no employees were suspended.

Consultative Committee

The Consultative Committee is the principal consultative body for unions and management within the Department, created pursuant to Part 9 of the Certified Agreement 2009 (Core EB). The Committee considers:

- organisational change and restructuring
- workload management
- balancing work, life and family workforce data
- organisational matters such as review of, changes to, or introduction of, new workforce management policies.

The Committee meets on an as required basis.

Work Health Safety Committee

The Work Health Safety Committee's (WHSC) roles and responsibilities are to:

- assist in developing standards, policies, procedures and training programs
- engage consultants relating to work health and safety
- facilitate cooperation between the Director-General and employees regarding health and safety issues.

The WHSC services the Department and DSD in recognition of the shared corporate support arrangements and the similarity of work, health and safety issues encountered.

Early retirement, redundancy and retrenchment

During the financial year, no employees were made redundant. One employee retired on the grounds of ill-health and received a termination payment of \$35,192.

Financial statements

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General information

These financial statements cover the Department of Infrastructure, Local Government and Planning (the Department).

The Department of Infrastructure, Local Government 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
Executive Building
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 statement please call +61 7 3452 6930, email info@dilgp.qld.gov.au or visit the Department's website www.dilgp.qld.gov.au.

DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Statement of Comprehensive Income for the period ended 30 June 2015

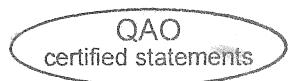
	Notes	2015 \$'000	2014 \$'000
Income from continuing operations			
Appropriation revenue	2	170,432	143,020
Land sales		54,982	-
User charges and fees	3	10,844	978
Grants and other contributions	4	10,576	3,685
Interest		2,664	568
Other revenue		44	6
Total revenue		249,542	148,257
Gain on disposal/remeasurement of assets	5	348	-
Total income from continuing operations		249,890	148,257
Expenses from continuing operations			
Employee expenses	6	24,732	12,980
Supplies and services	8	29,003	10,582
Grants and subsidies	9	141,871	160,775
Depreciation and amortisation		1,276	1,072
Impairment losses		755	1
Cost of land sales		39,420	-
Land inventory written off		6,395	-
Finance/borrowing costs		1,202	-
Other expenses	10	17,729	308
Total expenses from continuing operations		262,383	185,718
Operating result from continuing operations before income tax equivalent expense		(12,493)	(37,461)
Income tax equivalent expense	15	266	-
Operating result from continuing operations after income tax equivalent expense		(12,227)	(37,461)
Other comprehensive income			
<u>Items that will not be reclassified subsequently to operating result</u>			
Increase/(decrease) in asset revaluation surplus	20	2,129	-
Total other comprehensive income		2,129	-
Total comprehensive income		(10,098)	(37,461)

The accompanying notes form part of these statements.



	Notes	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	11	224,702	29,478
Receivables	12	10,575	8,777
Land inventories		351,349	-
Other current assets		233	-
Total current assets		586,859	38,255
Non-current assets			
Receivables	12	28,706	7,092
Intangible assets		3,683	-
Property, plant and equipment	13	278,400	52,581
Investment property	14	237,840	-
Deferred tax equivalent asset	15	3,201	-
Total non-current assets		551,830	59,673
Total assets		1,138,689	97,928
Current liabilities			
Payables	16	46,429	19,194
Interest-bearing liabilities	17	26,475	-
Income tax payable	15	6,391	-
Other current liabilities	18	14,052	30
Provisions	19	15,963	-
Total current liabilities		109,310	19,224
Non-current liabilities			
Payables	16	12	92
Interest-bearing liabilities	17	19,440	-
Deferred tax equivalent liability	15	104,772	-
Total non-current liabilities		124,224	92
Total liabilities		233,534	19,316
Net assets		905,155	78,612
Equity			
Contributed equity		870,351	33,709
Accumulated surplus		12,757	24,985
Asset revaluation surplus		22,047	19,918
Total equity	20	905,155	78,612

The accompanying notes form part of these statements.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Statement of Changes in Equity for the period ended 30 June 2015

	Contributed Equity \$'000	Accumulated Surplus/Deficit \$'000	Asset Revaluation Surplus (note 20) \$'000	Total \$'000
Balance as at 1 July 2013	10,493	62,446	19,918	92,857
Operating result from continuing operations	-	(37,461)	-	(37,461)
Transactions with owners as owners:				
- Appropriated equity injections (note 2)	15,364	-	-	15,364
- Machinery-of-Government adjustments	7,852	-	-	7,852
Net transactions with owners as owners	23,216	-	-	23,216
Balance as at 30 June 2014	33,709	24,985	19,918	78,612
Balance as at 1 July 2014	33,709	24,985	19,918	78,612
Operating result from continuing operations	-	(12,227)	-	(12,227)
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	-	2,129	2,129
Total comprehensive income for the year	-	-	2,129	2,129
Transactions with owners as owners:				
- Appropriated equity injections (note 2)	19,683	-	-	19,683
- Net transfers in/(out) from other Queensland Government entities	1,460	-	-	1,460
- Machinery-of-Government adjustments	835,338	-	-	835,338
- Non-appropriated equity injections	6,159	-	-	6,159
- Non-appropriated equity withdrawals	(26,000)	-	-	(26,000)
Net transactions with owners as owners	836,640	-	-	836,640
Balance as at 30 June 2015	870,351	12,757	22,047	905,155

The accompanying notes form part of these statements.

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DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Statement of Cash Flows for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Inflows:			
Land sales		51,573	-
Appropriation revenue		176,174	136,652
User charges and fees		13,276	1,599
Grants and other contributions		6,388	2,894
GST input tax credits received from Australian Taxation Office		8,964	3,000
GST collected from customers		11,615	282
Interest		2,184	42
Other		6,517	521
Outflows:			
Employee expenses		(25,421)	(12,690)
Supplies and services		(40,594)	(13,000)
Grants and subsidies		(133,966)	(108,900)
Finance/borrowing costs		(1,202)	-
GST paid to suppliers		(8,188)	(3,015)
GST remitted to Australian Taxation Office		(11,481)	(399)
Other		(16,539)	(309)
Net cash provided by (used in) operating activities	22	39,300	6,678
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		6,403	-
Loans and advances redeemed		5,377	1,103
Outflows:			
Payments for property, plant and equipment		(12,789)	(15,464)
Payments for intangible assets		(1,660)	-
Loans and advances provided		(4,900)	-
Net cash provided by (used in) investing activities		(7,569)	(14,361)
Cash flows from financing activities			
Inflows:			
Borrowings		3,352	-
Equity injections		27,069	16,467
Increase (decrease) in cash and cash equivalents from restructuring		163,207	7,852
Outflows:			
Equity withdrawals		(27,226)	(1,103)
Borrowing redemptions		(2,905)	-
Net cash provided by (used in) financing activities		163,497	23,216
Net increase/(decrease) in cash and cash equivalents		195,226	15,533
Cash and cash equivalents at beginning of financial year		29,478	13,947
Cash and cash equivalents at end of financial year	11	224,702	29,478

The accompanying notes form part of these statements.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the period ended 30 June 2015

	Capacity Building #	Community Recovery and Resilience #	Governance and Statutory Services	Local Government and Community Funding #	Better Planning for Queensland #
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000
Income from continuing operations*					
Appropriation Revenue	5,115	5,636	2,989	1,068	6,105
User charges and fees	22	19	-	-	76
Grants and other contributions	12	114	277	189	14
Interest	-	-	-	-	-
Other revenue	1	-	-	-	1
Total Revenue	5,150	5,770	3,266	1,257	6,198
Total income from continuing operations					
Expenses from continuing operations*					
Employee expenses	2,884	3,008	636	713	3,952
Supplies and services	1,830	2,392	2,603	537	2,021
Grants and subsidies	237	288	-	-	-
Depreciation and amortisation	17	2	3	-	22
Impairment losses	-	-	-	-	-
Other expenses	182	80	26	7	215
Total expenses from continuing operations	5,160	5,770	3,268	1,257	6,210
Operating result from continuing operations before income tax equivalent expense	(10)	-	(2)	-	(12)
Operating result from continuing operations after income tax equivalent expense					
(10)	-	(2)	-	(12)	-
Other comprehensive income					
Items that will not be reclassified subsequently to operating result					
Increase in asset revaluation surplus	1,537	-	-	-	-
Total comprehensive income	1,527	-	(2)	(12)	(12)
* Allocation of income and expenses to corporate services (disclosure only):					
Income	767	1,496	72	29	1,191
Expenses	774	1,496	78	29	1,211

* Allocation of income and expenses to corporate services (disclosure only):
 Income 767 1,496 72 29 1,191 1,279
 Expenses 774 1,496 78 29 1,211 1,278

Refer to policy notes of the Financial Statements for a description of Major Departmental Services.

DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the period ended 30 June 2015

	Leading Infrastructure Policy, Planning and Assessment for Queensland #		Economic Development Queensland #		Eliminations between DILGP and EDQ		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income from continuing operations*								
Appropriation Revenue	1,272	-	-	-	-	-	170,432	143,020
Land Sales	-	-	54,982	-	-	-	54,982	-
User charges and fees	-	-	7,275	-	-	-	10,844	978
Grants and other contributions	342	-	7,551	-	(3,372)	-	10,576	3,685
Interest	-	-	2,143	-	-	-	2,684	568
Other revenue	-	37	37	-	-	-	44	6
Total Revenue	1,614	-	71,988	-	(3,372)	-	249,542	148,257
Gain on disposal/re-measurement of assets	-	-	348	-	-	-	348	-
Total income from continuing operations	1,614	-	72,336	-	(3,372)	-	249,890	148,257
Expenses from continuing operations*								
Employee expenses	999	-	4,025	-	-	-	24,732	12,980
Supplies and services	515	-	12,427	-	-	-	29,003	10,582
Grants and subsidies	54	-	-	-	(3,372)	-	141,871	160,775
Depreciation and amortisation	4	-	9	-	-	-	1,276	1,072
Impairment losses	-	-	96	-	-	-	755	1
Cost of land sales	-	-	39,420	-	-	-	39,420	-
Land Inventory Written Off	-	-	6,395	-	-	-	6,395	-
Finance/borrowing costs	-	-	1,202	-	-	-	1,202	-
Other expenses	44	-	4,221	-	-	-	17,729	308
Total expenses from continuing operations	1,616	-	67,795	-	(3,372)	-	242,383	185,716
Operating result from continuing operations before	-	-	-	-	-	-	-	-
income tax equivalent expense	(2)	-	4,541	-	-	-	(12,493)	(37,461)
income tax equivalent expense	-	-	266	-	-	-	266	-
Operating result from continuing operations after income tax equivalent expense	(2)	-	4,807	-	-	-	(12,227)	(37,461)
Other comprehensive income	-	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to operating result	-	-	-	-	-	-	-	-
Increase in asset revaluation surplus	-	-	(433)	-	-	-	2,129	-
Total comprehensive income	(2)	-	4,374	-	(10,098)	-	(10,098)	(37,461)

* Allocation of income and expenses to corporate services (disclosure only):

Income 51
Expenses 65

Refer to policy notes of the Financial Statements for a description of Major Departmental Services.

DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2015

	Capacity Building #	Community Recovery and Resilience #	Governance and Statutory Services #	Local Government and Community Funding #	Better Planning for Queensland #
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000
Current assets*					
Cash and cash equivalents	7,726	4,422	1,236	707	10,043
Receivables	341	1,138	512	1,308	440
Total current assets	8,067	5,560	1,748	2,015	10,483
Non-current assets*					
Receivables	973	1,064	156	170	1,264
Intangible assets	-	-	-	-	-
Property, plant and equipment	7,150	7,887	1,144	1,262	9,295
Total non-current assets	8,123	8,951	1,300	1,432	10,559
Total assets	16,190	14,511	3,048	3,447	21,042
Current liabilities*					
Payables	2,712	3,285	472	4,385	3,030
Other current liabilities	-	18	-	-	2,491
Total current liabilities	2,712	3,304	472	4,384	3,030
Non-current liabilities*					
Payables	-	55	-	-	-
Total non-current liabilities	-	55	-	-	-
Total liabilities	2,712	3,358	472	4,384	3,030

* Refer to policy notes of the Financial Statements for a description of Major Departmental Services.

