

**Department of Infrastructure and Planning**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

**23. Property, plant and equipment (continued)**

Buildings identified for demolition in 2007-08 have been determined to be impaired and written down to zero.

Impairment losses and reversals of impairment are shown as separate items in the Income Statement.

Plant and equipment, and capital work in progress are valued at cost in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

The Parent Entity has no plant and equipment with a written down value of zero being used in the provision of services.

Land assets of controlled entity Queensland Water Infrastructure are measured at cost. On consolidation such assets are measured at fair value by application of indices provided by the State Valuation Service. Indices provided by State Valuation Service as at 30 June 2008 for these assets was 1.

*Property Services Group*

Independent and in-house valuations of Property Services Group land and buildings were performed as at 30 June 2008 by qualified in-house valuers, the Department of Natural Resources and Water and Rider Lovett Bucknall Property and Construction Consultants, using "fair value" principles.

Interim valuations have been performed on land subject to operating lease agreements using State Valuation Services indices derived from changes in the unimproved land values as issued by the Chief Executive, Department of Natural Resources and Water.

The Property Services group has plant and equipment assets, with an original cost of \$280,460 that have a written down value of zero and are still being used in the provision of services. The assets are a communications and data network and industrial motor vehicle assets located at Carole Park Industrial Estate.

The valuation of land and buildings is based on current market values.

Parent Entity	
2008	2007
\$'000	\$'000

Administered on a whole-of-Government basis		
Land:		
At cost	-	8,795
<b>Total</b>	<b>-</b>	<b>8,795</b>

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**23. Property, plant and equipment (continued)**

	Land		Buildings		Plant and equipment		Capital work in progress		Total	
	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000
Carrying amount at 1 July 2007	609,962	41,959	16,189	7,272	1,784	415	863,597	4,125	1,491,532	53,771
Acquisitions	277,821	17,653	1,528	1,527	1,203	353	2,678,561	9,070	2,959,113	28,603
Acquisitions through restructure	-	-	-	-	139	139	-	-	139	139
Acquisitions through donation/below fair value	-	-	-	-	3,659	3,659	-	-	3,659	3,659
Disposals	(26,868)	(5,762)	(953)	(953)	(536)	(5)	(4,125)	(4,125)	(32,482)	(10,845)
Transfers to/from inventory	(62)	-	-	-	-	-	-	-	(62)	-
Transfers to assets held for sale	(32,019)	(25,201)	-	-	-	-	(61,250)	-	(93,269)	(25,201)
Revaluation increments (note 29)	66,606	24,254	-	-	-	-	-	-	66,606	24,254
Revaluation increments taken to income statement	-	-	2,812	-	-	-	-	-	2,812	-
Depreciation	-	-	(462)	(146)	(582)	(249)	-	-	(1,044)	(395)
Impairment losses recognised in Operating Surplus/(Deficit)	-	-	(4,538)	(4,481)	-	-	-	-	(4,538)	(4,481)
<b>Carrying amount at 30 June 2008</b>	<b>895,440</b>	<b>52,903</b>	<b>14,576</b>	<b>3,219</b>	<b>5,667</b>	<b>4,312</b>	<b>3,476,783</b>	<b>9,070</b>	<b>4,392,466</b>	<b>69,504</b>

	Land		Buildings		Plant and equipment		Capital work in progress		Total	
	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000	Consol \$'000	Parent \$'000
Carrying amount at 1 July 2006	342,813	33,846	13,735	5,824	466	212	-	-	357,014	39,882
Acquisitions	275,916	8,132	2,824	2,824	1,943	564	893,416	33,943	1,174,099	45,463
Disposals	(20,241)	(19)	(82)	(24)	(299)	(279)	(12,330)	(12,329)	(32,952)	(12,651)
Transfers from inventory	102	-	-	-	-	-	-	-	102	-
Transfers to controlled entities	-	-	-	-	-	-	(17,489)	(17,489)	(17,489)	(17,489)
Revaluation increments (note 29)	11,372	-	1,333	(161)	-	(82)	-	-	12,705	-
Depreciation	-	-	(430)	(161)	(327)	(82)	-	-	(757)	(243)
Impairment losses recognised in Operating Surplus/(Deficit)	-	-	(1,191)	(1,191)	-	-	-	-	(1,191)	(1,191)
<b>Carrying amount at 30 June 2007</b>	<b>609,962</b>	<b>41,959</b>	<b>16,189</b>	<b>7,272</b>	<b>1,783</b>	<b>415</b>	<b>863,597</b>	<b>4,125</b>	<b>1,491,531</b>	<b>53,771</b>

23. Property, plant and equipment (continued)

Administered on a whole-of-Government basis				
	Parent Entity			
	Land		Plant and	Total
	\$'000		equipment	\$'000
			\$'000	
Carrying amount at 1 July 2007	8,795			8,795
Disposals	(8,795)			(8,795)
<b>Carrying amount at 30 June 2008</b>	<b>-</b>			<b>-</b>

  

