

2011–12

# Annual Report

Department of Science, Information Technology,  
Innovation and the Arts



## Communication objective

This annual report provides information about the Department of Science, Information Technology, Innovation and the Arts (DSITIA) financial and non-financial performance for 2011–12. It has been prepared in accordance with the *Financial Accountability Act 2009* and the Annual Report Requirements for Queensland Government Agencies.

This report has been prepared for the Minister for Science, Information Technology, Innovation and the Arts to submit to the Queensland Parliament. It has also been prepared to meet the needs of stakeholders including the Commonwealth and local governments, industry and business associations, community groups and staff.

Additional mandatory reporting requirements for DSITIA as outlined in Section 63 of the *Financial Accountability Act 2009* (FAA) is available for viewing online at [www.qld.gov.au/dsitia/publications](http://www.qld.gov.au/dsitia/publications)

Online content outlines achievements for:

- Information systems and recordkeeping
- Consultancies
- Overseas travel
- Waste management
- Recycling Policy for Buildings and Civil Infrastructure
- Carbon emissions
- Initiatives for women
- *Carers (Recognition) Act 2008*
- Aboriginal and Torres Strait Islander matters (*The Queensland Government Reconciliation Action Plan 2009-2012*)
- *Queensland Multicultural Policy – Queensland Multicultural Action Plan: 2011-14.*

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this report, you can contact us on and we will arrange an interpreter to effectively communicate the report to you.

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Copies of this publication can be obtained by contacting (07) 3405 5600 or at [www.qld.gov.au/dsitia/publications](http://www.qld.gov.au/dsitia/publications)



Department of Science, Information Technology, Innovation and the Arts Annual Report 2011–12.

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Published by the Queensland Government, October 2012, 100 George Street, Brisbane.



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ISSN 2201-1684

26 October 2012

The Honourable Ros Bates MP  
Minister for Science, Information Technology, Innovation and the Arts  
Executive Building  
Level 5, 100 George Street  
Brisbane Qld 4000

Dear Minister

I am pleased to present the Annual Report 2011–12 for the Department of Science, Information Technology, Innovation and the Arts.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*
- the detailed requirements set out in the Annual Report Requirements for Queensland Government Agencies published by the Department of the Premier and Cabinet.

The Department of Science, Information Technology, Innovation and the Arts is a new state government department. It was formed following machinery of government changes implemented on 3 April 2012 by combining portfolios and organisational units drawn from the Department of the Premier and Cabinet and the former:

- Department of Employment, Economic Development and Innovation
- Department of Environment and Resource Management
- Department of Public Works.

The report outlines the purpose, services and achievements of the department during the 2011–12 financial year. It also reflects the financial performance of the department for the period May to June 2012.

A checklist outlining the annual reporting requirements is included in this report.

Yours sincerely

**Philip Reed**  
Director-General

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# Contents

## Part A

Communication Objective	2
Letter of compliance	3
From the Director-General	6

### **1. Our organisation**

About the department	8
Our role	9
Our priorities	11
Our future	11
Operating environment	11
External Audits	12
External Reviews	12
Council Of Australian Governments (COAG) Initiatives	12
Organisational structure	15
Our Locations	16

### **2. Our performance**

Performance overview	17
Science Delivery Division	19
Overview	19
Highlights	19
Performance review	20
Our future	20
Innovation and Science Development Division	21
Overview	21
Highlights	21
Performance review	22
Our future	24
Queensland Government Information and Communication Technology (ICT) Division	25
Overview	25
Whole-of-government plans and initiatives	25
Performance review	26
Arts Queensland	32
Overview	32
Highlights	32
Whole-of-government plans and initiatives	33
Performance review	34
Our future	34
Shared Services	35
Overview	35
Highlights	35
Performance review	36
Our Future	37

Queensland Government Chief Information Office	37
Overview	37
Highlights	37
Our future	38
Queensland Chief Scientist	38
Overview	38
Highlights	38
Our future	39
<b>3. Our corporate governance</b>	
Our leaders	40
Governance framework	42
Governance committees	43
Audit arrangements	45
Risk management	46
Ethics	46
Code of Conduct	47
<b>4. Our people</b>	
Workforce profile	48
Early retirement, redundancy and retrenchment	49
Voluntary Separation Program	49
Informing the community	50
Workforce planning, attraction and retention	50
Employee Performance Management	50
Industrial and employee relations framework	50
Work-Life Balance	51
Leadership and management development	51
Workplace health and safety	51
Other whole-of-government plans/specific initiatives	52
<b>5. Other reporting</b>	
Related entities	53
Statutory bodies, authorities and instrumentalities	54
List of legislation	55
Statutory bodies	55
Legislation administered by the department	55
Boards and committees	57
<b>6. Locations</b>	
Locations	63
Glossary of terms	64
<b>Financial Summary</b>	66
<b>Part B</b>	
Department of Science, Information Technology, Innovation and the Arts financial statements	67

### I am pleased to present the 2011–12 annual report for the Department of Science, Information Technology, Innovation and the Arts.

On 3 April 2012 the incoming Queensland Government announced the establishment of the Department of Science, Information Technology, Innovation and the Arts (DSITIA). The department was created from portfolios and organisational units drawn from four previous Queensland Government departments.

DSITIA is responsible for:

- science policy
- strategy and investment in relation to science
- digital economy
- innovation policy
- environmental and natural resources sciences
- international collaborations
- administration of Crown copyright and intellectual property
- government information and communication technology services and delivery
- Queensland State Archives (QSA)
- Smart Service Queensland (SSQ)
- CITEC
- Queensland Shared Services QSS)
- Arts Queensland including the Corporate Administration Agency (CAA).

As a new department we strive to provide opportunities in innovation and growth in the knowledge and creative industries sectors of the economy, and promote a strong and diverse arts and cultural sector for Queensland.

The department also leads whole-of-government service reform as a major facilitator of services to government and for government.

Since April we have worked to develop the necessary frameworks and systems to support effective service delivery and build the level of departmental accountability expected of a high performing government agency.

This has included transitioning services and functions from their originating departments, while maintaining uninterrupted, quality service delivery to our customers and the sector.

During 2011–12 we provided scientific services to support a range of government initiatives and advisory services for Queenslanders. Key achievements included:

- an environmental health assessment of South-East Queensland's waterways and the Great Barrier Reef
- providing 'real-time' air quality data to the public via the Department of Environment and Heritage Protection's (EHP) website
- mapping of a further 5 million hectares of Queensland's regional ecosystems to inform the management of biodiversity and health of ecosystems across the state.

Our work continued with the opening of the Australian Tropical Science and Innovation Precinct in Townsville and the launch of the Queensland Tropical Health Alliance at James Cook University's Cairns campus. The precinct will support Queensland's development as a centre for tropical landscape and environmental research. The alliance will bring together, under the umbrella of one consortium, a world-class integrated tropical health and medical research network.

This Queensland Government investment will establish infrastructure to expand tropical health research and establish Queensland as a leader in tropical science.

Over the year we have supported Queensland businesses to help attract nearly \$50 million of new investment into Queensland; achieve more than \$130 million of new exports; and generate almost \$500 million of new business and efficiency savings.

More than 5000 people from businesses throughout Queensland participated in our structured development activities. These activities were designed to help businesses become more profitable and successful,



pursue new business opportunities, improve their efficiency and productivity, bring new products to market, and gain greater exposure in the marketplace.

With our support more than 4 million people attended or participated in subsidised arts and cultural activities and there were nearly 5 million visits to state-owned arts and cultural facilities during 2011–12.

The Queensland Arts Conference in Bundaberg brought together arts and cultural workers across the state to explore new ideas and facilitate strong sector partnerships.

The third Cairns Indigenous Arts Fair was held attracting 13,000 people, generating \$580,000 in sales and injecting \$1.78 million into the Cairns economy.

The department also provided services to more than 16 Queensland Government departments and agencies. The contribution these services make to government service delivery often goes unrecognised. The efficiencies created through these services help government agencies to reduce their operational costs and concentrate their efforts on delivering their core business.

Key achievements included processing over 2 million pays, 167,000 job applications, 68,000 staff appointments and separations, 3.9 million invoice transactions, and the delivery of 6.7 million mail items.

The department also delivered continued uninterrupted data centre, network and infrastructure services to all Queensland Government agencies achieving 99.97 per cent availability across the year. We supported a diverse range of customers with these services, including Qantas, Queensland Rail, and schools across Queensland.

The department is the custodian of the state's largest and most significant documentary heritage collection through the Queensland State Archives.

During the year there were an estimated 450,000 visitors to the Queensland State Archives' website and over 6700 visitors to the state's archival facility at Runcorn for 2011–2012. In addition to providing access to the collection, our staff answered over 20,000 public reference and agency enquiries on issues relating to the collection and government recordkeeping matters. The

state's archival collection also grew during the year, with over 1.5 linear kilometres of permanent public records transferred into the custody of Queensland State Archives.

DSITIA also provides an integrated approach to government service delivery through our Brisbane and regional centres and in 79 Queensland Government Agency Program (QGAP) locations across rural and remote Queensland. The department is creating the Queensland Government 'one-stop-shop' through Smart Service Queensland which allows Queenslanders to conduct transactions and access information and services through one telephone number, one integrated website or one integrated service counter.

During 2011–12, Smart Service Queensland managed over 16 million customer interactions, including more than 3 million telephone calls, 13 million online interactions and more than 400,000 face-to-face contacts across the counter. We are currently delivering over 260 government services on behalf of Queensland Government agencies to the public.

The coming year will continue the process of change and renewal that began in April. In delivering the government's vision for Queensland and growing the four pillar economy we can expect to see changes to the services that we deliver.

A major challenge for us will be ensuring that Queenslanders and government agencies are receiving the right services, delivered in ways that facilitate the best outcomes for Queensland. This will include helping Queensland Government agencies to reduce their operating costs and waste, and prioritise resources toward frontline service delivery.

I would like to thank all DSITIA staff for their contribution over the past year and their continuing commitment and dedication through this time of change and renewal. The department's achievements are the result of our staff's knowledge and expertise.

Philip Reed  
**Director-General**  
Department of Science, Information  
Technology, Innovation and the Arts

# 1. Our organisation

## Our vision

Assist Queensland to become globally competitive through enhanced knowledge, creativity and services.

## Our Purpose

- Facilitate investment and collaboration in research, science capability and business innovation to expand the knowledge and digital economy in Queensland
- Facilitate the development of a resilient and innovative arts and cultural sector in Queensland
- Enable high quality, value for money services and capability so agencies can focus on delivering core business.

## Our values

### *Our people*

We value the capabilities, experience and diversity that each person brings to the department.

### *Our customers*

We deliver quality customer service.

### *Partnerships and connections*

We connect internally and externally through strong partnerships and relationships.

### *Leadership*

Leaders exist at all levels across the department. Leadership is developed, respected and recognised for the benefits it brings to our organisation.

### *Innovation and proactivity*

We use our initiative to seek better solutions and deliver sustainable results.

## About the department

In April 2012 the incoming Queensland Government announced the establishment of the Department of Science, Information Technology, Innovation and the Arts (DSITIA). The five divisions within the department were created from portfolios and organisational units drawn from the Department of the Premier and Cabinet and the former:

- Department of Employment, Economic Development and Innovation
- Department of Environment and Resource Management
- Department of Public Works.

The portfolios and organisational units that make up DSITIA were subject to a number of machinery-of-government changes during 2011–12. As a result of these changes, this report focuses on the performance of the component parts of the department over the full 2011–12 financial year and the financial performance of the department for May and June 2012.

The structural changes are summarised in the table to the right.



# 1. Our organisation

Portfolio or organisational unit	Former department	New department
<b>December 2011</b>		
Office of the Queensland Government Chief Information Officer	Department of Public Works	Department of the Premier and Cabinet
<b>3 April 2012</b>		
Arts Queensland	Department of the Premier and Cabinet	DSITIA
Corporate Administration Agency	Department of the Premier and Cabinet	DSITIA
Office of the Chief Scientist	Department of the Premier and Cabinet	DSITIA
Office of the Queensland Government Chief Information Officer (QGCIO)	Department of the Premier and Cabinet	DSITIA
That part responsible for (a) science research and development and (b) business innovation and the associated executive support services	Department of Employment, Economic Development and Innovation	DSITIA
International Collaborations	Department of Employment, Economic Development and Innovation	DSITIA
Centre for Information Technology and Communications (CITEC)	Department of Public Works	DSITIA
Queensland State Archives	Department of Public Works	DSITIA
Smart Service Queensland	Department of Public Works	DSITIA
Queensland Shared Services including CorpTech	Department of Public Works	DSITIA
Office of the Queensland Government Chief Information Officer	Department of the Premier and Cabinet	DSITIA
Environment and Resources Sciences	Department of Environment and Resource Management	DSITIA
Queensland Climate Change Centre for Excellence	Department of Environment and Resource Management	DSITIA

## Our role

The department will support a globally competitive Queensland economy driven by knowledge and creativity. The department's primary focus is to facilitate quality services to the community and to other agencies, and identifying cost efficiencies and value-for-money delivery models.