* Please note the department has systems in place to allocate assets and liabilities by departmental service

DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2015

Leading Infrastructure Policy, Planning and Assessment for Queensland #		Economic Development Queensland #		Eliminations between DILGP and EDQ		Total	
2015	2014	2015	2014	2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets							
Cash and cash equivalents							
Receivables	2,060	1,179	173,197	-	(5,086)	-	224,702
Land inventories	90	302	12,912	-	3,093	-	10,575
Other current assets	-	-	348,256	-	-	-	351,349
Total current assets	2,150	1,482	534,598	-	(1,993)	-	38,255
Non-current assets							
Receivables	259	284	17,135	-	(14,438)	-	28,706
Intangible assets	-	-	-	-	(3,093)	-	3,683
Property, plant and equipment	1,907	2,103	233,827	-	-	-	278,400
Investment property	-	-	237,840	-	-	-	237,840
Deferred tax equivalent asset	-	-	3,201	-	-	-	3,201
Total non-current assets	2,166	2,387	492,003	-	(17,531)	-	551,830
Total assets	4,316	3,869	1,026,601	-	(19,524)	-	97,928
Current liabilities							
Payables	871	487	17,905	-	-	-	46,429
Interest-bearing liabilities	-	-	26,475	-	-	-	26,475
Income tax payable	-	-	6,391	-	-	-	6,391
Other current liabilities	-	-	13,239	-	-	-	14,052
Provisions	-	-	15,963	-	-	-	15,963
Total current liabilities	871	488	79,973	-	-	109,310	19,224
Non-current liabilities							
Payables	-	-	19,524	-	(19,524)	-	12
Interest-bearing liabilities	-	-	19,440	-	-	-	19,440
Deferred tax equivalent liability	-	-	104,772	-	-	-	104,772
Total non-current liabilities	871	487	143,736	-	(19,524)	-	124,224
Total liabilities	871	487	223,709	-	(19,524)	-	233,534
							19,316

Refer to policy notes of the Financial Statements for a description of Major Departmental Services.

* Please note the department has systems in place to allocate assets and liabilities by departmental service

DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

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DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING

Notes to and forming part of the Financial Statements as at 30 June 2015

Objectives and principal activities of the Department of Infrastructure, Local Government and Planning (the Department)

The Department of Infrastructure, Local Government and Planning was created to build a prosperous, connected, liveable, sustainable and resilient Queensland. Our vision is to create better cities, towns and communities through future-focused planning, smart development and strong partnerships.

The Department integrates infrastructure, local government and planning to form a lead agency with the power and expertise to shape the future of Queensland. It contributes to the Queensland Government's objectives for the community by:

- creating jobs and a diverse economy through stimulating economic growth and innovation and delivering new infrastructure and investment
- delivering quality frontline services through providing responsive and integrated government services
- building safe, caring and connected communities
- protecting the environment through enabling responsible development.

The reporting entity

The financial statements include all income, expenses, assets, liabilities and equity of the Department, including the Department's Commercialised Business Unit, Economic Development Queensland.

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.

As a result of *Public Service Departmental Arrangement Notice (No. 1) 2015* on 16 February 2015 the Department of Local Government, Community Recovery and Resilience (DLGCRR) was renamed the Department of Infrastructure, Local Government and Planning. Under this notice the Infrastructure, Planning and Economic Development Queensland functions were transferred from the former Department of State Development, Infrastructure and Planning (DSDIP) effective 1 March 2015. For further information on the extent of the changes refer to note 21 Restructuring of administrative arrangements.

As part of the machinery-of-Government changes the Department inherited an interest in a jointly controlled operation, Woodlands Andergrove, in partnership with the Mackay Regional Council to develop and sell land lots located at Bedford Road, Andergrove in Mackay. In accordance with the partnership agreement, the Department's interest in the joint venture is 50% and is not material therefore not disclosed in the notes to of these financial statements.

Major departmental services

Services for the 2013-2014 Financial Year

Local Government

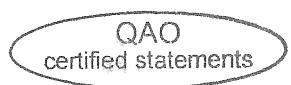
The Local Government service area exists to ensure local governments are able to make effective decisions that bring increased economic prosperity and social cohesion to their local government areas. The Department wants all local governments to have the necessary autonomy, authority, capacity and resilience to deliver the best outcomes for their community.

Community Recovery and Resilience

The Community Recovery and Resilience service area was established in February 2013. It facilitates Government agencies working together to build community resilience based on an all hazards approach in disaster ravaged areas. Resilience focus areas will include examination of the feasibility of levees and dams, natural safeguards and community infrastructure such as community based, and led, support plans.

Services for 1 July 2014 to 30 June 2015

A review of service provision and related performance measures was undertaken in late 2014, Applying a service-logic approach, four new service areas were determined by identifying all external departmental services and their objectives and then grouping related services across branches and regions where they contributed to common objectives and outcomes. The 2013-14 comparative figures have been reallocated across the new service areas on this basis.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

Major departmental services (continued)

Capacity Building

Ensure Local Governments have a sound understanding of roles and responsibilities under Local Government legislation

Community Recovery and Resilience

Build community preparedness and resilience for natural disasters and emergency events.

Governance and Statutory Services

Provide a legislative and regulatory framework that supports the strategic direction of the Department.

Local Government and Community Funding

Efficiently administer funding programs in accordance with budget forecasts and within agreed timeframes.

Services introduced 1 March 2015 to 30 June 2015

As a result of machinery-of-Government changes, effective 1 March 2015, the Infrastructure, Planning and Economic Development Queensland functions were transferred into the Department resulting in the introduction of the following services:

Better Planning for Queensland

Reform, streamline and simplify Queensland's planning and development assessment system.

Leading Infrastructure Policy, Planning, and Assessment for Queensland

Effectively and efficiently deliver high quality infrastructure policy, planning, prioritization and assessment activities to enable a return on investment and unlock economic growth and social potential.

Economic Development Queensland

Deliver land solutions to facilitate economic development, including planning and development of residential, urban and industrial development projects.

1. 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's *Minimum Reporting Requirements* and other authoritative pronouncements for the year ending 30 June 2015.

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 entity. Except where stated, the historical cost convention is used.

(b) 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.

Major administered revenues include appropriations and grants received from the Commonwealth and the Queensland Government that are forwarded onto Local Governments and the Queensland Reconstruction Authority, refer note 29.

(c) Appropriation revenue /administered revenue

Appropriations provided under the *Appropriation Act 2014* are recognised as revenue when received or when Departmental service receivables are approved by Queensland Treasury.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

(d) User charges, fees and other revenue

User charges, fees and other revenue 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. Interest revenue is recognised as it accrues.

(e) Grants and other contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year 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 1(e).

(f) 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, refer note 10. However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

(g) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery being 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 2015.

Loans and advances relevant to 5 interest free loans to local councils are measured at fair value and amortised over the life of the loan using the effective interest method. The market value is determined by discounting future cash flows using the Queensland Treasury Corporation (QTC) yield curve at the date of loan inception. Terms are as recorded in individual loan agreements that range from five to fifteen years.

(h) Land inventories

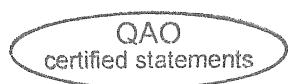
Land purchased or held for the purpose of resale is recognised at the lower of cost and net realisable value. Cost includes the cost of acquisition and development of the land to its existing condition, ready for sale. These costs are assigned to subdivided land lots on a weighted average basis when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

For residential land inventory the 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. For industrial land inventory the net realisable value is considered to be the market value or list price at which these assets are made available for sale.

For industrial undeveloped land inventory, where a normal selling pattern is difficult to determine, the land values are assessed by an independent valuer on a sample basis.

Revenue from the sale of land is recognised at the time of settlement when the risks and rewards of ownership have passed to the buyer and the Department retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the units sold.

When inventory write-off occurs, the write-down is recognised as a reduction in the value of inventories and as an expense in the Statement of Comprehensive Income.



(i) Assets under construction (work in progress)

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

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 within property, plant and equipment.

The Department has a comprehensive annual maintenance program for its major plant and equipment and infrastructure assets. Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

(j) Acquisitions of assets

Non-current physical and intangible asset acquisitions are initially recorded at cost. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all 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 acquisition costs 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 entity, are recognised at their fair value at the date of acquisition.

(k) Property, plant and equipment and Intangible assets

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

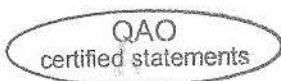
• Land	\$1
• Buildings	\$10,000
• Infrastructure	\$10,000
• Plant and equipment	\$5,000
• Intangible assets	\$100,000

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

(l) Revaluations of non-current physical assets

Land, buildings, heritage buildings and infrastructure are measured at fair value. They are revalued on an annual basis, either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices or where relevant by using an income approach, calculated using the discounted cash flow of rental income.

Revaluations using an independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value (that is where indicators suggest that the value of the class of asset may have changed by 20% or more since the previous reporting period), it is subject to revaluation in the reporting period, where practicable, regardless of the timing of previous such method of revaluation.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

(I) Revaluations of non-current physical assets (continued)

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. 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. The State Valuation Services (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. In some cases, indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on the Department's circumstances.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a re-valuation 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 asset class.

On revaluation:

- Assets valued using depreciated replacement cost – accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses; and
- Assets revalued using a market or income-based valuation approach – accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to revaluing.

In previous years, Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector* (NCAPs) mandated the gross method of revaluation for all revaluations. However, from 1 July 2014, the NCAPs now require either the gross or net method be used, according to the valuation approach adopted for individual assets (as explained above). In accordance with the above policies, this means a reported asset class may contain assets for which revaluations are accounted for using either method. While this does not impact on carrying amounts (i.e. fair values) reported, it does make a significant difference to the figures displayed for gross, accumulated depreciation and accumulated impairment losses (refer also to note 13 Property, Plant and Equipment for a comparison to figures reported for 2013-14).

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

Plant and equipment is measured at cost.

(m) Fair value measurement

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

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

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



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

(m) Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset for its highest and best use.

All assets and liabilities of the Department for which fair value is measured or disclosed in the financial statements, are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 – represents fair value measurements that reflect unadjusted, quoted market prices in active markets for identical assets and liabilities;
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the Department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the Department's Property, Plant and Equipment is outlined in note 13, and Investment property in note 14.

(n) Amortisation and depreciation of property, plant, equipment and intangible assets

Land assets are not depreciated or amortised as they have an infinite useful life. Buildings, infrastructure, plant and equipment and intangible assets (software) have finite useful lives and are depreciated or amortised on a straight-line basis, so as to allocate the net cost or revalued amount of each asset, progressively over its estimated useful life to the Department.

Assets under construction (work-in-progress) are not depreciated until construction is complete and installed ready for use in accordance with its intended application.

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.

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

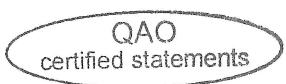
Asset class	2015 Rate %	2014 Rate %
Buildings	1.41-16.67%	1.32 -16.67%
Infrastructure	2.00 - 6.67%	2.00 - 6.67%
Plant and equipment	2.50% - 33.00%	33.00%
Software internally generated	20.00%	0%
Software purchased	16.00%	0%

(o) 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.

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.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

(o) Investment property (continued)

In determining the investment land values the following factors have been taken into account:

- Current intentions for the use;
- Any legal or zoning restrictions;
- The highest and best use given the legal and zoning restrictions, and any other restrictions outside the control of the Department;
- The probability of any of the restrictions being changed;
- Whether the Department has the power to apply to have the restrictions changed or lifted;
- Whether any of the restrictions are in the process of being changed;
- Intention to change the restrictions in the near future; and
- Current and future plans.

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

(p) Leases

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

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 (as lessor) in accordance with the *Land Act 1994*.

Free hold 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.

Where a non-current physical asset is sold by means of a finance lease, the resulting finance lease is 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.