Administered on a whole-of-Government basis				
	Parent Entity			
	Land	Buildings	Plant and	Total
	\$'000	\$'000	equipment	\$'000
			\$'000	
Carrying amount at 1 July 2006	19,757	164,953	2,406	187,116
Disposals	(10,962)	(150,035)	(2,382)	(163,379)
Revaluation decrement	-	(13,974)	-	(13,974)
Depreciation	-	(944)	(24)	(968)
<b>Carrying amount at 30 June 2007</b>	<b>8,795</b>	<b>-</b>	<b>-</b>	<b>8,795</b>

Consolidated		Parent Entity	
2008	2007	2008	2007
\$'000	\$'000	\$'000	\$'000

24. Payables

Trade creditors	320,708	283,724	18,549	24,475
Other	3,931	330	3,543	72
<b>Total</b>	<b>324,639</b>	<b>284,054</b>	<b>22,092</b>	<b>24,547</b>

Administered on a whole-of-Government basis			
Transfers to Government payable		3,748	11,865
Other		142	-
<b>Total</b>		<b>3,890</b>	<b>11,865</b>

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	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>25. Accrued employee benefits</b>				
<b>Current</b>				
Long service leave levy payable	190	115	184	109
Other employee entitlements payable	116	46	111	43
Recreation leave	400	1,732	-	1,577
Wages and related costs outstanding	895	375	860	352
<b>Total</b>	<b>1,601</b>	<b>2,268</b>	<b>1,155</b>	<b>2,081</b>
<b>Non-current</b>				
Recreation leave	-	765	-	716
<b>Total</b>	<b>-</b>	<b>765</b>	<b>-</b>	<b>716</b>

The 2007-08 recreation leave liability has been transferred to Queensland Government's Annual Leave Central Scheme as at 30 June 2008 and is represented as a current payable - refer note 24 Payables - Other.

**26. Other financial liabilities**

<b>Current</b>				
Interest bearing liabilities	1,004,289	-	-	-
<b>Total</b>	<b>1,004,289</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Interest bearing liabilities	2,133,615	584,022	-	-
<b>Total</b>	<b>2,133,615</b>	<b>584,022</b>	<b>-</b>	<b>-</b>

*Controlled Entities*

No assets have been pledged as security for any liabilities by the Department of Infrastructure and Planning.

All borrowings are Australian dollar denominated amounts and may include interest capitalised during the reporting period. There have been no defaults or breaches on the loan agreements during the period.

Borrowing costs incurred for the construction of a qualifying asset are capitalised during the period of time that it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed when incurred.

The Construction Debt Facilities are to be repaid on or prior to expiry of the terms of the facilities (the Terms). The Terms will expire upon the date which is six months after the completion of the related projects. The facilities bear annual average interest rates ranging between 6.4% to 6.82% (2006-07: 6.4% to 6.67%).

In accordance with the Funding Deeds signed between the State of Queensland and the department's controlled entities, the State of Queensland through the Department of Infrastructure and Planning agrees to guarantee to Queensland Treasury Corporation (QTC) the repayment by the companies, from time to time, or any monies owing by the company to QTC under or in respect of Construction Debt Facilities.

The fair value of the Construction debt Facilities at 30 June 2008, as notified by QTC, was \$3,108.26 million (2006-07: \$578.16 million). As it is the intention of the controlled entities to hold their borrowings for their full terms, no fair value adjustments are made in these statements. Refer note 36.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>27. Provisions</b>				
<b>Current</b>				
Taxes - land, rates and stamp duty	922	-	-	-
Land acquisition claims	2,465	-	2,465	-
<b>Total</b>	<b>3,387</b>	<b>-</b>	<b>2,465</b>	<b>-</b>
<b>Non-current</b>				
Land acquisition claims	3,423	-	3,423	-
<b>Total</b>	<b>3,423</b>	<b>-</b>	<b>3,423</b>	<b>-</b>
<b>Movement in provisions</b>				
<i>Taxes - land, rates and stamp duty</i>				
Balance 1 July	-	-	-	-
Additional provision recognised	7,777	7,074	-	-
Reduction in provision as a result of payments	(6,855)	(7,074)	-	-
<b>Balance 30 June</b>	<b>922</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Land acquisition claims</i>				
<b>Current</b>				
Balance 1 July	-	-	-	-
Additional provision recognised	2,465	-	2,465	-
<b>Balance 30 June</b>	<b>2,465</b>	<b>-</b>	<b>2,465</b>	<b>-</b>
<b>Non-current</b>				
Balance 1 July	-	-	-	-
Additional provision recognised	3,423	-	3,423	-
<b>Balance 30 June</b>	<b>3,423</b>	<b>-</b>	<b>3,423</b>	<b>-</b>
<b>28. Other liabilities</b>				
<b>Current</b>				
Unearned revenue	1,019	8,347	788	8,364
Deposits held	11,237	5,682	-	-
<b>Total</b>	<b>12,256</b>	<b>14,029</b>	<b>788</b>	<b>8,364</b>
<b>Administered on a whole-of-Government basis</b>				
Unearned revenue			-	12,162
<b>Total</b>			<b>-</b>	<b>12,162</b>