The department has a significant role in facilitating growth and development in the knowledge and creative industries sectors of the economy, and facilitating a strong and diverse arts and cultural sector in the state.

The department is also a major provider of services to government and for government.

An overview of the legislation administered by the department and a summary of the department's functions and responsibilities are included in section 5– 'Other reporting'.

# 1. Our organisation

## Our objectives

Activity within the department is focussed on delivering six broad objectives:

<b>Objectives:</b>	<b>Key performance indicators:</b>
<b>1. Better informed government decision-making through science.</b>	<ul style="list-style-type: none"><li>• funding commitments leveraged from project participants for science projects receiving Queensland Government investment</li><li>• number of business/industry/research collaborations</li><li>• natural resource, environment and climate science information is provided and accessible by stakeholders.</li></ul>
<b>2. Increased productivity through an increase in innovation activity.</b>	<ul style="list-style-type: none"><li>• trend of knowledge-intensive jobs</li><li>• proportion of innovation active businesses</li><li>• proportion of businesses using digital technologies</li><li>• employment levels in innovation active business.</li></ul>
<b>3. Strengthened cultural and economic outcomes for Queenslanders through an innovative and creative arts and cultural sector.</b>	<ul style="list-style-type: none"><li>• level of client satisfaction with Arts Queensland products and services</li><li>• level of attendance and participation at subsidised arts sector events (access)</li><li>• number of touring productions, communities receiving touring productions and attendees at touring productions (access, innovation, resilience).</li></ul>
<b>4. Supporting high performing Queensland Government agencies through the facilitation of efficient standardised shared services.</b>	<ul style="list-style-type: none"><li>• level of client satisfaction with government shared services</li><li>• delivery of services within agreed standards</li><li>• cost of service delivery.</li></ul>
<b>5. Strengthened ICT and information management through high quality services and capability.</b>	<ul style="list-style-type: none"><li>• value of government ICT efficiencies and effectiveness.</li></ul>
<b>6. Connecting Queenslanders to their government through a one-stop-shop.</b>	<ul style="list-style-type: none"><li>• accessibility of government services.</li></ul>

More information about the department's services and 2011–12 achievements are detailed in the 'Our performance' section of this report.

## Our priorities

To support the Queensland Government's vision for a more efficient public service, the department will focus on identifying value-for-money service delivery models and delivering sustainable results in service delivery.

Key priorities for the department will include:

- delivering the government's vision for Queensland and growing the four pillar economy
  - prioritising resources toward frontline service delivery while maintaining the technical capability and capacity to deliver our services
  - ensuring Queenslanders and government agencies are receiving the right services, delivered in ways that facilitate the best outcomes for Queensland
  - helping Queensland Government agencies to reduce operating costs and cut waste, and at the same time, improve technical capability and delivery of frontline services
  - reducing costs and red tape while supporting government efforts to rebuild the state's financial position and re-direct expenditure to frontline services.
- working to build the one-stop-shop solution for Queenslanders to access government services more effectively
  - establishing monitoring mechanisms to ensure that all bills from suppliers to government involving contracts up to \$1 million are paid within 30 days
  - continuing to build on the state's growing reputation as a cultural hub through implementation of the arts for All Queenslanders initiatives including the SuperStar Fund and boosting Queensland touring funds
  - developing a strategy to grow the arts sector by encouraging commercial approaches and fostering a community for the arts
  - establishing an Arts Investment Advisory Board to improve access to grants, simplifying categories and streamlining application processes.

## Our future

The department will deliver a number of key initiatives in 2012–13, including:

- strengthening Queensland's tropical health defences by establishing the Australian Institute for Tropical Health and Medicine in partnership with James Cook University
  - working to rebuild Queensland's practical and applied scientific and technology capability through strengthening partnerships with Queensland's universities
  - consolidating the Chief Scientist's leadership role in science policy and enabling the state's applied science efforts to meet future economic challenges
- continuing to successfully compete to provide fee-for-service activities to other agencies
  - maintaining an appropriately skilled workforce to support service delivery
  - providing services in ways that meet the community's expectations for cost-effective service delivery and a high standard of accountability, transparency and integrity
  - reducing costs and red tape while supporting the government's commitment to rebuild the state's financial position.

## Operating environment

The department's operating environment will be impacted by a number of factors, including:

# 1. Our organisation

## External audits

In 2011–12, the operations of the department were subject to a number of external audits which incorporated recommendations for improved performance.

Auditor-General reports to Queensland Parliament that made comment on or recommendations in relation to:

- roles and responsibilities for services undertaken by Queensland Shared Services and its client agencies
- the management and monitoring of salary overpayments across the public sector
- collaboration with Queensland cultural institutions in developing a Cultural Centre Strategy
- assessment and effective management of unplanned absence
- IT governance and internal financial and fraud controls.

## Government ICT Division

- The Brisbane Queensland Government Service Centre was audited by the Queensland Audit Office during March 2012. The review concluded that the control environment was operating satisfactorily.
- Two key ICT infrastructure programs were audited in prior years and control improvements were recommended in the *Auditor-General Report No 4 for 2011* and *Auditor-General Report No 7 for 2010*. In these reports the realisation of benefits from the Identity, Directory and Email Services (IDES) program was identified as a significant issue. The closure of this program has mitigated this issue.

Recommendations are being addressed and progress in implementing improvement strategies are being reviewed by the Audit and Risk Management Committee.

## External reviews

In 2011–12, the following external reviews were undertaken in divisions within the department:

- Several business units of the former Department of Public Works were subject to an external audit of the department's alignment to and compliance with both the *'Safer and Healthier Workplaces 2007-2012 Strategy'* and the *Workplace Health and Safety Act 2011*. The audit provided an action plan to focus on improving work health and safety compliance, initiatives and strategies.

## Science Delivery Division

- Quality management audit of Water Planning Ecology Group resulting in accreditation of *ISO9001 certification*
- Quality and compliance system audit of the Chemistry Centre to maintain its certification as a QC1 Quarantine Approved Premise
- National Association of Testing Authorities (NATA) audit of the Chemistry Centre, resulting in accreditation ensuring that its facilities comply with relevant international and Australian standards.

## Innovation and Science Development Division

- A Science review was conducted in October 2011 focusing on the roles and functions of the Chief Scientific Officer and of the Science Strategy and Capability Unit within the former Department of Employment, Economic Development and Innovation. The review was undertaken by Foursight Associates Pty Ltd and:
  - concluded that the role of the Chief Scientific Officer supported the requirements for science-based advice for policy within the department, and that the department should continue to develop and leverage science partnerships.

- recommended the department strengthen the evaluation, reporting and promotion of science funded by government — the recommendations were implemented and are now a part of core business.

## Government ICT Division

- Smart Service Queensland engaged PriceWaterhouseCoopers to review its payment card industry compliance and data privacy practices. Recommendations from the review are being addressed by Smart Service Queensland and guided by DSITIA Internal Audit to ensure compliance to information security and privacy in accordance with payment card industry standards.
- Although IDES was projected to support 80,000 email accounts by 2010, only 3100 users were using the service by June 2012. A departmental review of IDES was conducted that indicated a further investment of \$25 million over the next three years would be required to make it viable. A decision was made by the government to close down the program by 30 June 2012. With the discontinuation of IDES the department is now exploring potential cloud-based, whole-of-government email solutions, as well as other options.
- The migration of agencies and realisation of benefits for the ICT Consolidation (ICTC) program was also identified as an issue by the Auditor-General. The need to progress the migration to the ICTC program in a timely manner is recognised by the government. A commitment was made by the previous government to complete agency ICTC migration plans by September 2012. The recent machinery-of-government changes and instigation of the Queensland Government Chief Information Office ICT Management audit and other reviews, initiated after this original commitment calls for a delay in finalising these plans. The outcomes of these activities will need to be fully

considered before plans are finalised. It is also expected that the ICT audit and reviews underway will resolve the governance issues around a lack of a whole-of-government ICT sponsoring body.

- CITEC continues to work with agencies and the government to extract value from investments in the ICTC program. The outcomes of current reviews and the Queensland Government Chief Information Office audit will be used to guide decisions on how this can best be achieved.

## Queensland Government Chief Information Office

- In response to issues regarding information security governance Deloitte Australia undertook a review and delivered a detailed report and recommendations to government in April 2012. The report recommendations are being considered by the department.

## Council of Australian Governments (COAG) Initiatives

### Implementation Plan for the Queensland Symphony Orchestra (QSO) Co-location Project

(National Partnership Agreement on Local Government and Regional Development)

- The Commonwealth has agreed to provide financial assistance of \$9 million for co-location of the Queensland Symphony Orchestra within the new headquarters of the Australian Broadcasting Corporation at South Bank in Brisbane.
- Capital work for the office accommodation of the Queensland Symphony Orchestra is finished. Completion of the multi-purpose studio (for performance, rehearsals and recordings) is expected in late 2012 with the QSO to be re-located at the end of 2012.



# 1. Our organisation

## **Implementation Plan 2011–12 Queensland (Closing the Gap: National Partnership Agreement on Remote Indigenous Public Internet Access)**

- The Commonwealth and State of Queensland have agreed bilaterally to implementation plan objectives including:
  - enhance social inclusion and community well-being in remote Indigenous communities by improving links between people, information and technology
  - improve access to basic information and communication services
  - reduce barriers to using of information and communication technology (ICT)
  - increase understanding of the benefits from the effective use of the internet and associated hardware and software.
- Through this agreement the department has established internet services and training at 20 remote locations across the state, including many communities in the Torres Strait and Cape York. Continually improving the digital literacy of the members of these communities will increase their participation in the digital economy.

## **National Occupational Licensing System (NOLS)**

- CITEC has been developing a centralised interface to the National Occupational Licensing System for six Queensland Government agencies. This is due to be completed by June 2013. CITEC manages the transformation of each agency's data into a common national format by utilising the existing CITEC gateway, and is providing the means for access or gateway into the national database being delivered by New South Wales Government.

## **Business Online Services**

- The Business Online Services project will deliver a nationally-coordinated system for businesses to access information and services online to assist them to manage their regulatory responsibilities. This will allow more effective interaction between businesses and all tiers of government, regardless of the location of the business.
- CITEC has been engaged to develop a proof of concept demonstrating the online verification of documents currently produced as evidence of identity at a counter. Phase two of the proof of concept relates to the identity management lifecycle. The implementation phase will provide benefits to whole-of-government.

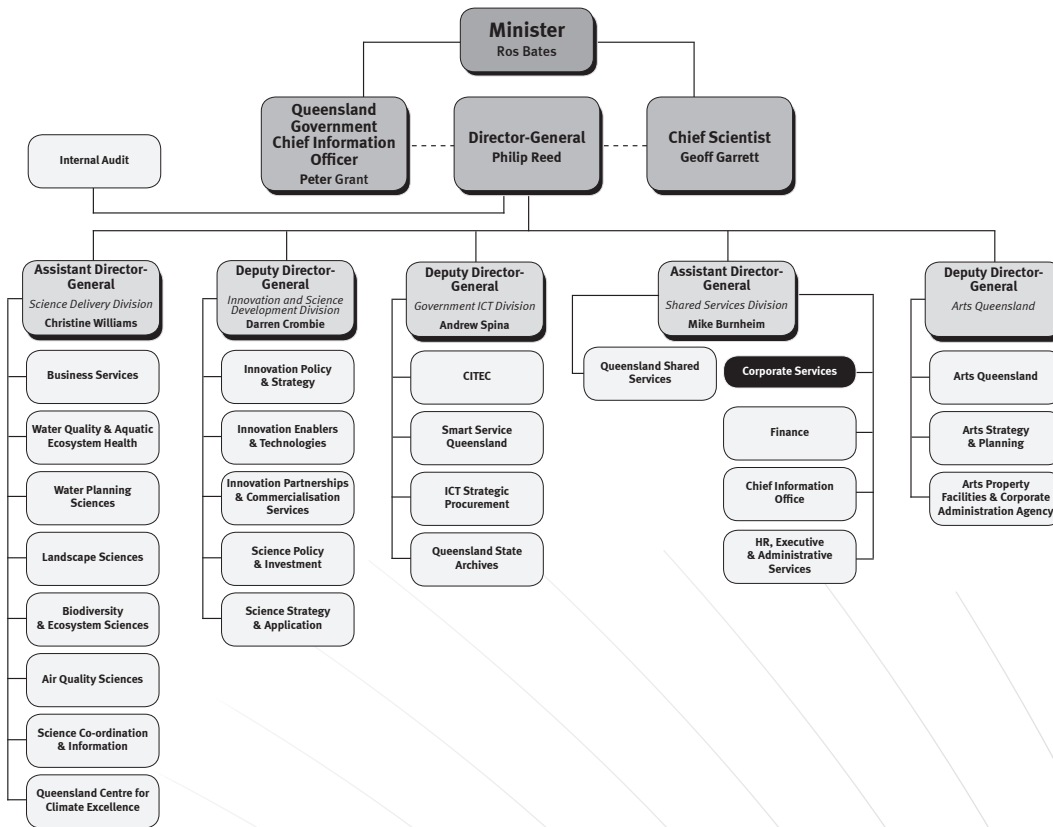
## **Intergovernmental Gene Technology Agreement 2001**

- The commonwealth, states and territories have established the Intergovernmental Gene Technology Agreement 2001. According to this agreement the *Gene Technology Act 2001 (Qld)* and the *Gene Technology Regulation 2002 (Qld)* form the Queensland legislative component of the national gene technology regulatory scheme. The Queensland legislation very closely parallels the *Commonwealth Gene Technology Act 2000* and *Gene Technology Regulation 2001*. The Queensland legislation contains specific details of protocols for entities when dealing with technologies employing genetic modification.