Where a non-current asset is subject to an operating lease, it is recorded according to the nature of the asset. Operating lease receipts are representative of the pattern in which benefits derived from the leased assets diminish, and are recognised in the period in which they are earned.

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, whichever is the greater. Where market rent is applied it will be subject to annual CPI increases during the currency of the lease.

(q) Payables

Trade creditors are recognised upon receipt of the goods and services at the contracted amount (net of any discounts) to be paid for the goods and services received. Amounts owing are unsecured and are generally settled on 30-day terms unless otherwise specified by the creditor. Payables of a capital nature are settled within 12 months.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

(r) Other liabilities

Other liabilities are recognised as a liability in accordance with contract terms.

Unearned revenue represents the portion of up-front payment on land sale contracts, paid in advance. Once the title has passed to the purchaser, unearned revenue is reduced and revenue is recognised.

(s) Financial instruments

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.

Financial instruments are classified and measured as:

- Receivables - held at amortised cost
- Payables - held at amortised cost
- Borrowings - held at amortised cost

Borrowings are initially recognised at fair value, plus any transactional 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.

(t) Employee benefits

Annual leave and long service leave

The Queensland Government's Annual Leave Central Scheme (ALCS) 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.

Under the Queensland Government's Long Service Leave Scheme (LSLS), 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.

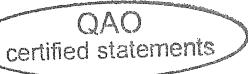
No provision for annual and long service leave is recognised in the Department's financial statements as the liability is held on a whole-of-Government basis and reported in those financial statements.

(u) Provisions

Provisions are recorded when the Department recognises the following criteria are fulfilled:

- an entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation; and
- the Department will accept certain responsibilities and other parties have valid expectations that the entity will discharge its responsibilities.

Provisions are recognised at the amount of the obligation at the reporting date. 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.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

(v) 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;
- ancillary administration charges; and
- debt neutrality fee applied in accordance with Queensland Treasury's *Commercialisation of Government Business Activities in Queensland Policy Framework*.

(w) 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.

(x) 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.

(y) 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.

(z) 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). As such, input tax credits receivable from and GST payable to the Australian Taxation Office are recognised. From 1 July 2014 all Queensland Government Departments were exempted from payroll tax. This exemption is not extended to Commercial Business Units such as Economic Development Queensland.

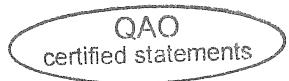
Pursuant to the National Tax Equivalents Regime, the Department's commercialised business unit Economic Development Queensland is required to make payments to the Queensland Government, equivalent to the amount of any Commonwealth income tax for which an exemption is received.

The income tax equivalent expense 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 the difference between the carrying value of an asset or liability and its tax base. The differences are recognised at the tax rate expected to be applied when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

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

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



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the Financial Statements as at 30 June 2015

(aa) 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 with the most significant effect on the financial statements are outlined in the following notes:

- depreciation and amortisation - note 1(n)
- valuation and impairment of property, plant and equipment - note 1(k) & 1(l) and note 13
- inventory - net realisable value and cost of inventory sales - note 1(h)
- valuation of investment property - note 1(o) and note 14
- provisions - estimated payout costs; note 1(u) and note 19
- contingencies - note 25
- finance leases - note 1(p) and note 28
- receivables Impairment - note 1(g) and note 12
- tax effect accounting - note 1(z)

(ab) Other presentation matters

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

Comparatives - Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. However, due to the machinery-of-Government on the 1 March 2015 (refer to note 21) comparative information may not afford a valid comparison.

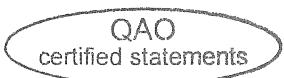
(ac) New and revised accounting standards

The Department did not voluntarily change any of its accounting policies during 2014-15.

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. 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.

AASB 11 *Joint Arrangements* become effective from reporting periods beginning on or after 1 January 2014. 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 AASB11 are more aligned to the actual rights and obligations of the parties to the arrangement. The Department has assessed its arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. Based on present arrangements, other than the current joint arrangement with Woodlands Andergrove, with Mackay Regional Council no joint arrangements exist.

AASB1055 *Budgetary Reporting* became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the Department has included note 30 'Budget versus Actual Comparison' in these financial statements. The original budget, as outlined in the *Queensland Budget 2014-15, Service Delivery Statements* was recast to reflect the machinery-of-Government changes. This note discloses the Department's recast budget for 2014-15 compared to actual results, with explanation of major variances, in respect of the Department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. Note 30 also includes a comparison between the recast budgeted figures for 2014-15 compared to actual results, and explanations of major variances, in respect of the Department's major classes of administered income, expenses, assets and liabilities.



(ac) New and revised accounting standards (continued)

At reporting date all new and revised Australian Accounting Standards and Interpretations relevant to the Department and effective for the current reporting period have been adopted.

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.

From reporting periods beginning on or after 1 July 2016, the Department will need to comply with the requirements of AASB 124 *Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The Department already discloses information about the remuneration expenses for key management personnel. Therefore, the most significant implications of AASB 124 *Related Party Disclosures* for the Department's financial statements will be to examine disclosures made about transactions with related parties not already included in the current disclosure, including transactions with key management personnel close family members.

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* amends AASB 13 *Fair Value Measurement* effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy, refer note 1(m).

Accordingly, the following disclosures for level 3 fair values in note 13 will no longer be required:

- the disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

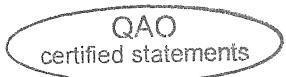
As the amending standard was released in early July 2015, the Department has not early adopted the relief in these financial statements, as per instructions from Queensland Treasury. However, the Department will be early adopting this disclosure relief from the 2015-16 reporting period.

AASB 9 *Financial Instruments* and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 Financial Instruments (December 2014)* will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the Department are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Department's financial assets. AASB 9 *Financial Instruments* will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. The Department has a number of interest-free loans that are currently recorded at amortised cost.

At this stage, and assuming no change in the other types of transactions the Department enters into, it is not expected that any of the Department's other financial assets will meet the criteria in AASB 9 *Financial Instruments* to be measured at amortised cost.

Therefore, as from the 2018–19 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 1(y) and 27. Changes in the fair value of those assets will be reflected in the Department's operating result.

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.



	Notes	2015 \$'000	2014 \$'000
2. Reconciliation of payments from consolidated fund to appropriation revenue recognised in Statement of Comprehensive Income			
Budgeted appropriation revenue		175,864	176,348
Transfer from Public Safety Business Agency		-	22,747
Transfer from the Department of State Development		15,831	-
Lapsed appropriation revenue		(15,521)	(62,443)
Total appropriation receipts (cash)		176,174	136,652
Less: opening balance of appropriation revenue receivable		(5,742)	-
Plus: closing balance of appropriation revenue receivable		-	5,742
Plus: opening balance of deferred appropriation payable to Consolidated Fund		-	626
Less: closing balance of deferred appropriation payable to Consolidated Fund		(13,154)	-
Net Appropriation Revenue	10	157,278	143,020
Plus: deferred appropriation payable to Consolidated Fund (expense)		13,154	-
Appropriation revenue recognised in Statement of Comprehensive Income		170,432	143,020
Reconciliation of payments from consolidated fund to equity adjustment recognised in Contributed equity			
Budgeted equity adjustment appropriation		7,285	21,220
Transfers from the Department of State Development		36,836	-
Lapsed equity adjustment		(24,438)	(5,856)
Equity adjustment recognised in Contributed equity		19,683	15,364
3. User charges and fees			
Fee for service		5,527	-
Event revenue		22	22
Professional services		3,660	951
Property income		1,629	6
Other		6	-
Total user charges and fees		10,844	978
4. Grants and other contributions			
Grants - Queensland Government		10,073	2,088
Grants - Prior year refunds		333	1,540
Goods and services received below fair value		80	4
Other		90	53
Total grants and other contributions		10,576	3,685
5. Gain on disposal/remeasurement of assets			
Gain on sale of property, plant and equipment		83	-
Reversal of impairment loss on receivables		265	-
Total gains		348	-
6. Employee expenses			
Salaries and wages		19,092	9,662
Annual leave levy		2,024	1,079
Employer superannuation contributions		2,487	1,255
Long service leave levy		401	205
Termination benefits		205	97
Other employee related expenses		523	681
Total employee expenses		24,732	12,980

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

	2015	2014
Number of employees:	447	111



7. Key management personnel and remuneration expenses

(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 2014–15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed/ established to position (Date resigned/ceased from position)
Director-General	Responsible for the efficient, effective and economic administration of the agency to facilitate effective local government administration and to enhance community resilience to natural disasters.	CEO / s92 Public Service Act 2008	25 February 2013 (7 October 2014)
Acting Director-General	Responsible for the efficient, effective and economic administration of the agency to facilitate effective local government administration and to enhance community resilience to natural disasters.	CEO / s94 Public Service Act 2008	7 October 2014
Acting Deputy Director-General - Local Government and Regional Services	Has responsibility for grants program implementation and review including capacity building, financial sustainability and the regional office network.	SES3 / s112 Public Service Act 2008	6 October 2014
Chief Operating Officer - Strategy, Governance and Resilience (previously named Deputy Director-General)	Leads the Strategy, Governance and Resilience arm to support the department's workforce in delivering on objectives and to develop and implement strategies to enhance community resilience to natural disasters.	SES4 / s122 Public Service Act 2008	30 March 2015
Deputy Director-General - Planning Group	Development and implementation of the State planning framework for local governments and industry by leading planning policy and reform, local planning and regional planning. Managing the Government's land portfolio to ensure maximum utilisation and economic community outcomes.	CEO / s122 Public Service Act 2008	4 February 2013 *
General Manager - Economic Development Queensland	General Manager, Economic Development Queensland is responsible for the planning and development of residential, urban and industrial development projects. ** These responsibilities are being performed by the Deputy Director-General - Planning Group whilst the position is vacant.	Vacant **	*
Executive Director - Infrastructure, Policy and Planning	Responsible for driving the Department's whole-of-government leadership role in infrastructure policy, planning and coordination, including delivery of the State Infrastructure Plan.	SES4 / s122 Public Service Act 2008	27 April 2015 *
Chief Executive Officer - Building Queensland	Responsible for providing expert advice to government on Queensland's infrastructure priorities, ensuring the State invests in value-for-money infrastructure projects that provide long term benefits to our community.	CEO / s111 Public Service Act 2008	20 April 2015
Director - South Bank Division	Responsible for managing the Department's relationship with South Bank Corporation and managing the State's obligations and responsibilities with Brisbane City Council in its role as park managers for the South Bank and Roma Street Parklands.	SES2 / s122 Public Service Act 2008	1 July 2013 *

* These positions were transferred from the former Department of State Development, Infrastructure and Planning as a result of machinery-of-Government arrangements effective 1 March 2015.

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 (including motor vehicle entitlements) for the key management personnel are specified in employment contracts. The Director-General's contract also provides for an At Risk Component payment.

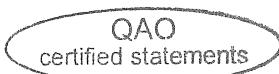
For the 2014–15 year, remuneration of key management personnel increased by 2.2% (2013–14: 2.2%) in accordance with Government policy.

The following disclosures focus on the expenses incurred by the Department during the respective reporting period, that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprise the following components:

- Short-term employee expenses which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year the employee occupied the specified position.
 - performance payments recognised as an expense during the year.
 - non-monetary benefits consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- Post-employment benefits including amounts expensed in respect of employer superannuation benefits.
- Termination benefits 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.

Prior to balance date, the Director-General reached mutually agreed terms for separation on 3 July 2015. The separation payment includes a standard six month salary entitlement which will be disclosed in the 2015–16 financial statements.