**Department of Infrastructure and Planning**  
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**29. Asset revaluation reserve by class**

	Land		Buildings		Total	
	Consol	Parent	Consol	Parent	Consol	Parent
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	<b>Restated</b>		<b>Restated</b>			
Balance 1 July 2007	167,447	-	-	-	167,447	-
Revaluation increments	66,606	24,254	-	-	66,606	24,254
Tax equivalent effect of revaluation	(12,720)	-	-	-	(12,720)	-
Transfer reserve to retained surpluses-assets sold	(15,151)	(4,944)	-	-	(15,151)	(4,944)
<b>Balance 30 June 2008</b>	<b>206,182</b>	<b>19,310</b>	<b>-</b>	<b>-</b>	<b>206,182</b>	<b>19,310</b>

The asset revaluation reserve represents the net effect of the upwards and downwards revaluation of assets to fair value.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>30. Reconciliation of operating surplus to net cash provided from (used in) operating activities</b>				
Operating surplus/(deficit)	62,786	416,159	(1,856)	(7,251)
Depreciation expense	1,097	771	395	243
Impairment losses	5,392	2,330	4,481	1,191
Contributed assets	(3,659)	-	(3,659)	-
Asset stocktake write-on	(3)	-	(3)	-
Gain on reversal of decrement expense	(2,812)	(1,332)	-	-
Net leave liability transfers to/(from) other departments	(597)	-	(575)	-
Net (gain)/loss on sale of property, plant and equipment	2,771	681	764	226
Tax equivalent effect of revaluation	(12,720)	(3,652)	-	-
<b>Change in assets and liabilities:</b>				
(Increase)/decrease in output revenue receivable	(7,945)	(6,984)	(7,945)	-
(Increase)/decrease in receivables	28,069	(43,469)	44,932	(96,086)
(Increase)/decrease in GST input tax credits receivable	(4,002)	(37,713)	(18,391)	14,867
(Increase)/decrease in LSL reimbursement receivables	(182)	33	(155)	(37)
(Increase)/decrease in inventories	(15,706)	(225,588)	-	-
(Increase)/decrease in prepayments	11,178	(25,181)	2,352	3,037
(Increase)/decrease in sundry assets	(382)	2	(12)	-
(Increase)/decrease in deferred tax assets	(105,820)	(15,935)	-	-
Increase/(decrease) in provision for taxes	922	-	-	-
Increase/(decrease) in accounts payable	(122,639)	181,537	(3,231)	(3,874)
Increase/(decrease) in other liabilities	5,555	-	-	-
Increase/(decrease) in accrued employee benefits	(1,481)	878	(1,750)	837
Increase/(decrease) in income tax equivalent payable	53,728	(5,367)	-	-
Increase/(decrease) in deferred tax liability	37,867	10,713	-	-
Increase/(decrease) in unearned revenue	(5,385)	8,548	(5,631)	1,892
Increase/(decrease) in GST payable	(36,798)	40,685	2,759	-
Increase/(decrease) in LSL levy payable	70	-	70	-
<b>Net cash provided from (used in) operating activities</b>	<b>(110,696)</b>	<b>297,116</b>	<b>12,546</b>	<b>(84,955)</b>

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**Parent Entity**  
**2008**      **2007**  
**\$'000**      **\$'000**

**30. Reconciliation of operating surplus to net cash provided from (used in) operating activities (continued)**

<b>Administered on a whole-of-Government basis</b>			
Operating surplus/(deficit)	-		(384)
Depreciation expense	-		384
Net (gain)/loss on sale of property, plant and equipment	(4,369)		-
Change in working capital	-		11,955
<b>Changes in assets and liabilities:</b>			
Increase/(decrease) in output revenue receivable	(142)		-
Increase/(decrease) in accounts payable	(7,975)		-
Increase/(decrease) in unearned revenue	(12,162)		12,162
<b>Net cash provided from (used in) operating activities</b>	<b>(24,648)</b>		<b>24,117</b>

**31. Non-cash financing and investing activities**

Assets and liabilities received by the Department as a result of machinery-of-Government changes are set out in note 1(ah).

<b>Consolidated</b>		<b>Parent Entity</b>	
<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>

**32. Commitments for expenditure**

**(a) Non-cancellable operating leases**

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

Not later than one year	2,193	10,313	1,411	1,056
Later than one year and not later than five years	5,997	21,681	3,890	3,658
Later than five years	149	560	149	560
<b>Total</b>	<b>8,339</b>	<b>32,554</b>	<b>5,450</b>	<b>5,274</b>

Operating leases are entered into as a means of acquiring access to office accommodation, motor vehicles and car park space. In relation to office accommodation, lease payments are generally fixed, but renewal options and escalation clauses exist. As it is reasonably certain that the renewal options will be taken up, the lease commitment includes the value of these options. No operating leases contain restrictions on financing or other leasing activities.