## Organisational structure

Department of Science, Information Technology, Innovation and the Arts organisational structure (as at 30 June 2012)



As of 30 June 2012, the department comprised five operating divisions. The department continues to support Queensland to become globally competitive by providing the following services from each of the divisions:

- *Science Delivery Division*: provides information to support Government policy, regulation and decision making
- *Innovation and Science Development Division*: provides innovation, intellectual property and science policy leadership across Government
- *Queensland Government Information and Communication Technology (QGICT) Division*: provides ICT services to Queensland Government agencies and delivery of Queensland Government information and services to the public via Smart Service Queensland and Queensland State Archives. Within QGICT Services, CITEC, the primary technology

service provider for the Queensland Government, delivers whole-of-government and agency specific ICT services

- *Arts and Culture Services*: builds a strong arts and cultural sector by providing advice and support in setting the Government's strategic policy direction for arts and culture in Queensland, facilitating delivery of the Government's arts and cultural priorities, overseeing the Government's investment in arts and culture to ensure the best use of public funds and managing the State's arts and cultural assets. Within Arts Queensland, the Corporate Administration Agency provides corporate services including HR consultancy, payroll and recruitment, financial management, procurement and information management for the Arts and Culture Services and its statutory bodies

# 1. Our organisation

- Through Queensland Shared Services, DSITIA facilitates finance, procurement, human resource management/payroll, facilities management and mail support services for government departments and statutory authorities.

Within the broader arts portfolio there are:

- five statutory bodies (Queensland Art Gallery/Gallery of Modern Art, Queensland Museum, Queensland Performing Arts Centre, Queensland Theatre Company, and the State Library of Queensland)
- four companies (Aboriginal Centre for Performing Arts, Major Brisbane Festivals, Screen Queensland and Queensland Music Festival).

The Office of the Queensland Chief Scientist and Queensland Government Chief Information Office (QGCIO) report directly to the Minister.

The Queensland Government Chief Information Office provides unbiased, independent quality advice to government ministers, directors-general and agencies on ICT management and investment issues. These include investment assurance, governance processes and cross-jurisdictional relations, long-term information technology strategy, and policy and standards across government.

The Office of the Queensland Chief Scientist fosters an active role by departments in research and development planning. It also undertakes an annual collection and analysis of the state's research and development investment.

## Our locations

The department's head office is located at 100 George Street, Brisbane. Service divisions are located in a number of sites in the Brisbane CBD and greater Brisbane area, and we have a presence in major regional centres across Queensland, including Cairns, Townsville, Rockhampton, Maroochydore, Robina and Toowoomba. These services are complemented by the existing Queensland Government Agency Program (QGAP) which supports multi-agency service delivery in regional and rural areas across the state.

A full list of our locations can be found at the end of this report.

2. Performance overview

<i>Achieving the government objectives for the community</i>	
<b>Objectives</b>	<b>Achievements</b>
<p><b>Grow a four pillar economy</b></p> <p>The government is renewing focus on developing Queensland’s strengths in tourism, agriculture, resources and construction by:</p> <ul style="list-style-type: none"> <li>• cutting red tape and regulation</li> <li>• accelerating project approvals for business</li> <li>• encouraging more business activity and</li> <li>• creating more jobs creation.</li> </ul>	<p>During 2011–12, the department:</p> <ul style="list-style-type: none"> <li>• delivered monthly statements on seasonal rainfall probabilities via the Long Paddock website to assist industry partners plan for and manage seasonal conditions</li> <li>• updated the land use maps for the catchments adjacent to the Great Barrier Reef to improve estimates of the impact of catchment management practices on the Reef</li> <li>• provided hydrological and hydrographical technical assessment and advice for the Department of Environment and Heritage Protection on coal seam gas and mine discharges</li> <li>• analysed more than 7000 catchment water samples for sediments, nutrients and other pollutants for projects supporting the Great Barrier Reef, South East Queensland, and the Murray Darling Basin</li> <li>• analysed 18,800 soil samples and 3600 plan samples for a range of government and industry projects</li> <li>• provided water quality and landscape monitoring and modelling expertise to inform the Queensland Government’s continued commitment to the Reef Plan</li> <li>• provided scientific services to support the Queensland Agricultural Land Audit</li> <li>• promoted Queensland’s competitive capabilities in the life sciences sector at the BIO International Convention in Boston, USA</li> <li>• finalised the state’s contributions to the Queensland Institute of Medical Research facility supporting clinical research programs, trials into vaccine development, cancer research, and new areas of tropical diseases, mental health and biosecurity research</li> <li>• worked with more than 5000 Queensland businesses through a diverse range of services designed to help them become more profitable and successful, pursue new business opportunities, make changes to improve their efficiency and productivity, bring new products to market, or gain greater exposure in the marketplace</li> <li>• registered more than 4.8 million visitors to state-owned arts and cultural facilities, including the Queensland Cultural Centre and the Judith Wright Centre of Contemporary Arts</li> <li>• supported Indigenous arts and cultural events that attracted almost 100,000 people</li> <li>• supported the third Cairns Indigenous Art Fair which generated income and employment opportunities of more than \$580,000 for exhibiting artists, and contributed more than \$1.7 million in the local economy through tourism</li> <li>• supported major performing arts organisations delivering 541 performances in Brisbane and regional Queensland, attracting a combined audience of 223,742 and employing 1400 artists and arts workers.</li> </ul>

## 2. Our performance

<i>Achieving the Government objectives for the Community</i>	
<b>Objectives</b>	<b>Achievements</b>
<p><b>Restore accountability in government</b></p> <ul style="list-style-type: none"> <li>• Make the government more open, accountable and accessible for all Queenslanders</li> <li>• Ensure decisions we make are open and transparent.</li> </ul>	<p>During 2011–12, the department:</p> <ul style="list-style-type: none"> <li>• managed the Queensland Government Enterprise Architecture Framework to guide government investment in ICT</li> <li>• applied a portfolio approach to overseeing \$77 million in government ICT projects and initiatives</li> <li>• promoted accountable government through Queensland State Archives' comprehensive recordkeeping policy framework for around 600 public authorities.</li> </ul>
<p><b>Lower the cost of living</b></p> <ul style="list-style-type: none"> <li>• Decrease cost of living for Queensland families</li> <li>• Revitalise frontline services</li> <li>• Deliver the right level of services efficiently and cost effectively</li> <li>• Improve quality and value for money in key service areas.</li> </ul>	<p>During 2011–12, the department:</p> <ul style="list-style-type: none"> <li>• managed service delivery of more than 260 government services on behalf of Queensland Government agencies to the public delivering more than 19 million customer interactions</li> <li>• delivered more than 977,000 concession services to eligible Queenslanders</li> <li>• provided public access to the Queensland State Archives collection through onsite and online channels to an estimated 450,000 customers</li> <li>• managed the Business as Usual Review to assist the Queensland government to achieve cost reductions in ICT expenditure</li> <li>• provided a continued uninterrupted data centre, network and infrastructure services to all Government agencies, delivering availability of 99.97% across the year</li> <li>• commissioned the Queensland Government consolidated network and associated infrastructure to enable the delivery of whole-of-government ICT services, realising benefits through the retirement of assets and termination of contracts with external carrier services</li> <li>• streamlined government corporate processes including telecommunications billing, fleet management processes, job advertising, job application processing and staff appointments.</li> </ul>
<p><b>Deliver better infrastructure and better planning</b></p> <ul style="list-style-type: none"> <li>• Share the proceeds of the mining boom, improved government efficiencies and economic management to build roads and provide critical local infrastructure</li> <li>• Open up National Parks for Queenslanders to enjoy</li> <li>• Protect the state's best cropping land</li> <li>• Ensure local councils have the power to better plan for the future growth of local communities.</li> </ul>	<p>During 2011–12, the department:</p> <ul style="list-style-type: none"> <li>• supported the Queensland State Government Review of the proposed Murray Darling Basin Plan through provision of technical assessments of the hydrology and proposed policies</li> <li>• undertook hydrologic assessments to support the Burnett Water Resource Plan Review and North Queensland, Mackay Whitsunday and Central Regional Water Supply Strategies, and Galilee Basin water supply investigations</li> <li>• provided water quality science to support the Gladstone Environmental Investigation program, a major whole-of-government effort to understand the fish health issues in Gladstone Harbour</li> <li>• collected storm tide and wave height data from gauges and buoys along Queensland's coastline, as well as vital information during cyclone events to inform disaster management, and informing the planning and engineering of coastal structures.</li> </ul>

### Science Delivery Division

#### Overview

Science Delivery Division provides a scientific evidence-base to underpin legislative responsibilities across several Queensland Government departments. This scientific evidence-base contributes to Queensland Government policy and planning related to legislation, ensuring that government decision-making is founded on sound, practical science. The work of Science Delivery also supports planning and management processes in other Government departments.

The division assists its clients in the delivery of scientific services in the areas of water (freshwater and marine), land and vegetation, climate variability, air quality and biodiversity.

Scientific services include data collection and analysis of scientific information, advice and assessments, and the collection, maintenance and storage of fundamental datasets.

Science Delivery's capabilities also support the Government's Policy Commitment – Science and Innovation for Economic success. For example the Division provides scientific services and support to the Department of Agriculture, Fisheries and Forestry for the Queensland Agricultural Land Audit.

#### Highlights

During 2011–12, the Science Delivery Division:

- developed the science underpinning the first *Great Barrier Reef Report Card (Baseline Report)* with Department of Natural Resources and Mines (DNRM). It was released as a joint initiative between the Queensland and Australian Governments. The report card assesses the environmental health of the Great Barrier Reef
- updated the land use maps for the catchments adjacent to the Great Barrier Reef, to improve the estimated impact of catchment management practices on the Reef
- assessed the health of south east Queensland waterways to inform the 2011 *Healthy Waterways Report Card*
- collected and published air pollutant and weather data for south east Queensland, Gladstone, Mackay, Townsville and Mt Isa, enabling government website users to access air quality assessments relating to human health protection and visual amenity
- completed a further five million hectares of new regional ecosystem survey and mapping, with 94% of Queensland having vegetation maps
- provided water quality science to support the EHP Gladstone Environmental Investigation program to understand the fish health issues in Gladstone Harbour
- delivered monthly statements on seasonal rainfall probabilities via the Long Paddock website to assist industry partners to plan for, and manage seasonal conditions
- collected vital storm tide and wave height data from gauges and buoys along Queensland's coastline. This information is vital during cyclone events to inform disaster management as well as informing the planning and engineering of coastal structures
- performed hydrologic assessments to support the Burnett Water Resource Plan Review and for North Queensland, Mackay Whitsunday and Central Regional Water Supply Strategies and Galilee Basin water supply investigations
- supported the Queensland State Government Review of the proposed Murray Darling Basin Plan through provision of technical assessments of the hydrology and proposed policies
- provided hydrological and hydrographical technical assessment and advice for EHP on coal seam gas and mine discharges.