7. Key management personnel and remuneration expenses (continued)
1 July 2014 to 30 June 2015

Position	Period in Position (if not whole year)	Short-Term Employee Expenses		Long-Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
		Monetary Expenses \$ '000	Non-Monetary Expenses \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General	01/07/2014 - 07/10/2014	183	7	3	19	-	212
Acting Director-General	07/10/2014 - 30/06/2015	314	-	6	30	-	350
Acting Deputy Director-General - Local Government and Regional Services	06/10/2014 - 30/06/2015	144	-	3	13	-	160
Chief Operating Officer - Strategy, Governance and Resilience (previously named Deputy Director-General)		221	-	4	21	-	246
Deputy Director-General - Planning Group	01/03/2015 - 30/06/2015	100	-	2	11	-	113
Executive Director - Infrastructure, Policy and Planning	01/03/2015 - 30/06/2015	75	-	1	8	-	84
Chief Executive Officer - Building Queensland	20/04/2015 - 30/06/2015	82	-	1	9	-	92
Director - South Bank Division	01/03/2015 - 30/06/2015	38	-	1	4	-	43
Total		1,156	7	21	115	-	1,299

(b) Remuneration expenses

1 July 2013 to 30 June 2014

Position	Period in Position (if not whole year)	Short-Term Employee Expenses		Long-Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
		Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General		322	18	9	31	-	379
Deputy Director-General - Local Government		218	-	5	24	-	246
Deputy Director-General - Strategy Governance and Resilience		215	-	5	19	-	239
Total		755	18	18	74	-	865

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. There may also be instances where no amount is paid to Senior Executive for a period of time within the financial year which may result in a decrease to the annual remuneration amounts.

(c) Performance Payments

The remuneration package for the Director-General includes a potential performance payment of up to a maximum of \$59,488. Eligibility for such a performance payment is conditional on the achievement of objectives that are documented in that position's performance agreement.

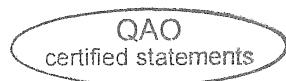
The total remuneration package for the Director-General includes a portion that is "at risk" and paid only if they meet or exceed the agreed performance standards. The performance evaluation process comprises:

- reporting on end of year achievement and self-assessment by each chief executive against their performance agreement/intended outcomes;
- a rigorous, independent and objective assessment of the Director-General's performance at the end of each financial year, culminating in recommendations to the Premier; and
- the Premier's ultimate discretion regarding whether the CEO will be paid an At Risk Component payment and, if so, how much.

The separation payment received by the Director-General after balance date included the performance payment in respect of 2014-15 for \$8,199. This payment will be reported as an expense in the 2015-16 financial statements.

The basis for performance payments expensed in the financial year is set out below:

Position	Basis for payment	Date Paid	Amount
Director-General	Consistent with the above mentioned timeframe and process, this 2014-15 payment relates to the achievement of performance criteria during 2013-14. The payment made was in accordance with the terms of the performance agreement for this position.	15/11/2014	7,774



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the financial statements as at 30 June 2015

	2015 \$'000	2014 \$'000
8. Supplies and services		
Consultants and contractors	16,483	4,486
Property and building expenses	2,633	1,158
Computer/information technology	1,516	796
Shared service provider fee	4,355	3,141
Marketing and public relations	3,855	60
Other	180	944
Total supplies and services	29,003	10,582
9. Grants and subsidies		
Grants:		
Transfer of non-current physical assets to local councils	12,329	36,804
Local councils	128,304	113,173
Charities/community groups	825	7,977
Queensland Government departments	-	2,522
Other	111	8
Contributions	302	291
Total grants and subsidies	141,871	160,775
10. Other expenses		
External audit fees ⁽¹⁾	129	115
Insurance premiums ⁽²⁾	43	23
Net loss on disposal of property, plant and equipment	1,821	-
Sponsorships	118	115
Deferred appropriation payable to Consolidated Fund	13,154	-
Taxes land, rates and stamp duty	2,204	-
Other	261	54
Total other expenses	17,729	308

(1) The agreed total audit fees to the Queensland Audit Office for the 2014-15 financial year statements is \$130,000 (2013-14: \$115,000). There are no non-audit services included in this amount.

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

11. Cash and cash equivalents

Cash at bank	224,700	29,477
Imprest accounts	2	1
Total cash and cash equivalents	224,702	29,478

Total cash includes the Regional Flood Mitigation Program (RFMP) account and EDQ which incorporates QTC investments and bank funds.

Departmental bank accounts, excluding EDQ which operates on a commercial basis, refer to note 1(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.

The Under Treasurer has approved an overdraft limit of \$30 million for the Department's controlled bank account. There is no overdraft interest charged on this facility. This facility was undrawn at 30 June and is available for use in the next reporting period.

12. Receivables

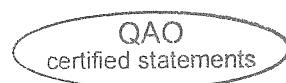
Current

Trade debtors	3,390	1,289
Less: allowance for impairment loss	(1,166)	(1)
	2,224	1,288
GST input tax credits receivable	919	352
GST payable	(1,768)	(3)
	(849)	350
Appropriation revenue receivable	-	5,742
Loans and advances receivable	2,875	1,103
Other	1,190	294
Finance lease debtors	4,353	-
Operating lease debtors	782	-
Total current receivables	10,575	8,777

Non-current

Loans and advances receivable	13,844	7,092
Finance lease debtors	14,862	-
Total non-current receivables	28,706	7,092

\$6 million of the current and non-current loans and advances receivables is associated with loans provided by Economic Development Queensland to facilitate catalyst infrastructure in a declared priority development area.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the financial statements as at 30 June 2015

13. Property, plant and equipment

Property, plant and equipment reconciliation

	Notes	Land	Buildings	Heritage and cultural assets	Infrastructure	Plant and equipment	Capital work in progress ⁽¹⁾	Total
Carrying amount at 1 July								
Opening balance adjustment for assets not previously recognised	-	-	-	-	-	-	-	-
Acquisitions	217,871	-	25	-	41,227	42,293	11,341	32,842
Acquisitions through machinery-of-Government change	(15,908)	-	-	-	1,784	-	-	-
Disposals	-	-	-	-	-	-	-	-
Disposals through donation/below fair value	1,214	-	-	-	(12,465)	(36,804)	-	-
Transfers from/to inventory	-	-	-	-	-	-	-	-
Transfer between classes	-	-	-	-	12,465	36,804	(12,465)	(36,804)
Revaluation increments/(decrement) recognised in equity	20	(823)	(1)	-	2,562	-	-	-
Depreciation	-	-	-	-	(1,127)	(1,066)	(56)	(7)
Carrying amount at 30 June	202,354	-	25	790	-	44,447	41,227	2,719
						13	28,066	11,341
							278,400	52,581

⁽¹⁾ Capital work in progress includes \$27.552m relating to the infrastructure development for the Commonwealth Games Village.

13. Property, plant and equipment (continued)

Land

The Department holds land property throughout various Queensland regions. These properties are held for various purposes and include:

- Future economic development opportunities
- Held to meet a specific community or economic need
- Purchased for re-zoning purposes

Land has been valued using comprehensive specific valuation and desktop indices by the State Valuation Service (SVS), a certified valuer. Fair Value for land with a value greater than \$1m was determined by establishing its fair value by reference to observable prices in an active market or recent market transactions using direct comparison to the sales history of similar properties based on location, area, access and typography. Consideration was given to various inputs including legal restrictions, zoning regulations, and the intended use of the assets. Land with a value less than \$1m was valued using an indexation method. The index was derived from historical market information on comparable property sales. Due to the use of market observable prices from similar assets, land has been categorised as level 2 in accordance with the fair value hierarchy as stated in note 1(m).

Buildings

The Department holds various non-residential properties, including cultural and heritage building assets.

The Department holds various non-residential properties, including cultural and heritage building assets. The Department is also lessor to rental agreements on various properties. Due to the Department's current strategy for these buildings and zoning regulations, the fair value of the buildings were determined using the income approach, calculated by determining the present value of future cash flows. The Queensland Treasury Corporation's zero coupon rates were used to calculate the present value. These properties were determined to be level 3 in accordance with the fair value hierarchy as stated in note 1(m), as the calculation includes contract specific inputs that are not observable in the market place.

Infrastructure

The Department's Infrastructure assets were appraised as at 30 June 2015 by Gray Robinson & Cottrell (GRC) Quantity Surveyors, a certified valuer, engaged by State Valuation Services on behalf of the Department. Due to the specialised nature of the assets and lack of observable market data the most relevant basis of valuation was determined to be depreciated replacement cost.

Depreciated replacement cost reflects the current cost that would be required to replace the service capacity of the asset as it currently exists. This is reflective of the cost that would be incurred by a market participant to acquire or construct a substitute asset adjusted for comparable utility and obsolescence.

GCR used infrastructure condition assessment information provided by Trility, a utility solutions company that designs, builds, operates and maintains critical water, water reuse and wastewater infrastructure to determine the condition of the Far Northern Queensland infrastructure assets. Trility is engaged by the Department to handle the operation and maintenance of the infrastructure assets. As part of the Asset Management Plan, Trility undertook a site inspection of visible assets to determine their condition. As part of the assessment, assets were allocated a condition index and condition standard rating; both assessed against the Queensland Government's Condition Index, part of the Maintenance Management Framework policy guidelines.

The condition index ranged from a scale of 1 to 5, an 'as new' condition being 5 and 'unserviceable' 1. The Department's infrastructure assets were assigned a 4 rating. The condition standard review is an assessment of the general physical condition of the assets. The assessment determines the baseline of the asset's useful lives and applies a rating from a scale of S5 to S1. The 'best possible condition' assigned an S5 rating and 'deteriorated' assigned an S1 rating. The Department's infrastructure assets were assigned an S3 rating, in reasonable condition, fully meeting operation requirements. The valuation undertaken by GCR determined the fair value of the assets as represented by depreciated current replacement cost, taking into consideration site surveys and the condition assessment undertaken by Trility.

GCR also applied a combination of pricing methodologies and utilised existing reports and documents; consulted with design consultants and relevant site personnel; obtained feedback from the market at supplier and assessed benchmarking established and maintained through its experienced professionals. Detailed estimates were used to determine the cost of replacing existing assets with modern equivalents and taking into consideration the gross project cost. The replacement cost includes all direct and indirect costs associated with building a piece of infrastructure including professional fees; statutory charges; geotechnical investigations; contour surveys; construction contingency; workplace and operational health and safety; relevant authority charges and information technology.

The analysis of the project cost information is relative to the locality and building price index, both market driven indexation factors.

Due to the use of significant unobservable inputs, in particular the replacement cost, conditions ratings, remaining useful life, and an associated risk adjusted discounts to each of these factors, these asset valuations have been categorised as level 3 in accordance with accounting policies.

Investment property

The Department holds certain land and building property assets for the purpose of earning rentals and/or capital appreciation. The value of these assets is initially recognised at cost including transaction costs for arm's length transactions or at fair value where the assets were acquired for nominal consideration.

For 2014-15 specific valuations were performed by the State Valuation Services, a certified valuer. The highest and best use of these properties are considered to be mixed use development (high density residential and commercial). A number of factors were applied when determining fair value including, location; zoning; historic sales information and infrastructure change rates.

There was an overall increment recorded for the land component. Buildings were valued using the Discounted Cash Flow method and the change was determined as not material, therefore it was decided not to change the value of these assets.

These properties are valued with the use of market observable prices from similar assets and are categorised as level 2 in accordance with the fair value hierarchy as stated in note 1(m).

	Level 2		Level 3	
	2015	2014	2015	2014
Recurring Fair Value Measurements	\$'000	\$'000	\$'000	\$'000
Land	202,354	-	-	-
Buildings market approach	790	-	-	-
Buildings income approach	-	-	25	-
Infrastructure	-	-	44,447	41,227
Total recurring fair value measurements	203,144	-	44,472	41,227
Investment Properties				
Investment property land	233,615	-	-	-
Investment property buildings	4,225	-	-	-
Total investment properties	237,840	-	-	-
Total	440,984	-	44,472	41,227

Fair value measurement using significant unobservable inputs (Level 3)

	Buildings	Infrastructure
	\$'000	\$'000
Opening balance 30 June 2014	-	41,227
Opening balance adjustment for assets not previously recognised	-	1,784
Depreciation	(1)	(1,127)
Transfers from other Queensland Departments	25	-
Transfers to Local Council's	-	(12,465)
Transfers between asset classes	-	12,465
Revaluation increments/(decrements) recognised in operating result	-	2,562
Closing balance 30 June 2015	25	44,447

There were no gains/ (losses) in operating results including unrealised gains/(losses) for assets still held at the end of the reporting period.