## 2. Our performance

<b>Performance review</b>			
The service standards in the following table are recorded in the department's Service Delivery Statement 2012–13 and are used by the department and the government to assess the department's overall performance. For 2011–12, these service standards are recorded in the service delivery statement for the former Department of Environment and Resource Management.			
<b>Service Area: Science Delivery Division</b>	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>Service standards</b>			
Average time taken to upload air quality monitoring data to the Department of Environment and Heritage Protection (EHP) website	1	2 hours	59.25 minutes
<b>Other measures</b>			
Annual increase of the number of hectares of vegetation communities and ecosystems mapped to support key policy programs		5,000,000	5,000,000

### Notes:

1. The department's air quality monitoring program informs both internal and external stakeholders with the timeliness of the data being uploaded to the Department of Environment and Heritage Protection (EHP) website being considered critical.

### Our future

In 2012–13, the Science Delivery Division will continue to:

- coordinate reef science for projects undertaken by DSITIA, EHP and DNRM, through monitoring, modelling and evaluation of land management and water quality outcomes in relation to implementation of the Great Barrier Reef Plan
- map, assess and monitor changes in ground cover, cropping patterns, tree clearing, regional ecosystems, species, wetlands, remnant vegetation and land management to inform the Queensland Agricultural Land Audit, national park and fire management and environmental planning and management responsibilities
- assess and map soil suitability for irrigation in the Flinders and Gilbert River catchments and complete hydrologic modelling as part of the Gulf Agricultural Resource Assessment project (between CSIRO and DSITIA)
- monitor water quality and aquatic ecosystem health to inform the Gladstone Harbour investigation (for EHP)
- monitor air quality to investigate emissions from industrial or other sources that could potentially affect the environment or community health
- develop and maintain online information systems, databases and websites that inform government, industry and the community
- conduct hydrologic assessments for a range of Queensland catchments including the Logan and Condamine/Balonne Resource Operations Plans amendments and the draft Burnett Water Resource Plan Review (for DNRM, DEWS)
- review surface and groundwater networks to inform new and emerging demands such as coal seam gas requirements
- undertake the Ecological Health Monitoring Program (EHMP) and analysis in South East Queensland to inform the EHMP Report Card released by Healthy Waterways Limited
- provide hydrological and hydraulic technical advice to support the recommendations from the Flood Commission of Inquiry.



# Innovation and Science Development Division

## Overview

Innovation and Science Development aims to increase productivity by enabling businesses and government to operate competitively in a global environment by encouraging and supporting innovation.

The division also provides strategic oversight and evaluation of government investment in science.

## Highlights

During 2011–12, the Innovation and Science Development Division:

- officially opened the Australian Tropical Science and Innovation Precinct (ATSIP), located at James Cook University's Townsville campus
- made the final payment to the new Queensland Institute of Medical Research facility at Herston that will house up to 400 scientists and students specialising in clinical research programs, trials into vaccine development, cancer research, and new areas of tropical diseases, mental health, and biosecurity research
- supported cutting-edge science in Queensland by investing in 37 projects collaborating with national and international partners, and 77 fellowships and scholarships to retain and attract high quality researchers to Queensland to undertake innovative science research
- announced the 29 successful 2011–12 Queensland International Fellowships and launched the Queensland International Fellowships Alumni Program
- partnered with the Australian Industry Group and offered small to medium-sized Queensland businesses an opportunity to turn their big ideas into reality through round two of *What's your big idea Queensland?*
- hosted seven successful TechClinics alongside the Australian Institute for Commercialisation (a division of QMI Solutions) — connecting researchers and other providers with business and industry, to identify commercially viable solutions to industry problems
- provided 24 businesses with individual innovation coaching services through the Queensland Wide Innovation Network (QWIN), assisting them to implement new innovations and bring new products and services to market
- delivered 174 hours of free consultation to inventors through the Queensland Inventor Service, helping them overcome the challenges of bringing new inventions to market
- attracted 428 attendees to eight QWIN forums where information was provided about departmental and other QWIN partner programs. Other presentations included the use of social media for marketing, innovating to compete in a digital economy, how to create a culture of innovation in business and private sector case studies on the importance of innovation
- delivered intellectual property training workshops for 119 small to medium enterprises across Queensland to assist them to identify and optimise intellectual property
- developed the iChoose Digital Economy Business Portal in partnership with the Australian Information Industry Association to encourage the adoption of digital technologies and enhance productivity and competitiveness across Queensland industry
- undertook more than 650 assessments including commercial and economic evaluations as part of the provision of best practice grant management services for a range of government funding programs aimed at promoting economic and regional development, business innovation and increased productivity.

## 2. Our performance

<b>Performance review</b>			
The service standards in the following table are recorded in the department's Service Delivery Statement 2012–13 and are used by the department and the government to assess the department's overall performance. For 2011–12, these service standards are recorded in the service delivery statement for the former Department of Employment, Economic Development and Innovation (DEEDI).			
<b>Service Area: Innovation &amp; Science Development Division</b>	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>Service standards</b>			
Proportion of stakeholders who have a high level of satisfaction with consultative and engagement processes	1,2	75%	92%

Notes:

1. This performance measure was previously presented under both the Employment and Economic Development service area and Science, Agriculture, Food and Regional Services service area of the former Department of Employment, Economic Development and Innovation (DEEDI). The 2011–12 Target/estimate presented represents the proportion attributable to Innovation and Science Development business areas only.
2. A small number of events with a high number of stakeholder participants who rated a very high satisfaction level contributed to an increased 2011–12 actual.

<b>Discontinued measures</b>			
<b>Service Area: Innovation &amp; Science Development Division (See note 1)</b>	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>Service standards</b>			
Proportion of assisted firms reporting improved performance following DEEDI funded innovation and capacity development activities	2	55%	28%
Estimated value of additional capital attracted to Queensland as a result of DEEDI investment and business development	3	\$5 million	\$48.8 million
Value of new exports generated by businesses assisted by DEEDI	4	\$115 million	\$131.4 million
Estimated value of efficiency savings or new business generated by businesses assisted by DEEDI	5,6	\$56 million	\$480 million
Value of private and public sector investment in 'soft' research and development (R&D) infrastructure derived from DEEDI activities (Human capital, skills, software etc.)	7	\$201 million	\$175 million
Funding leveraged from other sources supporting Queensland Government funding of 'soft' R & D infrastructure	8	\$116 million	\$122 million
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	9	265	278
Number of targeted and qualified leads for Queensland businesses generated through DEEDI overseas trade missions and other trade and export development activities	10	50	50

## 2. Our performance

<b>Discontinued measures</b>			
<b>Service Area: Innovation &amp; Science Development Division</b> (See note 1)	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>Service standards</b>			
Percentage of innovating Queensland businesses	11	39-41%	46%
Achievement of major project milestones on strategic projects	12	12	14
Pieces of legislation and regulatory frameworks reviewed and reformed	13	1	2
Number of businesses assisted to export or expand market share	14	600	705
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of innovation and capacity development activities	15	70%	90%
Consultative and engagement forums held with industry and community stakeholders	15	47	64
The number of business participants in structured development activities	15	4,220	5,481
Significant one-on-one business consultations undertaken	15	1,768	1,592
Number of businesses involved in alliances, partnerships, industry networks, supply chains, clusters etc facilitated by Innovation and Science Development	15	325	452
Information transactions and packages provided to business	16	39,000	24,100

### Notes:

- All measures discontinued under the Innovation and Science Development service area were presented in 2011–12 under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area in the former Department of Employment, Economic Development and Innovation (DEEDI).
- This measure was previously presented under the Employment and Economic Development service area of the former DEEDI and is shared with the Department of State Development, Infrastructure and Planning. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. The proportion of this measure that relates to DSITIA is no longer relevant.
- This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
- This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. The agency is now unable to extract statistics previously garnered through agreed contracting and reporting.
- This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
- The increase in the 2011–12 Estimated actual was primarily contributed to the large number of applications approved for the reporting period that had a stronger than anticipated focus on domestic sales.
- This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.

## 2. Our performance

8. This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. Accordingly this measure is no longer relevant.
9. This measure was previously presented under the Employment and Economic Development service area of the former DEEDI and is shared with the Department of State Development, Infrastructure and Planning, the Department of Tourism, Small Business, Major Events and the Commonwealth Games, and Queensland Treasury and Trade. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
10. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. Accordingly this measure that relates to DSITIA is no longer relevant.
11. This performance measure is discontinued due to a change in government policy.
12. This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012–13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
13. This measure was previously presented under the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to machinery-of-Government changes effective 1 May 2012. Reporting on this measure was appropriate within the former DEEDI as regulatory streamlining was a core function of the department. Due to the machinery-of-Government change the proportion of this measure that relates to DSITIA is no longer relevant.
14. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in the 2012–13 financial year. Accordingly this measure is no longer relevant.
15. This performance measure is discontinued due to a change in Government policy.
16. The 2011–12 Actual decreased as the collection of data was not reported for the last quarter in 2011–12 due to machinery of government changes. This measure was previously presented under the Employment and Economic Development service area of the former DEEDI. This performance measure is discontinued due to this agency being unable to extract statistics garnered through the Business and Industry Franchise website and call centres which are now managed by other departments.

### Our future

In 2012–13, the Innovation and Science Development Division will continue to:

- rebuild the state's practical and applied scientific and technology capability, including partnerships with Queensland universities, to provide practical research that boosts the four pillars of the economy – tourism, agriculture, resources and construction
- ensure that sound, practical and independent scientific advice is directed toward meeting the future policy challenges of Queensland's industries and that it contributes to decision making about environmental, economic, industry and social issues
- develop a Science and Innovation Action Plan to assist Queensland business to drive productivity, increase employment opportunities in knowledge intensive industries and build upon the four pillars of the economy
- use science, technology and innovation to realise the full potential of the state's extraordinary natural and human resources
- consult with key stakeholders including James Cook University and government agencies to formalise arrangements for the development of the Australian Institute for Tropical Health and Medicine in North Queensland
- explore and implement options to improve the competitiveness of Queensland's clinical trials package
- develop and implement a science portal to allow international investors and collaborators to better access information on current Queensland science projects
- finalise Queensland Government agreements for continued access for Queensland scientists to the Australian Synchrotron over the next four years (2012–16)
- increase levels of collaboration and commercialisation by coordinating business capacity-building initiatives
- work collaboratively with industry groups, chambers of commerce, local governments, educators and regional economic development agencies to promote widespread adoption of new digital opportunities such as the iChoose Digital Economy Business Portal

- continue the monthly Partners in Technology briefings, facilitated by the department, connecting the ICT industry with the upcoming procurement opportunities of public and private sector organisations
- deliver a Queensland Government Innovator in Residence program to encourage innovation within government services and programs, and to provide an opportunity for Queensland's business and research communities to interact with a world-class expert in innovation
- report results of the Queensland Business Innovation Survey to measure the innovation activities and patterns of Queensland businesses and compare results on an annual basis
- launch an online self-guided intellectual property diagnostic tool and supporting resources to enable Queensland businesses to assess and manage their intellectual property assets
- continue to effectively administer innovation funding agreements under contract.
- Through these services, and in close cooperation with the Queensland Government Chief Information Officer, the Government ICT Division supports the department to meet the intent of the government's commitments by ensuring a consistent approach to IT systems and applications across government, enabling effective and efficient delivery of frontline services.
- The division is also responsible for the core operations for the Queensland Government. It keeps all the government's technology services running securely 24/7/365, connects Queenslanders to key Queensland Government services 24/7/365, and manages Queensland's largest documentary heritage collection.

### Whole-of-government plans and initiatives

During 2011–12, the Government ICT Division was responsible for the following whole-of-government programs:

- The centralised email, identity management and authentication service for the Queensland Government was cancelled in June 2012, and will contribute to CITEC's return to a financially viable position.
- The ICT Consolidation (ICTC) program of work aims to realise benefits through the retirement of assets and termination of external contracts with the commissioning of the Queensland Government Consolidated Network (QGCN) and associated infrastructure in late 2011.
- The imperative for CITEC will be to leverage this investment to deliver cost reductions and support frontline services.

## Queensland Government Information and Communication Technology (ICT) Division

### Overview

The Queensland Government ICT Division is a critical government service provider consisting of four business areas — CITEC; Smart Service Queensland; Queensland State Archives; and ICT Strategic Procurement.

- The group maintains a centre of excellence for ICT skills and technologies and provides quality ICT services to assist the Government to operate effectively and efficiently. Services include solutions architecture and infrastructure engineering, archiving and information management, ICT procurement, multi-channel service delivery, disaster recovery capability and service management security.