13. Property, plant and equipment (continued)

Level 3 valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Significant Unobservable Input	Sensitivity Movement	Relationship of unobservable input to fair value
Infrastructure	Market movement	5% increase or decrease	\$3.9 million movement in fair value
	Useful life	10% increase or decrease	An increase/ (decrease) in useful life would increase/ (decrease) fair value.
	Remaining useful life	Increase or decrease by 1 year	The longer the useful life, the higher the fair value
Buildings valued under the income approach	Lease cash flows	Contractually determined on an individual property basis	An increase in contractual cash flows results in an increase in fair value and vice versa
	Discount rate	2% to 4%	A higher discount rate results in a decrease in fair value

Valuation processes

The Department's valuation policies and procedures are overseen by the Audit and Risk and Management Committee and set out by the Chief Finance Officer. They are reviewed annually taking into consideration an analysis of movement in fair value and other relevant information. The Department's current policy for the valuation of Property, plant and equipment is set out in note 1(m).

	2015 \$'000	2014 \$'000
14. Investment property		
Land	233,615	-
Buildings	4,225	-
Total	237,840	-

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

Not later than one year	1,112	-
Later than one year and not later than five years	2,086	-
Total	3,198	-

Investment property reconciliation

	Land 2015 \$'000	Buildings 2014 \$'000	Land 2015 \$'000	Buildings 2014 \$'000
Carrying amount at 1 July	-	-	-	-
Reclassification between land and buildings	(74)	-	74	-
Transfer from inventories	19,880	-	-	-
Transfer to inventories	(8,395)	-	-	-
Transfer due to machinery-of-Government change	222,204	-	4,151	-
Carrying amount at 30 June	233,615	-	4,225	-

Rental income from investment property of \$1.49 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 \$0.82M.

Direct operating expenses primarily for repairs and maintenance on property that did generate rental income for the period were \$0.36M.

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

The State Valuation Services, certified valuers, provided specific valuations for investment properties as at 30 June 2015. State Valuation Services also provided advice confirming the current fair value of these properties were also the fair value (materially correct) as at 1 March 2015, when the assets were transferred from the former Department of State Development, Infrastructure and Planning as a result of the machinery-of-Government (MoG) changes. The increase in the fair value was considered to have occurred prior to transfer and consequently recorded as a gain in the Department of State Development's financial statements.

15. Income tax equivalent

(a) Income tax expense

Current tax	(3,344)	-
Deferred tax	3,078	-
Balance as at 30 June	(266)	-

(b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable

Profit before income tax expense	6,664	-
Tax expense at the Australian tax rate of 30% (2013-14: 30%)	1,999	-
Other	(2,265)	-
Income tax equivalent expense	(266)	-

(c) Non-current assets - deferred tax equivalent asset

The balance comprises temporary differences attributed to:		
Transfer through restructure	10,409	-
Allowance for doubtful debts	(51)	-
Accrued expenses	(5)	-
Written down value of other capitalised expenses	123	-
Capital asset impairment	(3,994)	-
Deferred fee income	(3,280)	-
Balance as at 30 June	3,201	-

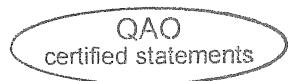
(d) Current liabilities - income tax payable

Balance at the beginning of the year	-	-
Transfer through restructure	9,735	-
Charged to comprehensive income	(3,344)	-
Balance as at 30 June	6,391	-

(e) Deferred tax equivalent liability

Non-current liabilities - deferred tax equivalent liabilities		
The balance comprises temporary differences attributable to:		
Transfer through restructure	109,290	-
Land revaluations	(4,014)	-
Inventories	(504)	-
Balance as at 30 June	104,772	-

	2015 \$'000	2014 \$'000	
16. Payables			
Current			
Trade creditors	20,170	7,373	
Accrued employee benefits	1,957	492	
Grants payable	10,645	11,256	
Deferred appropriation payable to Consolidated Fund	13,154	-	
Other	503	73	
Total current payables	46,429	19,194	
Non-current			
Trade creditors	12	92	
Total non-current payables	12	92	
17. Interest-bearing liabilities			
Current			
Queensland Treasury Corporation borrowings	26,475	-	
Total current other financial liabilities	26,475	-	
Non-current			
Queensland Treasury Corporation borrowings	19,440	-	
Total non current other financial liabilities	19,440	-	
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 June 2015 to October 2027.			
Interest rates on borrowings range from 2.26% to 4.19%.			
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.			
18. Other liabilities			
Current			
Unearned revenue	10,665	-	
Deposits held	1,122	30	
Loan	1,100	-	
Security deposits	352	-	
Other	814	-	
Total current other liabilities	14,052	30	
19. Provisions			
Current			
Taxes – land, rates and stamp duty	15,963	-	
Total current provisions	15,963	-	
Provision for taxes			
Economic Development Queensland is required under the Queensland Treasury Commercialisation of Government Business Activities in Queensland Policy Framework to recognise tax equivalents for stamp duty, land tax and local government rates. Calculation and recognition of tax equivalents ensures 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.			
20. Asset revaluation surplus			
	Land	Infrastructure	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2013	18,303	1,615	19,918
Balance as at 30 June 2014	18,303	1,615	19,918
Balance as at 1 July 2014	18,303	1,615	19,918
Revaluation increments/(decrements)	(433)	2,562	2,129
Balance as at 30 June 2015	17,870	4,177	22,047



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the financial statements as at 30 June 2015

21. Restructuring of administrative arrangements

As a result of restructuring *Departmental Arrangement Notice (No.1) 2015* on 16 February 2015 the Department of Local Government, Community Recovery and Resilience was renamed the Department of Infrastructure, Local Government and Planning . Under this notice the Infrastructure, Planning and Economic Development Queensland functions were transferred from the former Department of State Development, Infrastructure and Planning effective 1 March 2015.

	Transferred In		Net Total
	Infrastructure and Planning	Economic Development Queensland	Total
	2015 \$ '000	2015 \$ '000	2015 \$ '000
Current assets			
Cash and cash equivalents	4,908	158,298	163,206
Receivables	1,669	10,544	12,213
Inventories	-	393,674	393,674
Other current assets	16	127	143
Total current assets	6,593	562,643	569,236
Non-current assets			
Receivables	19,524	17,447	36,971
Property, plant and equipment	2,737	235,112	237,849
Intangible assets	2,112	3	2,115
Investment property	-	226,355	226,355
Deferred tax	-	10,409	10,409
Total non-current assets	24,373	489,326	513,699
Total assets	30,966	1,051,969	1,082,935
Current liabilities			
Payables	894	21,859	22,753
Current tax liabilities	-	9,735	9,735
Accrued employee benefits	1,317	256	1,573
Interest-bearing liabilities	-	5,184	5,184
Other current liabilities	4,787	31,266	36,053
Total current liabilities	6,998	68,300	75,298
Non-current liabilities			
Payables	-	19,523	19,523
Interest-bearing liabilities	-	43,486	43,486
Deferred tax	-	109,290	109,290
Total non-current liabilities	-	172,299	172,299
Total liabilities	6,998	240,599	247,597
Net assets	23,968	811,370	835,338

22. Reconciliation of operating result to net cash from operating activities

	2015 \$'000	2014 \$'000
Operating surplus/(deficit)	(12,227)	(37,461)
Non-cash items:		
Depreciation and amortisation expense	1,276	1,072
Impairment losses	755	1
Goods and services received below fair value	80	-
Transfer of non-current physical assets to local councils	12,465	36,804
Net losses on disposal of property, plant and equipment and intangible assets	1,821	-
Net gains on disposal of property, plant and equipment	(83)	-
Net (gain)/loss on transfer of assets	(323)	-
Impairment loss reversals- receivables	(265)	-
Income tax equivalent expense/(benefit)	(266)	-
Notional interest	(494)	(532)
Other non-cash items	-	2
Change in assets and liabilities:		
(Increase)/decrease in appropriation revenue for services receivable	5,742	(5,742)
(Increase)/decrease in trade receivables	1,250	546
(Increase)/decrease in ALCS and LSL reimbursement receivables	(608)	318
(Increase)/decrease in deferred tax	(3,376)	-
(Increase)/decrease in inventories	29,627	-
(Increase)/decrease in other assets	(106)	-
Increase/(decrease) in other liabilities	(8,554)	12,889
Increase/(decrease) in other payables	12,411	(658)
Increase/(decrease) in accrued employee benefits	301	(430)
(Increase)/decrease in GST input tax credits receivable	911	(15)
Increase/(decrease) in unearned revenue	(6,312)	-
Increase/(decrease) in provisions	5,275	-
Increase/(decrease) in GST payable	(2)	(117)
Net cash from operating activities	39,300	6,678

23. 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 4 and 10 respectively.
Assets and liabilities received or transferred by the Department as a result of machinery-of-Government changes as described in notes 1(e) and (y).

24. Commitments for expenditure

(a) Non-cancellable operating lease

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

Not later than 1 year	1,095	842
Later than 1 year and not later than 5 years	86	1,168
Total non-cancellable operating lease commitments	1,181	2,009

Operating leases are entered into as a means of acquiring access to office accommodation. Lease payments are fixed, but with escalation clauses on which contingent rentals are determined. No operating leases contain restrictions on financing or other leasing activities.

For 2014-15 \$2,032,467 (2013-14 \$943,587) was recognised by the Department as an expense in the Statement of Comprehensive Income in respect of operating leases.

(b) Capital expenditure commitments

Infrastructure capital works in progress capital commitments, inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

Not later than 1 year	51,611	4,198
Later than 1 year and not later than 5 years	2,744	-
Total capital expenditure commitments	54,355	4,198

(c) Grants and subsidies expenditure commitments

As at 30 June 2015, approval has been given to various guarantees in accordance with formal agreements to pay the following grants and subsidies inclusive of anticipated GST provided certain criteria are met:

	2015 \$'000	2014 \$'000
Payable		
Not later than 1 year	81,509	107,808
Later than 1 year and not later than 5 years	23,219	18,646
Total grants and subsidies expenditure commitments	104,728	126,454

The above commitments for grants and subsidies expenditure are allocated to the following categories:

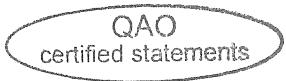
Charities and community groups	844	69
Local authorities	103,885	126,385
Total	104,728	126,454

(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:

Payable:		
Not later than 1 year	78,926	1,107
Later than 1 year and not later than 5 years	69,962	55
Total other expenditure commitments	148,887	1,162

The Department has various agreements relating the development of the Commonwealth Games Village. The Minister for Economic Development Queensland holds the legal agreements with the Village project developer and investor and is ultimately responsible for executing these agreements. The agreements result in Capital and recurrent commitments of approximately \$166 million relevant to the Commonwealth Games Village.



25. Contingencies

(a) **Litigation in progress**

At 30 June 2015, the following cases were filed in the courts naming the Department or EDQ as defendant:

Court	2015	2014
Supreme	4	1
District	0	1
	<u>4</u>	<u>2</u>

In respect of the litigation, it is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time.

There are three claims for costs through the Queensland Government Insurance Fund (QGIF). Under QGIF, the department would be able to claim back the amount paid for successful claims, less a \$10,000 deduction.

EDQ has also granted an indemnity for up to \$6 million in favour of City of Gold Coast relating to works being carried out or caused to be carried out as part of the Commonwealth Games Village.

There are two indemnities granted by EDQ with undeterminable amounts as at 30 June 2015. One is in favour of the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) for any loss suffered by GOLDOC caused by a breach of the developer's obligations under the Commonwealth Games Village Development Agreement. The other indemnity was granted in favour of the State of Queensland for any loss caused by a breach of the developer's obligations under the Commonwealth Games Village Development Agreement.

(b) **Native title claims**

As at 30 June 2015, no determinations affecting the Department in relation to native title claims have been made by the National Native Title Tribunal.

(c) **Guarantees and undertakings**

The Department holds four bank guarantees totalling \$0.322 million (2014 was \$0.911 million) as security for the performance and satisfaction of construction contracts. Where the conditions of the contract agreements have not been satisfied the department is entitled to draw on these guarantees. These guarantees are not recognised on the Statement of financial position.

At 30 June 2015, EDQ had provided financial guarantees of \$0.228 million (2014 was \$1.066 million) to Ergon Energy Corporation Ltd, Energex Ltd to provide security for the performance of obligations under contracts for electrical works in Clinton, Roma and Fitzgibbon.

26. Events occurring after balance date

There are no material events occurring after 30 June 2015 to report.

27. Financial instruments

(a) **Categorisation of financial instruments**

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

Category	Notes	2015 \$'000	2014 \$'000
Financial assets			
Cash and cash equivalents	11	224,702	29,478
Receivables	12	39,281	15,869
Total financial assets		<u>263,983</u>	<u>45,347</u>
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	16	46,441	19,286
Interest-bearing liabilities	17	45,915	-
Other liabilities - loans	18	1,100	-
Total financial liabilities		<u>93,456</u>	<u>19,286</u>

(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 by the Department, under financial arrangements of Queensland Treasury.

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

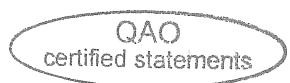
(c) **Credit risk exposure**

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

Category	Note	2015 \$'000	2014 \$'000
Financial assets			
Queensland Treasury Corporation - Cash funds	11	153,282	-
Total financial assets		<u>153,282</u>	<u>-</u>



27. Financial instruments (continued)

Financial assets

The carrying amount of receivables represents the maximum exposure to credit risk. As such receivables are not included in the above section.

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

The Department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

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

Impairment loss expense for the current year of the Department's receivables is \$1.166 million. The increase from 2014 is due to a number of loss events: the inclusion of the EDQ debts due to the machinery-of-Government transfer, a Regional Community CEO did not acquit funds received for National Disaster Resilience Program and several operating leases are in arrears for outstanding operating lease payments.

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

	Note	2015 \$'000	2014 \$'000
Financial assets past due but not impaired			
Overdue - Receivables			
Less than 30 days		497	640
30 - 60 days		114	-
61 - 90 days		26	3
More than 90 days		94	104
Total overdue receivables		<u>731</u>	<u>747</u>
Individually impaired financial assets			
More than 90 days		1,166	1
Allowance for impairment loss		(1,166)	(1)
Total overdue receivables		<u>-</u>	<u>-</u>
Movements in allowance for impairment loss			
Balance at 1 July		(1)	-
Increase/decrease in allowance recognised in operating result		(488)	(1)
Balance transferred due to machinery-of-Government change		(677)	-
Balance at 30 June		<u>(1,166)</u>	<u>(1)</u>

(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.

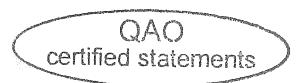
The Department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that 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.

2015	Notes	2015 payable in			
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
Payables	16	46,429	12	-	46,441
Interest-bearing liabilities	17	26,475	13,151	6,290	45,915
Other liabilities - loans	18	1,100	-	-	1,100
Total		<u>74,005</u>	<u>13,163</u>	<u>6,290</u>	<u>93,456</u>
2014					
2014 payable in					
2014	Notes	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
		19,194	92	-	19,286
Payables	16	19,195	92	-	19,286

(e) Market risk

The Department does not trade in foreign currency and is not materially exposed to commodity price changes. The Department is exposed to interest rate risk through cash deposited in interest bearing accounts. The department does not undertake any hedging in relation to interest risk.



27. Financial instruments (continued)

(f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis depicts the outcome on net income 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 would have an operating result and equity increase/(decrease) of \$2.263 million (2014: \$18k).

Financial instruments

	Carrying amount	2015 interest rate risk			
		-1%	1%	Profit \$'000	Equity \$'000
Assets					
Cash ⁽¹⁾ *	174,180	(1,742)	(1,742)	1,742	1,742
Loan and advances receivable ⁽²⁾	6,161	(62)	(62)	62	62
Liabilities					
Queensland Treasury Corporation borrowings ⁽³⁾	45,916	(459)	(459)	459	459
Potential impact		<u>(2,263)</u>	<u>(2,263)</u>	<u>2,263</u>	<u>2,263</u>
2014 interest rate risk					
	Carrying amount	2014 interest rate risk			
		-1%	1%	Profit \$'000	Equity \$'000
Assets					
Cash *	1,836	(18)	(18)	18	18
Potential impact		<u>(18)</u>	<u>(18)</u>	<u>18</u>	<u>18</u>

* RFMP is an interest bearing bank account

⁽¹⁾ Economic Development Queensland (EDQ) holds cash in interest bearing accounts.

⁽²⁾ EDQ holds a catalyst loan subject to floating interest rate.

⁽³⁾ Only the borrowings held by EDQ from Queensland Treasury Corporation are at variable rates.

The Department's bank account does not earn interest (as disclosed in note 16), therefore only the interest bearing bank accounts are disclosed.

28. 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 1(p).

(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 26 freehold leases that are set over a 10 year term and one 30 year lease. At the reporting date, more than 48% of the leases are due to expire within the next five years.

The interest rate implicit in the free holding leases is 7.5%.

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

	Minimum future lease payments		Present value of minimum future lease	
	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000
Not later than 1 year	4,513	-	4,353	-
Later than 1 year and not later than 5 years	14,151	-	11,079	-
Later than 5 years	6,643	-	3,783	-
Total minimum future lease receivables	25,307	-	19,215	-
Less unearned finance interest revenue	6,092	-	-	-
Present value of total minimum future lease receivables	19,215	-	19,215	-

Included in note 12 of these financial statements as:

Current finance lease debtors	4,353	-
Non-current finance lease debtors	14,862	-
Carrying amount at 30 June	19,215	-

(b) Operating leases

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

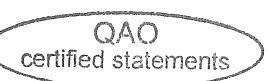
	Minimum future lease payments receivable	
	2015 \$ '000	2014 \$ '000
Not later than 1 year	9,221	-
Later than 1 year and not later than 5 years	40,304	-
Later than 5 years	137,269	-
Total minimum future lease receivables	186,794	-

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 7%. 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.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
 Notes to and forming part of the financial statements for the year ended 30 June 2015

Note 29 Schedule of Administered Items

	Local Government & Community Funding			Community Recovery and Resilience			Total 2014 \$'000
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
Administered Revenue							
Appropriation revenue	29 (a)	688,171	223,216	1,011,508	3,633,777	1,699,679	3,856,993
Grants and other contributions	29 (b)	683,398	222,456	-	-	683,398	222,456
User charges and fees	29 (c)	334	311	-	-	334	311
Other revenue		2,780	-	587	-	3,367	-
Total Administered Revenue		1,374,683	445,983	1,012,095	3,633,777	2,386,778	4,079,760
Administered Expenses							
Grants and subsidies	29 (d)	692,767	223,216	1,011,521	3,633,777	1,704,288	3,856,993
Transfers of Administered revenue to government		681,492	222,767	574	-	682,066	222,767
Other expenses		424	-	-	-	424	-
Total Administered Expenses		1,374,683	445,983	1,012,095	3,633,777	2,386,778	4,079,760
Operating Surplus/(Deficit)							
Administered Assets							
<i>Current</i>							
Cash		225,588	-	-	-	225,588	-
Receivables		225,310	-	-	-	225,310	-
Total Current Assets		450,899	-	-	-	450,899	-
<i>Non-Current</i>							
Land	29 (e)	98	93	-	-	98	93
Total Non-Current Assets		98	93	-	-	98	93
Total Assets		450,997	93	-	-	450,997	93
Administered Liabilities							
<i>Current</i>							
Payables		225,662	-	-	-	225,662	-
Payables to Government		225,237	-	-	-	225,237	-
Total Current Liabilities		450,899	-	-	-	450,899	-
Net Administered Assets		98	93	-	-	98	93

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	2015 \$ '000	2014 \$ '000
29. Schedule of administered items		
(a) Reconciliation of payments from Consolidated Fund to administered revenue		
Budgeted administered appropriation revenue	2,297,172	4,339,224
Transfers from (to) other departments	8,412	-
Lapsed appropriation revenue	(831,142)	(482,231)
Total administered receipts	1,474,442	3,856,993
Plus: closing balance of appropriation revenue receivable	225,237	-
Less: closing balance of appropriation revenue payable to Consolidated Fund	(424)	-
Net appropriation revenue	1,699,255	3,856,993
Plus: deferred appropriation payable to consolidated fund (expense)	424	-
Administered revenue recognised	1,699,679	3,856,993
<i>This is represented by:</i>		
Administered item revenue recognised in the Statement of Comprehensive Income	1,699,679	3,856,993
Total	1,699,679	3,856,993
(b) Grants and other contributions		
Grants - Commonwealth	683,398	222,456
Total grants and other contributions	683,398	222,456
(c) User charges and fees		
<i>Administered fees and levies were received from the following entities:</i>		
Levy - Queensland Government Departments ⁽¹⁾	334	311
Total user charges and fees	334	311
⁽¹⁾ Kuranda Skyrail is collected by and then received from Queensland Rail.		
(d) Grants and subsidies		
<i>Administered grants and subsidies were made to the following entities:</i>		
Local councils	685,755	223,216
Queensland Reconstruction Authority	1,011,521	3,633,777
Trade and Investment Queensland	7,012	-
Total grants and subsidies	1,704,288	3,856,993
(e) Land fair value measurement		
Revaluation increment	98	93
Total land fair value measurement	98	93

The below information categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13 Fair Value Measurement. The Department does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1, in accordance with the fair value hierarchy as stated in policy note 1(m).

Fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3.

The following table categorises fair value measurement for administered land at level 2 in accordance with accounting policy. The Department does not have any assets or liabilities measured at fair value which the criteria for categorisation as level 1 in accordance with the fair value hierarchy as stated in policy note 1(m).

As at 30 June

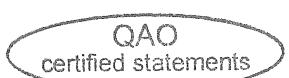
Recurring Fair Value Measurements	Level 2 \$'000		Level 3 \$'000	
	2015	2014	2015	2014
Land	98	93	-	-
Total	98	93	-	-

Land

The Department as trustee for the State of Queensland holds seven parcels of deed of grant in trust land located in the remote Northern Peninsula Area Regional Council. The Department has constructed infrastructure assets on these land assets for use by Far North Queensland indigenous communities.

Fair value for land is determined by establishing its market value by reference to observable prices in an active market or recent market transactions using direct comparison to the sales history of similar properties based on location, area, access and typography. In the absence of a full valuation an indexation valuation using market sales of similar type assets is performed.

Due to the use of market observable prices from similar assets, land has been categorised as level 2 in accordance with accounting policies.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the financial statements as at 30 June 2015

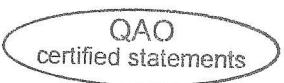
30. Budget vs actual comparison

Statement of Comprehensive Income

	Variance Notes	Recast Budget 2015* \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Income from continuing operations					
Appropriation revenue	1	191,695	170,432	(21,263)	(11%)
Land sales	2	62,529	54,982	(7,547)	(12%)
User charges and fees		10,800	10,844	44	0%
Grants and other contributions	3	3,382	10,576	7,194	213%
Interest		1,401	2,664	1,263	90%
Other revenue		21	44	23	110%
Total revenue		269,828	249,542	(20,286)	
Gain on disposal/remeasurement of assets		-	348	348	100%
Total income from continuing operations		269,828	249,890	(19,938)	
Expenses from continuing operations					
Employee expenses		26,705	24,732	(1,973)	(7%)
Supplies and services		32,756	29,003	(3,753)	(11%)
Grants and subsidies	4	187,843	141,871	(45,972)	(24%)
Depreciation and amortisation		198	1,276	1,078	544%
Impairment losses		-	755	755	100%
Cost of land sales		40,331	39,420	(911)	(2%)
Land inventory written off	5	-	6,395	6,395	100%
Revaluation decrement		(95)	-	95	100%
Finance/borrowing costs		3,009	1,202	(1,807)	(60%)
Other expenses	6	3,875	17,729	13,854	358%
Total expenses from continuing operations		294,622	262,383	(32,239)	
Operating result from continuing operations before income tax equivalent expense		(24,794)	(12,493)	12,301	
Income tax equivalent expense		3,148	(266)	(3,414)	(108%)
Operating result from continuing operations		(27,942)	(12,227)	15,715	
Other comprehensive income					
<u>Items that will not be reclassified subsequently to operating result</u>					
Increase in asset revaluation surplus		-	2,129	2,129	100%
Total comprehensive income		(27,942)	(10,098)	17,844	

* The Recast Budget 2015 has been derived from the Service Delivery Statements 2014-15 Budget of the former DLGCRR and of the former DSDIP relating to the Infrastructure, Planning and Economic Development Queensland functions transferred to DILGP for the four months commencing 1 March 2015.