## 2. Our performance

<b>Performance review</b>			
The service standards in the following table are recorded in the department's Service Delivery Statement 2012–13 and are used by the department and the government to assess the department's overall performance. For 2011–12, these service standards are recorded in the service delivery statement for the former Department of Public Works.			
<b>Service Area: Queensland Government Information and Communication Technology Division</b>	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>Service standards</b>			
<b>Governance</b>			
Client satisfaction			
Queensland State Archives	1	...	92%
Smart Service Queensland		...	68%
ICT Strategic Procurement	2	...	...
<b>Accessibility</b>			
Customer satisfaction with the services delivered by Smart Service Queensland	3	≥ 80%	87%
Customer satisfaction with historical record services	4,5,6	...	93%
<b>Capability</b>			
Agency alignment to whole-of-government ICT policies, positions and targets		≥ 85%	86%
<b>Other measures</b>			
<b>Accessibility</b>			
Volume of interactions with Smart Service Queensland service delivery channels:			
telephone		≥ 3,500,000	3,535,348
online	7	≥ 9,500,000	14,400,000
face-to-face	8	≥ 350,000	430,000
processing (including cards and concessions)	9	≥ 1,015,000	1,160,000
<b>Number of public customers accessing government records</b>			
online	10,11	≥ 460,000	450,000
walk-in		≥ 6,300	6,742



## 2. Our performance

<b>Performance review</b>			
The service standards in the following table are recorded in the department's Service Delivery Statement 2012–13 and are used by the department and the government to assess the department's overall performance. For 2011–12, these service standards are recorded in the service delivery statement for the former Department of Public Works.			
<b>Service Area: Queensland Government Information and Communication Technology Division</b>	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>CITEC*</b>			
<b>Service standards</b>			
Client satisfaction	12	...	61%
<b>Financial measures</b>			
Current ratio	13,14	1.39:1	1.26:1
Earnings before interest and tax (EBIT) (\$'000)	15,16	(22,307)	(41,987)
Return on net assets	17,18	(23.1%)	(73.3%)
Gearing level	19,20	78.7%	24.7%
<b>Other measures</b>			
Service availability	21	≥99.8%	99.97%
Whole-of-government programs percentage complete	22	≥50%	90%
Number of Information Technology graduates, trainees and cooperative students employed each year		≥12	14

\* CITEC has separate service standards as it is a commercialised business unit.

Notes:

1. The measure "Client Satisfaction" was introduced in the 2011–12 Budget as a new measure. The measure is broken down to report the performance achieved by the three business areas under the service area.
2. ICT Strategic Procurement is a recently established business area and as a result a client satisfaction survey was not completed in 2011–12 for this business area. Data will be reported for this business area from 2012–13.
3. 2012–13 Target/estimate remains at 80% as this is a five-year target.
4. The baseline for this new measure was not established by the former Department of Public Works.
5. This is the result from Queensland State Archive's biennial customer satisfaction survey conducted in September 2011.
6. This figure will not change until a new survey is conducted in the following reporting year.
7. The 2011–12 estimated actual result has exceeded the 2011–12 target/estimate due to the November 2011 redevelopment of www.qld.gov.au website, one of the outcomes of which was to incorporate the Queensland Government job search web tools within the www.qld.gov.au website. Therefore, the use of these job search tools is now included in Smart Service Queensland's online interactions total, resulting in the increase.
8. The 2011–12 target/estimate was calculated prior to the go-lives of the Cairns and Maroochydore Queensland Government Service Centres in March 2011 and July 2011 respectively. Therefore the projected target could not accurately allow for the transaction volume that would be processed at these sites. As a result of these additional transactions, the 2011–12 estimated actual result therefore exceeds the 2011–12 target/estimate. A slightly reduced target has been set for 2012–13 due to the impact of the loss of the Business Names service on anticipated counter transaction volumes. Business Names processing transitioned at the end of 2011–12 to Commonwealth processing.
9. The 2012–13 target/estimate remains unchanged as high-volume processing services such as Register of Encumbered Vehicles (REVS) are now handled by the Commonwealth, and Business Names processing similarly transitioned at the end of 2011–12, thereby reducing processing volumes. Card and Concessions totals are anticipated to remain stable.
10. A redesigned website was launched in March 2012 with a new statistical data collection tool which only collected partial statistics. New processes for harvesting statistical data are under investigation. The 2011–12 actual is based on an extrapolation of data from the July 2011 to February 2012. From July 2011 to February 2012 there were almost 300,000 visitors to the Queensland State Archives' website.

## 2. Our performance

11. A redesigned website was launched in March 2012 with a new statistical data collection tool which only collected partial statistics. New processes for harvesting statistical data are under investigation. The 2012–13 Target is based on data collected between April and June 2012 and additional sources.
12. This is a new measure and is included as a primary measure of effectiveness. A baseline client satisfaction measure was established in 2011–12. The survey includes elements of timeliness, ease of access, staff knowledge and outcome/quality of service to determine client satisfaction.
13. The decrease in the 2011–12 estimated actual from the 2011–12 target/estimate for current ratio is a result of an improvement in trade collections compared to original budget.
14. The 2012–13 target/estimate from the 2011–12 estimated actual for current ratio has remained stable due to consistent cash assets as a result of business operations continuing in current form and returning to a financially viable position in 2012–13.
15. The increase in the loss in the 2011–12 estimated actual from the 2011–12 target/estimate for Earnings Before Interest and Tax (EBIT) is due to the novation of the debt associated with the IDES Loan Facility, as well as severance and incentive payments made under the Voluntary Separation Program (VSP) and an impairment loss as a result of the discontinuation of IDES from 30 June 2012. Both these activities will contribute to a return to a financially viable position in 2012–13.
16. The increase in the 2012–13 target/estimate from the 2011–12 Estimated actual for Earnings Before Interest and Tax (EBIT) represents CITEC returning to a financially viable position from 2012–13.
17. The decrease in the 2011–12 estimated actual from the 2011–12 target/estimate for return on net assets is due to the novation of the debt associated with the IDES Loan Facility, as well as severance and incentive payments made under the Voluntary Separation Program (VSP) and an impairment loss as a result of the discontinuation of IDES from 30 June 2012. Both these activities will contribute to a return to a financially viable position in 2012–13.
18. The increase in the 2012–13 target/estimate from the 2011–12 Estimated actual for return on net assets is due to CITEC returning to a financially viable position.
19. The decrease in the 2011–12 estimated actual gearing level is due to the reduction in borrowings associated with IDES as a result of the novation of the debt associated with the IDES Loan Facility of \$45.3 million in March 2012.
20. The decrease in the 2012–13 target/estimate gearing level is due to reduced borrowing requirements in respect of CITEC's internal ICT capital program and the effect of the novation of the IDES loan.
21. This measure of service availability reflects the percentage of availability of services to clients within agreed service levels.
22. This measure of whole-of-government programs percentage completed reflects the progress of significant whole-of-Government infrastructure programs.

### CITEC

CITEC's core business is to deliver consolidated ICT infrastructure services for the Queensland Government, covering data centre, network and infrastructure services and solution integration services. CITEC also delivers information brokerage services through CITEC Confirm.

### Highlights

During 2011–12, CITEC:

- provided a continued uninterrupted data centre, network and infrastructure services to all agencies and undertook emergent information and communication requirements, delivering availability of 99.97% across the year
- commissioned the QGCN and associated infrastructure to enable the delivery of whole-of-government ICT services, realising benefits through the retirement of assets and termination of contracts with external carrier services
- realised growth of 2.5% through CITEC Confirm, while delivering 3.1 million transactions with zero client complaints
- successfully provided extensive ICT services and support to the Electoral Commission Queensland (ECQ) for the running of the 2012 State and Local Government elections
- won the mainframe component of a Queensland Rail competitive tender for managed services
- re-signed a facilities management agreement with the Department of Education, Training and Employment (DETE) for management and support of the data communication network that delivers a range of services to Queensland schools
- extended contracts with QANTAS and Department of Foreign Affairs and Trade (DFAT) until mid-2014
- ranked as a leading managed service provider globally in the platforms

of Microsoft, UNIX and Linux by the independent benchmarking organisation, Corporate Executive Board, and among the leading data storage service providers

- led the technology aspects of a whole-of-Government ICT consolidation program, encompassing data centres, networks and computing and data storage infrastructure, through the Queensland Government Chief Technology Office (QGCTO)
- delivered the Queensland Government Data Centre Strategy and the development of a Unified Communications Strategy through the QGCTO.

### Our future

In 2012–13, CITEC will continue to:

- leverage government investment in core ICT infrastructure services and capability, in parallel with initiatives to reduce waste and duplication across government, through exploitation of the whole-of-government infrastructure services platform
- deliver services in line with the endorsed CITEC business model
- transition agency ICT infrastructure, including networks, data storage and protection, into a whole-of-government service delivery offering
- consolidate utility agreements and standing offer agreements with vendors under the Consolidated Contract Management project
- increase the utilisation of the Polaris Data Centre
- progress the Queensland Government's use of the CITEC Access Gateway to connect agency systems to the national systems
- deliver information brokerage services through CITEC Confirm.

### Smart Service Queensland

Smart Service Queensland's (Smart Service) core business is to be the 'one-stop-shop' for Queenslanders to access government agencies and services 24/7/365 via phone, in person or online.

Smart Service delivers over 260 services on behalf of all agencies through three fully redundant call centre sites, whole-of-government websites including [www.qld.gov.au](http://www.qld.gov.au), 79 Queensland Government Agent Programs and three Queensland Government Service Centres.

### Highlights

During 2011–12, Smart Service:

- managed over 19 million customer interactions across multiple service delivery channels including:
  - over 3 million telephone calls
  - more than 14 million online customer interactions; and
  - more than 400,000 transactions across the counter
- launched the second tranche of web franchises on [www.qld.gov.au](http://www.qld.gov.au), providing Queenslanders with streamlined, customer-centric online access to government services and information. Web franchises enable the Queensland public and businesses to access several state government sources of information on a topic (for example Youth) from a single site. Web franchises improve the customer experience, as more people are able to find content and complete their journey online. In the previous year, the first franchises - People with a Disability and Business and Industry - were successfully implemented with 5 additional franchises launched in 2011–12 which include: Queensland and its government; Emergency services and safety; Seniors; Community support and Youth
- consolidated all Queensland Government phone listings in the Brisbane edition of the White Pages down to three pages, reducing Sensis White Pages advertising expenditure by approximately \$500,000

## 2. Our performance

- delivered over 260 government services on behalf of Queensland Government agencies to the public
- administered and managed the delivery of the Seniors, Carer and Companion Card programs including the delivery of over 44,000 new cards
- administered and managed the delivery of over 977,000 concession services to eligible Queenslanders
- commenced operation of the Maroochydore Queensland Government Service Centre
- continued supporting the phone delivery of key government initiatives including:
  - 13HEALTH
  - 13QUIT
  - Homeless Persons Information Queensland.
- launch additional web franchises and online services covering a range of government service areas including:
  - employment and jobs
  - homes and housing
  - education and training
  - transport and motoring
  - your rights, crime and the law
  - environment, land and water
  - parents and families
  - recreation, sport and arts
  - aboriginal and Torres Strait Islander peoples
  - health and wellbeing
- continue reducing Queensland Government listings in White Pages directories across all regions and in the process aiming to reduce overall advertising expenditure in the Sensis White Pages by approximately \$2 million.

### Our future

In 2012–13, Smart Service will continue to:

- finalise the plan to deliver a Queensland Government one-stop-shop across the phone, over-the-counter and online channels. This will progress the government's election commitment to establish a one-stop-shop for the Queensland Government, providing easy to access, customer focussed services and helping to revitalise frontline service delivery for Queenslanders
- future develop the service delivery channels (online, phone and counter) and transition more government services to the 'one-stop-shop' approach
- work with all agencies to encourage customers to shift to more accessible and cheaper channels such as process automation and online

### Queensland State Archives

Queensland State Archives is established under section 21 of the *Public Records Act 2002* as the state's archives and records management authority and is the custodian of the state's largest and most significant documentary heritage collection.

Queensland State Archives manages, preserves and facilitates public access to the permanent public records of Queensland. As the lead agency for government recordkeeping, Queensland State Archives is also responsible for the development and implementation of a whole-of-government recordkeeping policy framework for approximately 600 public authorities.

### Highlights

During 2011–12, Queensland State Archives:

- delivered quality frontline services to the public by providing direct access to the Queensland State Archives collection, with an estimated 450,000 visitors to the Queensland State Archives website and over 6700 visitors to the State's archival facility at Runcorn for 2011–2012
- answered over 20,000 public reference and agency enquiries on issues relating to the collection and government recordkeeping matters

- engaged in community outreach initiatives such as NAIDOC Week, Harmony Day, Queensland Week and the Queen's Diamond Jubilee celebrations
- processed transfers of 1.5 linear kilometres of permanent public records into the collection and added over 826,269 item descriptions to the Archives One catalogue
- published recordkeeping advice to assist public authorities to meet their obligations under the *Public Records Act 2002*; including the *Guideline for Managing Digital Photographic Images*, which won the prestigious Mander Jones Award presented by the Australian Society of Archivists
- delivered a machinery-of-government toolkit to provide recordkeeping advice to public authorities during times of administrative change
- published practical tools and advice to improve government record keeping, including retention and disposal coverage for public authorities
- had its *General Retention and Disposal Schedule for Administrative Records* voted as the ideal model for national bodies by the Council of Australasian Archives and Records Authorities (CAARA)
- continued planning for the development of future digital archiving capabilities to improve the long term management and preservation of the government's information assets in digital formats.

### Our future

In 2012–13, Queensland State Archives will continue to:

- move towards an online service delivery model, to increase efficiency and improve access to the archival collection for all Queenslanders
- promote best practice recordkeeping policies and practices across government by enhancing the Recordkeeping Policy Framework, conducting a major review of the *General Retention and Disposal Schedule for Administrative Records*

used by around 600 public authorities, and continuing to provide advice on contemporary recordkeeping matters

- seek to lead a coordinated whole-of-government approach to digital archiving to ensure a consistent approach to the long-term management and preservation of the government's information assets in digital formats.

### ICT Strategic Procurement

The ICT Strategic Procurement unit was established to become the Queensland Government Centre of Excellence in ICT procurement matters. The group is responsible for the preparation and management of contracts, and other arrangements that support the implementation of ICT strategies.

### Our future

In 2012–13, ICT Strategic Procurement will continue to:

- facilitate and provide more agile and timely ICT procurement for government and industry
- reduce wastage and duplication of inefficiency in procurement
- reform industry engagement through:
  - early engagement
  - streamline and reduce red tape
  - partnering rather than purchasing
- leverage whole-of-government buying power and deliver more value from ICT spend
- administer government ICT arrangements and volume discounts. This includes monitoring the performance of contracts.



## 2. Our performance

### Arts Queensland

#### Overview

Arts Queensland's objective is to strengthen cultural and economic outcomes for Queensland through an innovate and creative arts and cultural sector. Arts Queensland will enable access to arts and culture, grow the arts and cultural sector and build Queensland's cultural reputation to maximise cultural tourism.

Arts Queensland is implementing the Government's 'Arts for all Queenslanders' policy by supporting local companies to present world class performances with internationally renowned artists through the Arts SuperStar Fund, increasing opportunities for regional Queenslanders to enjoy quality arts experiences by boosting Queensland touring and reviewing the long-term needs for performing arts venues in Brisbane.

Arts Queensland is also supporting the Government's Tourism Strategy through engagement in the Tourism Interdepartmental Committee, leading the development of a Cultural Precinct Strategy and investing in innovative and exciting arts and cultural events and programs to maximise cultural tourism opportunities. Arts Queensland supports the delivery of effective corporate services to the arts statutory bodies, companies and other government departments.

The Corporate Administration Agency provides corporate services including HR consultancy, payroll and recruitment, financial management, procurement and information management for the Arts and Culture Services and its statutory bodies.

#### Highlights

During 2011–12, Arts Queensland:

- supported the growth of a strong and diverse arts and cultural sector through funding of individual artists, arts workers and arts and cultural organisations, celebrating 20 years of supporting regional arts and culture through the Regional Arts Development Fund and facilitating strong sector partnerships throughout Queensland
- administered the Queensland Touring Fund, including delivering 190 performances in 2011 to 27,002 audience members in 74 unique communities in regional Queensland
- invested in Queensland's signature festival events, including the Brisbane Festival, Queensland Music Festival and Dreaming Precinct as part of the Woodford Folk Festival
- encouraged diverse participation in the arts through implementing state and national arts strategies including the National Arts and Disability Strategy and the Queensland Government Multicultural Policy
- invested \$10.6 million to support Opera Queensland, Queensland Ballet, Queensland Symphony Orchestra and Queensland Theatre Company. In 2011, the major performing arts organisations delivered 541 performances to Brisbane and regional Queensland, attracting a combined audience of 223,742, generating \$7.4 million in ticket sales and employing 1400 artists and arts workers
- invested over \$1.3 million to support the Queensland Visual Arts and Craft Strategy across five priority areas – Indigenous Visual Arts Development, Infrastructure Development, Individual Artist Development, Design and National Priorities
- invested in emerging artists and organisations through fellowships, professional development and supporting access to national and international markets through key showcases



- completed a major renovation and upgrade of the facilities and exhibitions at the Queensland Museum and Sciencentre at South Bank with the first touring exhibition after the refurbishment, the Mummy: Secrets of the Tomb exhibition, selling the highest number of tickets for any touring show in the history of the Museum
- completed flood recovery works at the Cultural Centre
- enlivened public spaces and places and created employment through investment in public art projects across Queensland
- organised the Cairns Indigenous Art Fair in August 2011, which attracted 13,000 people, generated \$580,000 in sales and injected \$1.78 million into the Cairns economy
- promoted the unique art of Queensland artists globally, through the Queensland Indigenous Arts Marketing and Export Agency's Arts Partnerships Program.

### Whole-of-government plans and initiatives

#### Multicultural Action Plan

The Queensland Multicultural Action Plan aims to develop and support a culturally diverse Queensland. Arts Queensland is a lead agency for:

- supporting artists from culturally and linguistically diverse backgrounds through grant programs for professional development and creative project development
- providing funding support to arts and cultural organisations that deliver programs and services for people from culturally and linguistically diverse backgrounds
- developing tools and resources to support the arts and cultural sector to become more responsive to cultural and linguistic diversity.

In 2011–12, Arts Queensland provided total funding of \$615,444 to support artists from culturally and linguistically diverse backgrounds, projects targeting people from culturally and linguistically diverse backgrounds and organisations delivering programs and services to culturally and linguistically diverse communities.

In addition, Arts Queensland contributed \$147,192 towards projects that expose Queensland artists to diverse cultural influences through cultural exchange and collaborations.

#### Positively Ageless Senior Strategy

Arts Queensland has continued to support the *Positively Ageless - Queensland Seniors Strategy 2010–20* by encouraging active involvement of seniors in the arts and cultural life of Queensland as artists, participants and audiences, through grants programs and other initiatives. In 2011–12, Arts Queensland provided total funding of \$140,456 to artists who identified as seniors (aged 55 years or over) for professional development and creative projects.

#### Tourism

In recognition of cultural tourism as a niche market to support government's ambition to increase visitor expenditure to \$30 billion by 2020, Arts Queensland is represented on the Tourism Interdepartmental Committee and provided input into the draft 2012–2015 Tourism Action Plan.

## 2. Our performance

### Performance review

The service standards in the following table are recorded in the department's Service Delivery Statement 2012–13 and are used by the department and the Government to assess the department's overall performance. For 2011–12, these service standards are recorded in the service delivery statement for the former Department of Premier and Cabinet.

Service Area: Arts and Culture Services	Notes	2011–12 Target/est.	2011–12 Actual
<b>Service standards</b>			
Level of client satisfaction with Arts Queensland's funding programs and services		85%	84%
<b>Other measures</b>			
Level of attendance and participation in subsidised arts sector events.	1	4,100,000	4,309,490
Percentage of grant funding informed by industry peer assessment		95%	97%
Percentage of grant approvals processed within required timeframes		95%	99%
Percentage of grant acquittals processed within required timeframes		90%	90%
Percentage of funding provided to people from target groups		40%	43%
Proportion of funding allocated to artists, arts workers and non-government arts and cultural organisations	2	78%	72%
Utilisation of state-owned arts and cultural facilities	3	4,085,000	4,823,504

#### Notes:

1. Target exceeded as the biennial Queensland Music Festival attendances are reported in 2011–12.
2. 2011–12 Estimated actual is lower due to deferral of some grant programs to 2012–13.
3. The 2011–12 Target Estimate was exceeded due to higher than expected attendances at popular programs delivered by the Queensland Art Gallery, Queensland Museum and State Library of Queensland.

### Our future

In 2012–13, Arts Queensland will:

- invest \$3 million over four years to boost performing arts touring across Queensland
- invest \$3 million over four years in the Superstar Fund to generate new Queensland arts and cultural work
- conduct a study to analyse the long-term needs for performing arts venues in Brisbane
- develop a strategy to grow the arts sector by encouraging commercial approaches and fostering a community for the Arts
- establish an Arts Investment Advisory Board to improve access to grants, simplifying categories and streamlining application processes
- work with the arts statutory bodies to develop a cultural precinct strategy.

### Shared Services

#### Overview

Queensland Shared Services (QSS) was established as a rest-of-government shared service provider on 1 July 2011 and facilitates a range of corporate services.

These services include finance, procurement, human resource (HR) management, facilities management and mail support services to the majority of Queensland Government agencies [excluding Queensland Health (QH) and the Department of Education, Training and Employment (DETE)], and five statutory authorities.

QSS also supports the DETE finance system solution, DETE training HR system solution, QH finance system solution and the QH HR rostering and payroll technology solution. Around 160,000 public servants are paid each fortnight by QSS.

QSS' key objectives are as follows:

- QSS will operate a business model that provides value for money services to its clients that are quantifiable and measurable
- QSS will consolidate, standardise and improve its business processes and systems to meet the whole-of-government shared services objectives.

#### Highlights

During 2011–12, Queensland Shared Services:

- implemented the Paid Parental Leave Scheme which required changes to all payroll systems across the sector
- implemented the Commonwealth Bank of Australia's new format for payment files, requiring changes to all payroll and finance systems
- implemented the Department of Housing and Public Works SAP ECC5 Finance system
- completed the rationalisation of the Department of Transport and Main Roads HR and finance systems into a single HR and finance solution
- reviewed all master data records for the 17 rest-of-government cluster of departments and DETE, which included 426,516 vendor records and 245,056 customer records in the SAP systems' master data
- processed approximately 800,000 expenditure documents and tracked all input documents from clients. By agreement with agencies, all incorrectly completed or authorised documents are returned to the agency for correction and resubmission. The QSS internal control framework identified 98,372 incorrect expenditure documents and service requests submitted for processing which required remedial action
- averaged 99.7 per cent or higher for the last three quarters in the output quality of all service areas of QSS
- developed a QSS operating model, with a comprehensive client engagement framework
- developed a new monthly client report to report on service level agreement performance metrics. Performance metrics aligned to a balanced scorecard were also refined as part of the quarterly business review
- consolidated approximately 75,000 telecommunication services to one inventory management system and one bill payment process for 11 client agencies
- transitioned the management of fleet and fuel to client agencies for a self managed process and migrated fleet and fuel services from the Accounts Management Information System
- concluded the Optimising Recruitment Administration project, with all client agencies able to access standard online services for job advertising, job application processing and staff appointments.

## 2. Our performance

<b>Performance review</b>			
The service standards in the following table are recorded in the department's Service Delivery Statement 2012–13 and are used by the department and the Government to assess the department's overall performance. For 2011–12, these service standards are recorded in the service delivery statement for the former Department of Public Works.			
<b>Service Area: Queensland Shared Services</b>	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>Service standards</b>			
Client satisfaction	1	...	63.5%
Labour as a percentage of total costs	2	New Measure	55%
Overheads as a percentage of total costs	3	New Measure	8%
Successful completion of priority projects as a percentage:			
- on time		100%	100%
- on budget		100%	100%
<b>Other measures</b>			
Delivery of services within agreed standards		≥95%	99.19%
Percentage of priority one incidences resolved within agreed timeframes		≥90%	90.91%
Percentage of system availability of Finance and Human Resource System		≥98%	99.95%

### Notes:

1. A client satisfaction survey was conducted in March 2012 and the results established a baseline for overall client satisfaction. Surveys will be performed on an annual basis. A target of 65% has been set for 2012–13.
2. This measure replaces the measure Net cost reduction achieved (financial, HR and mail services) as the previous measure was not measurable because of changes to the service delivery model in July 2011 (merging of the former CorpTech and Shared Service Agency to form QSS).
3. This measure replaces the measure Net cost reduction achieved (financial, HR and mail services) as this previous measure is no longer measurable given the service model change in June 2011 following the formation of QSS from the merger of CorpTech and Shared Service Agency.