The accompanying notes form part of these statements.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the financial statements as at 30 June 2015

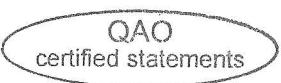
30. Budget vs actual comparison (continued)

Statement of Financial Position

	Variance Notes	Recast Budget 2015* \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Current assets					
Cash and cash equivalents	7	127,861	224,702	96,841	76%
Receivables		16,615	10,575	(6,040)	(36%)
Land inventories	8	430,141	351,349	(78,792)	(18%)
Other current assets		1,222	233	(989)	(81%)
Total current assets		575,839	586,859	11,020	
Non-current assets					
Receivables	9	58,421	28,706	(29,715)	(51%)
Intangible assets		2,174	3,683	1,509	69%
Property, plant and equipment	10	388,813	278,400	(110,413)	(28%)
Investment property	11	112,771	237,840	125,069	111%
Deferred tax equivalent asset		8,882	3,201	(5,681)	(64%)
Total non-current assets		571,061	551,830	(19,231)	
Total assets		1,146,900	1,138,689	(8,211)	
Current liabilities					
Payables		54,789	46,429	(8,360)	(15%)
Interest-bearing liabilities	12	4,438	26,475	22,037	497%
Income tax payable		8,611	6,391	(2,220)	(26%)
Other current liabilities	13	21,296	14,052	(7,244)	(34%)
Provisions	14	-	15,963	15,963	100%
Total current liabilities		89,134	109,310	20,176	
Non-current liabilities					
Payables	15	19,524	12	(19,512)	(100%)
Interest-bearing liabilities	12	81,685	19,440	(62,245)	(76%)
Deferred tax equivalent liability		81,590	104,772	23,182	28%
Total non-current liabilities		182,799	124,224	(58,575)	
Total liabilities		271,933	233,534	(38,399)	
Net assets		874,967	905,156	30,188	
Equity					
Contributed equity	16	482,339	870,351	388,012	80%
Accumulated surplus	16	372,709	12,757	(359,952)	(97%)
Asset revaluation surplus		19,919	22,047	2,128	11%
Total equity		874,967	905,156	30,188	

* The Recast Budget 2015 has been derived from the Service Delivery Statements 2014-15 Budget of the former DLGCR and of the former DSDIP relating to the Infrastructure, Planning and Economic Development Queensland functions transferred to DILGP for the four months commencing 1 March 2015.

The accompanying notes form part of these statements.



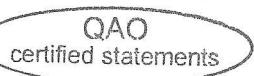
30. Budget vs actual comparison (continued)

Statement of Cash Flows

	Variance Notes	Recast Budget 2015* \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Cash flows from operating activities					
Inflows:					
Land sales	2	62,529	51,573	(10,956)	(18%)
Appropriation revenue		191,695	176,174	(15,521)	(8%)
User charges and fees	9	29,592	13,276	(16,316)	(55%)
Grants and other contributions		3,382	6,388	3,006	89%
GST input tax credits from Australian Taxation Office		-	8,964	8,964	100%
GST collected from customers	17	-	11,615	11,615	100%
Interest		907	2,184	1,277	141%
Other		614	6,517	5,903	961%
Outflows:				-	
Employee expenses		(26,704)	(25,421)	1,283	(5%)
Supplies and services	18	(109,117)	(40,594)	68,523	(63%)
Grants and subsidies	4	(160,441)	(133,966)	26,475	(17%)
Finance/borrowing costs		(3,009)	(1,202)	1,807	(60%)
GST paid to suppliers		-	(8,188)	(8,188)	100%
GST remitted to Australian Taxation Office		-	(11,481)	(11,481)	100%
Other		(5,313)	(16,539)	(11,226)	211%
Net cash provided by (used in) operating activities		(15,865)	39,300	55,165	
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		3,119	6,403	3,284	105%
Loans and advances redeemed		4,416	5,377	961	22%
Outflows:					
Payments for property, plant and equipment	10	(42,779)	(12,789)	29,990	(70%)
Payments for intangible assets		-	(1,660)	(1,660)	100%
Loans and advances provided		(8,983)	(4,900)	4,083	(45%)
Net cash provided by (used in) investing activities		(44,227)	(7,569)	36,658	
Cash flows from financing activities					
Inflows:					
Borrowings	19	93,566	3,352	(90,214)	(96%)
Equity injections	20	56,800	27,069	(29,731)	(52%)
Increase (decrease) in cash and cash equivalents from restructuring	21	112,969	163,207	50,238	44%
Outflows:					
Equity withdrawals	22	(10,435)	(27,226)	(16,791)	161%
Borrowing redemptions	19	(83,150)	(2,905)	80,245	(97%)
Net cash provided by (used in) financing activities		169,750	163,497	(6,253)	
Net increase (decrease) in cash and cash equivalent		109,658	195,228	85,570	78%
Cash and cash equivalents at beginning of financial year		18,203	29,478	11,275	62%
Cash and cash equivalents at end of financial year		127,861	224,702	96,845	

* The Recast Budget 2015 has been derived from the Service Delivery Statements 2014-15 Budget of the former DLGCRR and of the former DSDIP relating to the Infrastructure, Planning and Economic Development Queensland functions transferred to DILGP for the four months commencing 1 March 2015.

The accompanying notes form part of these statements.



DEPARTMENT OF INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING
Notes to and forming part of the financial statements as at 30 June 2015

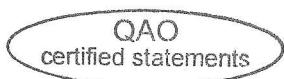
30. Budget vs actual comparison (continued)

Administered Items

	Variance Notes	Recast Budget 2015*	Actual 2015	Variance \$'000	Variance % of Budget
		\$'000	\$'000	\$'000	
Administered Income					
Appropriation revenue	23	2,305,584	1,699,679	(605,905)	(26%)
Grants and other contributions	24	453,600	683,398	229,798	51%
User charges and fees		444	334	(110)	(25%)
Other revenue		3,601	3,367	(234)	(6%)
Total Administered Income		2,763,229	2,386,778	(376,451)	
Administered Expenses					
Grants and subsidies	23	2,308,584	1,704,288	(604,296)	(26%)
Transfers of administered revenue to government	24	454,645	682,066	227,421	50%
Other expenses		-	424	424	100%
Total Administered Expenses		2,763,229	2,386,778	(376,451)	
Operating Surplus/(Deficit)		-	-	-	
Administered assets					
Current					
Cash	23	-	225,588	225,588	100%
Receivables	24	-	225,310	225,310	100%
Total current assets		-	450,899	450,899	
Non-current					
Land		-	98	98	100%
Total non-current assets		-	98	98	
Total assets		-	450,997	450,997	
Administered liabilities					
Current					
Payables to government	24	-	225,662	225,662	100%
Other payables	24	-	225,237	225,237	100%
Total current liabilities		-	450,899	450,899	
Net Administered Assets		-	98	98	

* The Recast Budget 2015 has been derived from the Service Delivery Statements 2014-15 Budget of the former DLGCRR and of the former DSDIP relating to the Infrastructure, Planning and Economic Development Queensland functions transferred to DILGP for the four months commencing 1 March 2015.

The accompanying notes form part of these statements.



30. Budget vs actual comparison (continued)

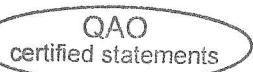
Explanations of Major Variances

Statement of Comprehensive Income

- 1 Appropriation revenue is lower than the recast budget mainly in response to lower grants payments to local governments than budgeted (see note 4).
- 2 Land sales relates to residential and industrial land sales by Economic Development Queensland (EDQ) which are lower than recast budget particularly in mining areas that have been affected by mine closures. This has resulted in oversupply and lower demand for residential land over the past year.
- 3 Grants and other contributions income is higher than recast budget mainly due to an additional contribution of \$5.6 million of Commonwealth funding received from the Department of Housing and Public Works for grants to local governments under the Indigenous Local Governments' Sustainability program.
- 4 Grants and subsidies expense is lower than recast budget in connection with a range of local government grants programs (\$24.9 million). In the main, delays in claiming scheduled payments are due to councils not completing or progressing projects in accordance with forecast timelines, thereby triggering slippage in payment milestones. Project delays are caused by many factors, including weather events, tendering processes and unexpected site issues. In addition, transfers of infrastructure assets at nil value to Indigenous local councils under the Indigenous Environmental Health Infrastructure program (IEHIP) were budgeted for 2014-15 however one the largest asset transfers (\$12.8 million) was negotiated at the end of 2013-14 and some negotiations were not finalised by 30 June 2015.
- 5 Land inventory written off represents the unbudgeted write-down of residential and industrial development projects with the majority of the variance relating to a project in the Gladstone local government area which has been negatively impacted by low market confidence associated with lower mining activity. This has resulted in oversupply and lower demand for residential land and therefore a decrease in the recoverability of inventory costs.
- 6 Other expenses are greater than recast budget as it includes appropriation payable of \$13.154 million as at 30 June 2015 mainly relating to grants and subsidies. Appropriation payables and receivables are not forecast or budgeted at the beginning of the year.

Statement of Financial Position

- 7 Cash and cash equivalents are higher than recast budget primarily due to the delay of development expenditure by EDQ mainly as a result of a decline in residential property demand in mining areas. A smaller contribution to the variance is attributable to the Department carrying cash at year end for grants payable, appropriation payable and equity funding received before year end for subsequent onward to EDQ.
- 8 Land inventories are lower than recast budget mainly due to decreased development activity related to a reduction in land sales.
- 9 Non-current receivables are lower than recast budget due to the inclusion of a receivable of \$19.5 million from EDQ for payment for property (see note 15) that has been eliminated for the actual balance; and also timing differences in funding infrastructure projects. Consequently, user charges in the cash flow statement are also lower than recast budget.
- 10 Property, plant and equipment budget is higher than the actual balance mainly due to the inclusion of the State's original Commonwealth Games bid budget for the athletes village held by EDQ. Government has since revised its approach to contracting and delivering the village with considerably lower spend required in 2014-15, as shown in payments for property, plant and equipment in the cash flow statement.
- 11 Investment property relates to the Northshore Hamilton site of EDQ, which increased on revaluation in 2014-15 prior to EDQ function being transferred in a machinery-of-Government change. Budgets do not anticipate revaluation impacts.
- 12 Non-current interest bearing liabilities are lower than recast budget due to deferment of the need to draw down on EDQ's approved borrowing limits directly related to reduced demand for residential housing stock (see note 2). The revised approach to the timing of borrowings has also resulted in a larger reclassification of non-current to current than originally anticipated.
- 13 Other current liabilities is below recast budget due to unearned revenue being lower by year end than originally anticipated.
- 14 Unbudgeted provisions relate to EDQ's obligations as a commercialised business unit to pay taxes equivalent to their private sector counterparts, for example stamp duty and land taxes.
- 15 The budget for payables relates to EDQ's obligation to pay the department for property at Yeerongpilly. The same amount is included in the budgeted for non-current receivables by the department (see note 9). For actuals reporting, these transactions were eliminated.
- 16 Large variances in contributed equity and accumulated surplus largely offset each other.