<b>Discontinued measures</b>			
<b>Service Area: Queensland Shared Services</b>	<b>Notes</b>	<b>2011–12 Target/est.</b>	<b>2011–12 Actual</b>
<b>Service standards</b>			
Net cost reduction achieved (financial, HR and mail services)	1	≥3.5%	

### Notes:

1. Net cost reduction achieved (financial, HR and mail services) is a quantitative measure comparing the overall costs from the previous financial year excluding those associated with CorpTech. This service standard and the methodology supporting it is not measurable and will be replaced by two new measures being labour as a percentage of total costs and overheads as a percentage of total costs.

### Our Future

In 2012–13, Queensland Shared Services will continue to:

- undertake a high level benchmark of its services comparing to public and private sector providers
- undertake adjustments to the Government's finance and HR systems to reflect the machinery of government departmental arrangements
- facilitate finance, HR/payroll, mail, systems development and support services to client agencies.

### Queensland Government Chief Information Office

#### Overview

The Queensland Government Chief Information Office (QGCIO) provides unbiased, independent quality advice to the Minister for Science, Information Technology, Innovation and the Arts on Information and Communication Technology (ICT) issues from a whole-of-government perspective.

This advice is informed by extensive risk based analysis on the performance of information technology and information systems across government. The QGCIO also develops policy and standards to ensure consistency across the Queensland Government to mitigate risks.

The QGCIO provides:

- investment assurance on operations, systems, initiatives and business-as-usual optimisation
- governance processes and architectures, and encourages cross-jurisdictional relations
- long-term strategy for information technology and information systems (transformation)
- policy and standards as the authority for a consistent approach and performance targets
- advice, analysis and intervention on emerging day-to-day issues

- enhanced workforce capability through the ICT Graduate Program, and
- the ability to conduct a due diligence check on the status of ICT management across all departments.

#### Highlights

In 2011–12, the QGCIO:

- managed the Queensland Government Enterprise Architecture Framework to guide government investment in ICT
- developed a web 2.0 collaboration capability to liaise with ICT stakeholders across government
- established the first independent QGCIO reporting to the Minister
- applied a portfolio approach to overseeing \$77 million in ICT projects and initiatives
- undertook a review of security to improve accountability and protection of government assets
- developed a disaster recovery framework to manage the critical Queensland Government ICT infrastructure that supports frontline services
- implemented step change, decision support, online capabilities to allow agency decision makers to reach faster insights around government ICT investments, and bring clarity to business issues or opportunities
- organised the Government Enterprise Architecture Summit 2012, attended by 120 participants from Australia and New Zealand
- managed the Business as Usual review to assist the Queensland Government to achieve cost reductions in ICT expenditure
- represented the Queensland position and worked with other jurisdictional representatives through national committees and working groups as well with Queensland agencies, particularly the Regulatory Review Branch of Queensland Treasury and Trade to ensure Queensland meets the COAG reform agenda milestones



## 2. Our performance

- commenced an audit of ICT management within Queensland Government, encompassing all operations, systems and initiatives across government.

### Our future

In 2012–13, the QGCIO will continue to:

- improve accountability in strategic ICT investment decision making by increasing maturity in portfolio, program and project management including ongoing work with agency Governance Boards to improve effectiveness of governance frameworks
- deliver the whole-of-government audit of ICT management practices, including current operations, systems and initiatives across government to identify savings and efficiencies
- develop an action plan to implement the recommendations from the Queensland Government ICT Audit
- provide independent assurance of current and proposed strategic ICT investments and projects to support transparency and inform decisions
- analyse existing and planned ICT investments to increase visibility, accessibility and transparency of information, reduce complexity and risk and drive efficiency and productivity gains through improved levels of agency-to-agency collaboration
- expand the scope of the peer review process to ensure that all ICT investments are reviewed and are providing value for money to the government
- review the 'ICT Graduate Program' to include greater ICT industry involvement
- progress the 'In-demand Roles Program'
- develop a Cloud Computing strategy for Queensland Government, and provide implementation guidance for agency adoption of cloud computing

- develop policy and guidance for the implementation of Internet Protocol Version 6 (IPv6) in Queensland Government communication networks, to maintain interoperability with the global internet.

### Queensland Chief Scientist Overview

The Queensland Chief Scientist provides leadership in science policy development and implementation supported by the department and provides high level, strategic advice to the Queensland Government on the role of science, research and innovation in meeting Queensland's economic challenges. The Chief Scientist also provides advice on maximising opportunities from the Government's investment in research and development.

The Queensland Chief Scientist acts as an ambassador for Queensland science, fostering cooperation and collaboration amongst the government, research, industry and community sectors; raising Queensland's profile as a state characterised by world class research and investment opportunities; and engaging the community in better understanding the importance of science, research and innovation in the state's future economic, social and environmental wellbeing.

### Highlights

In 2011–12, the Queensland Chief Scientist:

- contributed to the delivery of Understanding Floods: Questions and Answers. The report was prepared by the Queensland Floods Science, Engineering and Technology (SET) Panel, convened by the Queensland Chief Scientist to explain in clear and simple language the fundamental concepts of floods, including flood causes, impacts, forecasting, and flood risk management now and in the future
- reviewed the State's research & development (R&D) expenditure and produced *Queensland Government Research and Development Expenditure Report 2010–11*



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## 2. Our performance

- undertook comprehensive review of science and technology pertaining to floods in support of the Queensland Flood Commission of Inquiry – Understanding Floods: Questions and Answers
- established productive relationships with key Queensland Government bureaucracy stakeholders
- completed the Queensland Chief Scientist Annual Report to Cabinet on the state of science in Queensland
- was the ambassador for the Scientists in Schools program
- refreshed STEM (Science, Technology, Engineering, Mathematics) education awareness initiatives
- established an informal Innovation in Government (IIG) evangelists group to develop a proposal to embed a culture of innovation and business improvement in the Queensland public service.
- established and ran an informal Science in Sport advisory group which included representatives of both Queensland Academy of Sport (QAS) and the Australian Institute of Sport (AIS)
- delivered 40 speaking engagements at a range of events, both across the state and interstate.
- established industry/investment/research networks.
- engage with science and innovation stakeholders
- provide a program of events to encourage communication between Members of Parliament and Queensland scientists
- implement the R&D Investment Strategic Action Plan across the whole-of-government and make this a guiding document for R&D investment
- develop a report on an annual basis, on the state of science in Queensland that is accepted by the leading R&D agencies
- improve the effectiveness of R&D Queensland (committee) and facilitate more transparent take up of the committee's advice.

### Our future

In 2012–13, the Queensland Chief Scientist will continue to:

- provide leadership for science policy and enable the State's applied science efforts to be directed towards meeting our economic challenges
- collect and analysis the State's annual R&D investment/spend - on a whole of government collaborative basis
- promote Queensland Science

### 3. Our corporate governance

#### Our leaders

<p><b>Philip Reed, Director-General</b></p>	<p>Philip Reed was appointed Director-General of the Department of Science, Information Technology, Innovation and the Arts in April 2012. Within the department Philip also provides executive oversight for Arts Queensland.</p> <p>Prior to this role Philip was the Director-General of the Department of Justice and Attorney-General from October 2010.</p> <p>Throughout his 30-year career as a public servant, Philip has held senior leadership roles within a number of industry sectors and worked for the Queensland, New South Wales and Victorian state governments.</p> <p>Philip is also a marine biologist and zoologist and has worked extensively in natural resource management both as a scientist and policy maker.</p>
<p><b>Peter Grant, Queensland Government Chief Information Officer</b></p>	<p>Peter Grant is the first independent CEO-level state chief information officer in Australia and the first to report directly to a Minister.</p> <p>Peter is responsible for ICT governance, investment assurance, information systems and information technology strategy, policy and standards and the Queensland Government Enterprise Architecture.</p> <p>With extensive experience spanning public and private sector roles, Peter's 35-year IT career highlights include:</p> <ul style="list-style-type: none"> <li>• being a founding Director of Consulting for Gartner Asia Pacific</li> <li>• co-founding technology start up OZONE Systems</li> <li>• consulting to federal government</li> <li>• working as Queensland State Director for Microsoft.</li> </ul> <p>Peter is an adjunct professor of information systems with the University of Queensland and Queensland University of Technology, and a Fellow of the Australian Computer Society.</p>
<p><b>Dr Geoff Garrett AO, Queensland Chief Scientist</b> <small>FTSE PrEng</small></p>	<p>Dr Geoff Garrett was appointed Queensland Chief Scientist in January 2011 to provide high-level, strategic advice to the State Government on the role of science, research and innovation in achieving the State Government's priorities.</p> <p>A Cambridge graduate in metallurgy and an academic for 13 years, Geoff led two of the world's major national research institutions – CSIR in South Africa (1995–2000) and CSIRO in Australia (2001–2008). A former South African 'Engineer of the Year' (1999), he is a recipient of the Centenary Medal for service to Australian society through science. In June 2008 he was appointed as an Officer of the Order of Australia (AO) in the Queen's Birthday Honours List.</p>
<p><b>Dr Christine Williams, Assistant Director- General, Science Delivery Division</b></p>	<p>Dr Christine Williams is the Assistant Director-General of the Science Delivery Division in the Department of Science, Information Technology, Innovation and the Arts (DSITIA). Christine has led the Science Delivery Division, in both DSITIA and previously in the Department of Environment and Resource Management and Environment Protection Agency, since March 2007. In this role, Christine's focus has been on improving the use of science to inform policy and decision-making both within her department and elsewhere in government and the community.</p> <p>Prior to her current position, Christine held a number of senior positions in Queensland Treasury, including Director of Economic Policy and Assistant Government Statistician (Economics). In these positions, again a focus of her work was to improve the use of information in policy and decision-making.</p>

### 3. Our corporate governance

<p><b>Darren Crombie, Deputy Director- General, Innovation and Science Development Division</b></p>	<p>Darren Crombie is Deputy Director-General, Innovation and Science Development where he is responsible for business innovation services, innovation policy, industry ICT and the digital economy, design industries, commercial evaluation, science policy and investment, and science development.</p> <p>Prior to this Darren held senior positions in the former Department of Employment, Economic Development and Innovation and the Department of Local Government and Planning where he was responsible for business innovation, infrastructure planning and regionalisation work.</p> <p>He was formerly a senior executive with the federal government and represented Australia on United Nations and Asia-Pacific Economic Corporation (APEC) bodies, and was the Australian Capital Territory president of his professional association. Darren holds degrees in regional and town planning and public administration, and is a member of the Planning Institute of Australia and the Institute of Company Directors.</p>
<p><b>Andrew Spina, Deputy Director- General, Government ICT Division BSc (Comp.)</b></p>	<p>Andrew Spina transitioned to the role of Deputy Director-General of the Government ICT Division of the Department of Science, Information Technology, Innovation and the Arts in April 2012. He performed a similar role from April 2011 in the former Department of Public Works.</p> <p>In his current role, Andrew has responsibility for information and communication technology service delivery within the Queensland Government. Andrew provides strategic leadership to CITEC, Smart Service Queensland, Queensland State Archives and the ICT Strategic Procurement Office.</p> <p>Andrew previously led the delivery of information and communication technology services for various government departments, most recently, as Chief Information Officer, Department of Communities.</p> <p>Andrew has had extensive experience in forming and leading ICT service organisations for multiple agencies and directing significant business and technology transformation programs in addition to over 29 years of experience in information and communication technology service delivery.</p>
<p><b>Mike Burnheim, Assistant Director- General, Shared Services Division BA, MSocSC (Australian Government)</b></p>	<p>Mike Burnheim is Assistant Director-General of the Shared Services Division in DSITIA. Since 2003, Mike has played a leading role in the whole-of-government Shared Service Initiative that has transformed corporate service delivery in the Queensland Government. In March 2003, Mike was appointed to lead the Shared Service Implementation Office and in 2006, was appointed as the Managing Director of the Shared Service Agency.</p> <p>Mike has five years private sector experience and 30 years experience in the public sector (with 22 of these in a corporate services environment). Previously heading the successful Corporate Administration Agency within Arts Queensland, he has also worked for Queensland Treasury, the Public Sector Management Commission and the Office of the Cabinet within the Department of the Premier and Cabinet. Mike is a member of the Institute of Public Administration.</p>