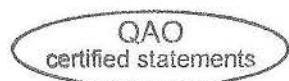


Statement of Cash Flows

- 17 GST has historically not been budgeted but is included for cash management and forecasting purposes.
- 18 Supplies and services expense is lower than recast budget due to the inclusion of cost of land sales expense and a delay in development activity (see note 2).
- 19 Movements in borrowings are lower than recast budget due to deferment of the need to draw down on EDQ's approved infrastructure borrowing limits.
- 20 Equity injections are lower than recast budget in connection with reduced capital work in progress (see note 10).
- 21 Net cash and cash equivalents transferred via machinery-of-Government adjustments relates to the unforeseen transfer of EDQ and its cash from the former Department of State Development, Infrastructure and Planning to the Department of Infrastructure, Local Government and Planning.
- 22 The actual equity withdrawal for EDQ dividend payments to the consolidated fund were higher than budgeted.

Administered Items

- 23 The decrease in appropriation revenue and grants and subsidies expense compared to recast budget is primarily due to a funding decrease to the Queensland Reconstruction Authority in connection with a change in the profile of reconstruction spend by agencies (\$834.3 million). This decrease is partially offset by the advance payment by the Commonwealth Government on 30 June 2015 for 2015-16 Financial Assistance Grants (FAG) to local governments (\$225.2 million). This has resulted in unbudgeted cash on hand at year end.
- 24 The increase in grants and other contributions revenue and also transfers of administered revenue to government expense compared to recast budget is primarily due to the advance payment by the Commonwealth Government on 30 June 2015 for 2015-16 Financial Assistance Grants (FAG) to local governments (\$225.2 million). This has resulted in an unbudgeted payable at year end.



Certificate of the Department of Infrastructure, Local Government and Planning

These general purpose financial statements have been prepared pursuant to s.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 s.62 (1) (b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department for the financial year ended 30 June 2015 and of the financial position of the Department at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Michael McKee FCPA
Chief Finance Officer



Stephen Johnston
A/Director-General

Date

28/8/15

Date

28/8/15

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Infrastructure, Local Government and Planning

Report on the Financial Report

I have audited the accompanying financial report of the Department of Infrastructure, Local Government and Planning which comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services 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 the Chief Finance Officer.

The 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 Infrastructure, Local Government and Planning for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters – Electronic Presentation of the Audited Financial Report

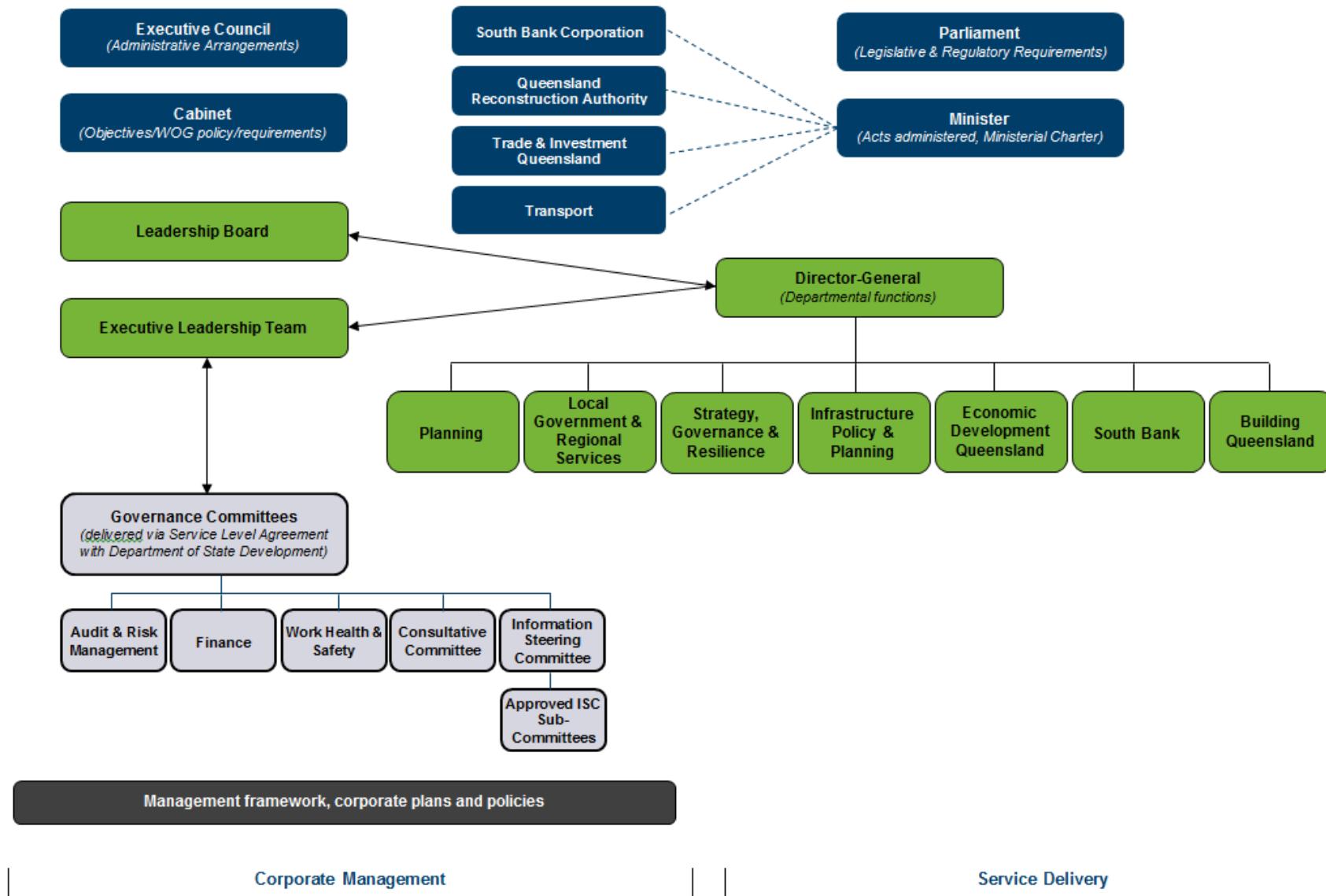
Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users 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.

A M GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane

Appendix 1: Governance framework



Appendix 2: Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 8	Letter of compliance
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 10.1	Contents Glossary
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	Imprint page
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 10.3	Imprint page
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 10.4	Imprint page
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 10.5	Imprint page
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 11.1	Director-General's foreword
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 11.2	About the Department Role and functions Legislation
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	Our operating environment
	<ul style="list-style-type: none"> Machinery of government changes 	ARRs – section 11.4	Machinery of government changes
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 12.1	Contributing to Government Objectives for the Community
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 12.2	Whole-of-government plans or specific initiatives
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	Achieving objectives through strategic planning
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 12.4	Services Review of services and standards
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	Our financial performance
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	Organisation structure
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	Executive Leadership Team

Summary of requirement	Basis for requirement	Annual report reference	
	<ul style="list-style-type: none"> • Government bodies (statutory bodies and other entities) 	ARRs – section 14.3	Related entities and government bodies
	<ul style="list-style-type: none"> • Public Sector Ethics Act 1994 	<i>Public Sector Ethics Act 1994</i> ARRs – section 14.4	Ethics and Integrity
Governance – risk management and accountability	<ul style="list-style-type: none"> • Risk management 	ARRs – section 15.1	Risk management
	<ul style="list-style-type: none"> • External scrutiny 	ARRs – section 15.2	External scrutiny
	<ul style="list-style-type: none"> • Audit committee 	ARRs – section 15.3	Audit and Risk Management Committee
	<ul style="list-style-type: none"> • Internal audit 	ARRs – section 15.4	Internal audit
	<ul style="list-style-type: none"> • Information systems and recordkeeping 	ARRs – section 15.5	Information systems and recordkeeping
Governance – human resources	<ul style="list-style-type: none"> • Workforce planning and performance 	ARRs – section 16.1	Our workforce
	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	Early retirement, redundancy and retrenchment
Open Data	<ul style="list-style-type: none"> • Consultancies 	ARRs – section 17 ARRs – section 34.1	Imprint page
	<ul style="list-style-type: none"> • Overseas travel 	ARRs – section 17 ARRs – section 34.2	Imprint page
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 17 ARRs – section 34.3	Imprint page
	<ul style="list-style-type: none"> • Government bodies 	ARRs – section 17 ARRs – section 34.4	Imprint page
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Financial statements
	<ul style="list-style-type: none"> • Independent Auditors Report 	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Financial statements
	<ul style="list-style-type: none"> • Remuneration disclosures 	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	Financial statements

FAA *Financial Accountability Act 2009* FPMS *Financial and Performance Management Standard 2009*

ARRs Annual report requirements for Queensland Government agencies

Abbreviations

Abbreviation	Description
ARMC	Audit and Risk Management Committee
ARRs	<i>Annual report requirements for Queensland Government Agencies</i>
CCC	Crime and Corruption Commission
CEO	Chief Executive Officer
COAG	Transport and Infrastructure Council
Core EB	<i>Certified Agreement 2009</i>
DSD	Department of State Development
DSDIP	Department of State Development, Infrastructure and Planning
EDQ	Economic Development Queensland
eDRMS	Electronic Document Records Management System
ELT	Executive Leadership Team
EV	Electric Vehicle
FAA	<i>Financial Accountability Act 2009</i>
FiSH	Fitzgibbon Stormwater Harvesting
FPMS	<i>Financial and Performance Management Standard 2009</i>
HIA	Head of Internal Audit
IA	Infrastructure Australia
IIA	Institute of Internal Auditors
IMT	Information Management and Technology
IPP	Infrastructure Policy and Planning
ISC	Information Steering Committee
ISIP	Indigenous State Infrastructure Program
LGAQ	Local Government Association of Queensland
LGMA	Local Government Managers Australia
MEDQ	Minister for Economic Development Queensland
NDRP	Natural Disaster Resilience Program
NGOs	Non-Government Organisations
PDA	Priority Development Area
PDI	Priority Development Infrastructure
PotaRoo	Fitzgibbon Potable Roofwater Harvesting
QAO	Queensland Audit Office
QTC	Queensland Treasury Corporation
RACQ	The Royal Automobile Club of Queensland
RNA	Royal National Agriculture and Industrial Association of Queensland

Abbreviation	Description
SARA	State Assessment and Referral Agency
SDAP	State Development Assessment Provisions
SLA	Service Level Agreement
SPP	State Planning Policy
TAMP	Total Asset Management Plan Framework
TOD	Transit Oriented Development
WHSC	Work Health Safety Committee

Glossary

Term	Description
Administrative arrangements	Administrative Arrangements Orders set out the principal responsibilities of government ministers and their portfolios.
All hazards approach	An all hazards approach refers to ensuring disaster planning and preparations encompass all potential natural disasters, including flooding and fire.
Catalyst infrastructure program	A program that will invest in urban infrastructure and unlock development and create construction and long term employment.
Community infrastructure	Community infrastructure can include not only tangible infrastructure built for the use of a community, such as local parks and roads, but also intangible infrastructure such as community plans and networks.
Financial sustainability	A local government is financially sustainable if the local government is able to maintain its financial capital and infrastructure capital over the long-term.
Machinery of government changes	The term 'machinery-of-government changes' (MOG changes) is used to describe a variety of organisational or functional changes which may affect the Queensland Government at any point in time. Some common MOG changes are: <ul style="list-style-type: none"> • changes to the Administrative Arrangements following a decision to abolish or create a department/agency or to move functions/responsibilities between departments/agencies • creation of a new statutory body, or abolition of a statutory body • movement of functions into, or out of, the Queensland public sector.
Priority development area	A priority development area is a site declared by the State Government to facilitate the development of land in Queensland for economic development or community purposes.
Priority development infrastructure	Priority development infrastructure is new infrastructure which when completed, will generate or facilitate significant economic benefit to the community. It can include roadworks, water supply, wastewater and stormwater infrastructure.
Regional plans	Regional plans identify regional outcomes to help achieve state interests and they address existing or emerging regional issues, such as competition between land uses. They are used in conjunction with other statutory planning tools, including state planning policies, local government planning schemes, state planning regulatory provisions and development assessment processes.

Contacts

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