### 3. Our corporate governance

## Governance framework

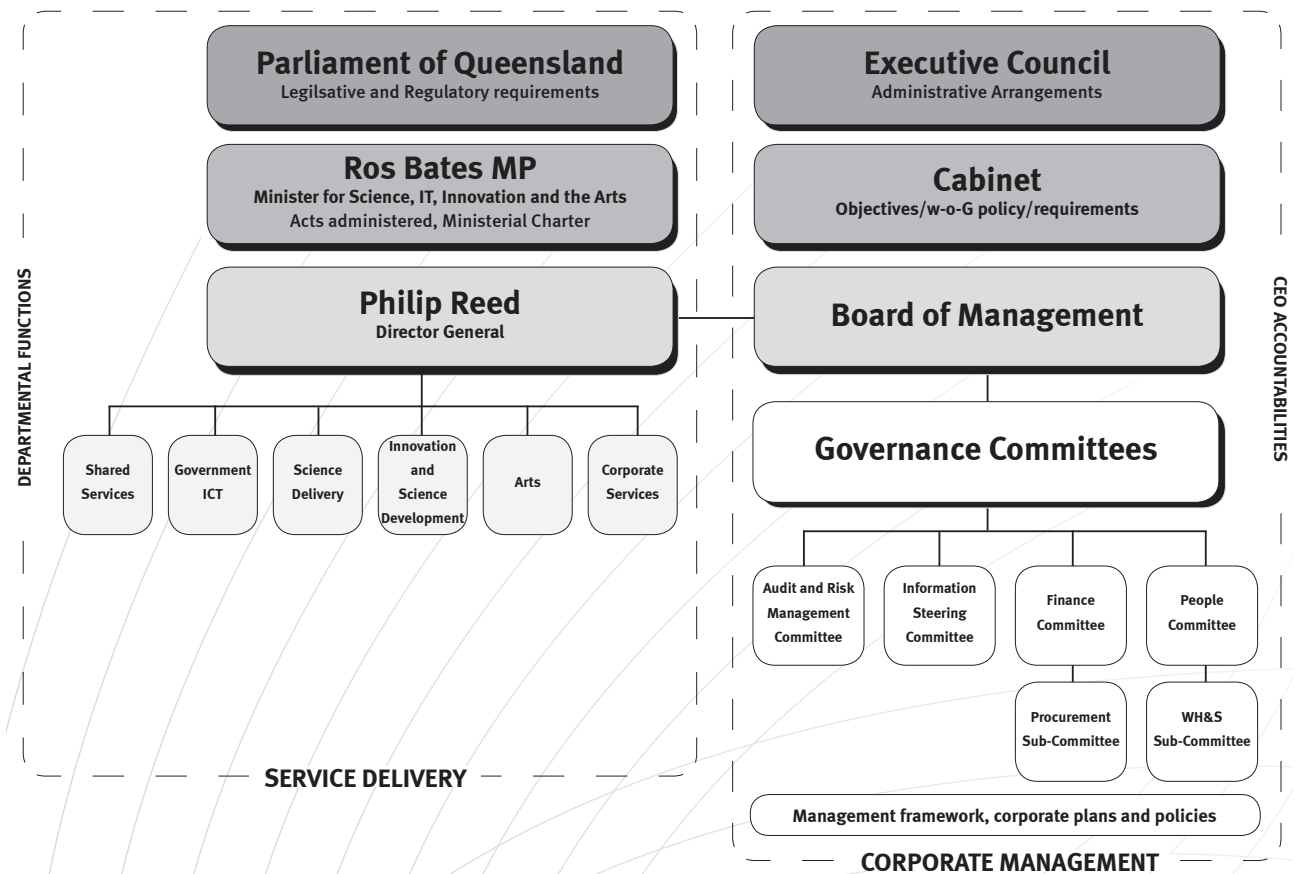
The Department of Science, Information Technology, Innovation and the Arts has established an integrated governance framework to ensure that strategic objectives are achieved and resources are allocated appropriately to maximise the cost-effective delivery of services.

The department’s governance framework effectively supports service delivery and monitors the achievement of departmental business objectives.

The Board of Management is the department’s principal policy-setting and decision-making authority that supports the director-general as the accountable officer.

## Governance Framework

Department of Science, Information Technology, Innovation and the Arts



## Governance committees

In April 2012, a key activity of the department was to confirm the governance arrangements for the new entity. Previously, the component portfolios and organisational units that formed the department operated under the management and governance arrangements for their originating departments.

<p><b>Committee name</b> <b>Board of Management (BoM)</b></p> <p><b>Members and purpose statement</b></p> <ul style="list-style-type: none"> <li>Executive team</li> </ul> <p><b>Additional members</b></p> <ul style="list-style-type: none"> <li>Chief Information Officer (CIO)</li> <li>Chief Finance Officer (CFO)</li> <li>Executive Director, Human Resources, Executive and Administrative Services</li> </ul> <p>BoM meets monthly and is the primary governance body of the Department of Science, Information Technology, Innovation and the Arts. It is led by the director-general who is the accountable officer. As well as the decision-making responsibilities, the Board of Management is informed about sub-committee outcomes in order to facilitate effective corporate governance.</p> <p><b>Achievements</b></p> <ul style="list-style-type: none"> <li>Completed transition to new departmental arrangements</li> <li>Terms of reference completed for Board of Management and all governance committees</li> <li>Governance principles and structure developed and endorsed</li> <li>Interim organisational structure developed and published</li> <li>Review of business divisions has commenced.</li> </ul>	<p><b>Committee name</b> <b>Audit and Risk Management Committee</b></p> <p>(Independent of Board of Management)</p> <p><b>Members and purpose statement</b></p> <ul style="list-style-type: none"> <li>Deputy Director-General, Government ICT Division</li> <li>Assistant Director-General, Shared Services Division</li> </ul> <p><b>External members</b></p> <ul style="list-style-type: none"> <li>Queensland Audit Office members</li> <li>Internal Risk, Audit and Finance standing invitees</li> </ul> <p>The chair is external to the department.</p> <p>The Audit and Risk Management Committee is directly responsible to the director-general. The committee has no executive powers unless delegated to it by the director-general. Members (including the chair) are appointed by the director-general.</p> <p>The committee meets no less than four times a year to provide advice about audit and risk management matters. The committee also assists in the discharge of the financial management responsibilities prescribed in the <i>Financial Accountability Act 2009</i> and the <i>Financial and Performance Management Standard 2009</i>.</p>	<p><b>Committee name</b> <b>Information Steering Committee (ISC)</b></p> <p><b>Members and purpose statement</b></p> <ul style="list-style-type: none"> <li>Assistant Director-General – Shared Services Division (Chair)</li> <li>Director-General (Ex officio member)</li> <li>Deputy Director-General Government ICT Division</li> <li>DSITIA Chief Information Officer</li> <li>General Manager, CITEC</li> <li>General Manager, Queensland Shared Services</li> <li>Executive Director, Arts Queensland</li> <li>General Manager, Science Capability</li> <li>Queensland Government Chief Information Officer.</li> </ul> <p>The committee meets bi-monthly and supports the director-general and Board of Management by governing the ICT investments and performance within the departmental portfolio. The ISC provides strategic leadership and ongoing governance and oversight of the portfolio of ICT investments undertaken by the department to achieve its corporate objectives.</p> <p>The committee has responsibility for portfolio management to ensure that appropriate controls and governance exist over the various programs and projects managed within the department.</p>
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### 3. Our corporate governance

Committee name
<b>Finance Committee</b>
Members and purpose statement
<ul style="list-style-type: none"> <li>Deputy Director-General, Innovation and Science Development Division (Chair)</li> <li>Director-General (Ex officio member)</li> <li>Deputy Director-General, Government ICT Division</li> <li>Assistant Director-General, Shared Services Division</li> <li>Assistant Director-General, Science Delivery Division</li> <li>Chief Finance Officer</li> <li>Director, Business Innovation Services</li> </ul> <p>The committee meets bi-monthly to consider financial performance, financial policy development, savings initiatives, funding pressures and strategic procurement issues.</p>

Committee name
<b>People Committee</b>
Members and purpose statement
<ul style="list-style-type: none"> <li>Assistant Director-General, Shared Services Division (Chair)</li> <li>Director-General (Ex officio member)</li> <li>Deputy Director-General, Innovation and Science Development Division</li> <li>Deputy Director-General, Government ICT Division</li> <li>Assistant Director-General, Science Delivery Division</li> <li>Executive Director, HR, Executive and Administrative Services</li> <li>Director, Human Resources</li> <li>General Manager (or equivalent) on a rotating basis.</li> </ul> <p>The People Committee meets bi-monthly to advise the Director-General on human resources and workplace health and safety policy, strategies and practices.</p> <p>It is responsible for driving change and critically reviewing performance to ensure compliance with relevant legislation, directives and strategic objectives within the department.</p>

Committee name
<b>Workplace Health and Safety (WHS) Sub-Committee</b>
Members and purpose statement
<ul style="list-style-type: none"> <li>Assistant Director-General, Shared Services Division (Chair)</li> <li>Deputy Director-General, Innovation and Science Development Division</li> <li>Deputy Director-General, Government ICT Division</li> <li>Assistant Director-General, Science Delivery Division</li> <li>Executive Director, Human Resources, Executive and Administrative Services</li> <li>Executive Director, Science, Policy and Investment</li> <li>General Manager, Smart Service Queensland</li> <li>General Manager, Queensland Shared Services</li> <li>General Manager, CITEC</li> <li>Director, Human Resources</li> </ul> <p>The WHS Sub-Committee meets on a quarterly basis. The committee advises the People Committee and the Director-General about workplace health and safety plans, policies, strategies, and work practices and ensures a strategic focus in relation to workplace health and safety management as well as ensuring compliance with legislation, directives, and policies and effective operation of the department's Safety Management System (SMS).</p>

Committee name
<b>Procurement Sub-Committee</b>
Members and purpose statement
<ul style="list-style-type: none"> <li>Assistant Director-General, Shared Services Division (Chair)</li> <li>Chief Information Officer</li> <li>Executive Director, ICT Strategic Procurement</li> <li>General Manager, CITEC</li> <li>Executive Director, Innovation Policy and Strategy</li> </ul> <p>The committee meets bi-monthly to consider financial performance, financial policy development, savings initiatives, funding pressures and strategic procurement issues.</p>



### Audit arrangements

The Director-General has established the Department of Science, Information Technology, Innovation and the Arts Internal Audit unit as a key component of the department's corporate governance, promoting effective and efficient management and assisting in risk management. The Director of Internal Audit reports to the Director-General and chair of the Audit and Risk Management Committee.

Until the first meeting of the DSITIA Audit and Risk Management Committee in August 2012, Internal Audit continued to operate under the former approved Department of Public Works Internal Audit Charter which provided the framework for the conduct of the internal audit function having regard to the *Financial Accountability Act 2009*, *Financial and Performance Management Standard 2009* and *Queensland Treasury's best practice Audit Committee Guidelines*.

The internal audit function is independent of management and external audit (i.e. Queensland Audit Office) but works collaboratively to enhance the audit scope and outcomes.

Internal Audit reviews various areas of departmental operations each year pursuant to a strategic and annual audit plan that is endorsed by the Audit and Risk Management Committee and approved by the Director-General. Through these reviews, Internal Audit seeks to assess the effectiveness of the design and operation of the department's risk and control framework.

In preparing the strategic and annual audit plan, a risk-based audit approach is used which aims to focus on the higher strategic, operational and financial risk activities in each business area based on extensive consultation and risk evaluation processes. All audits are conducted in a manner that conforms to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

Internal Audit has a central role in improving operational processes and financial practices by:

- assessing the effectiveness, efficiency and economy of the departmental financial and operational systems, reporting processes and activities
- identifying operational deficiencies and making recommendations to rectify non-compliance with legislation and prescribed requirements
- supporting management by providing advice on corporate governance and related issues including fraud prevention and risk management.

2011–2012 achievements included:

- delivery of risk-based audits in accordance with the approved annual audit plan
- providing ongoing advisory and consultancy work within the department to address control weaknesses and perceived risks
- monitoring implementation of external and internal audit recommendations
- obtaining feedback from clients about our services and adjusting practice accordingly.

## 3. Our corporate governance

### Risk management

Prior to 1 April 2012, the component business areas forming DSITIA each operated under robust departmental risk management policies and frameworks that formed an important part of their respective corporate governance arrangements.

The Board of Management now has responsibility of the department's strategic and operational risks. An Audit and Risk Management Committee has been established, which provides independent

assurance of the department's risk management framework and effectiveness of risk identification, mitigation and escalation processes.

The development of a department risk management policy and framework will foster a culture of prudent risk management and ensure conformance with its legislative risk management obligations prescribed in the *Financial Accountability Act 2009*.

<b>Audit and Risk Management Committee</b>	
<b>Committee members</b>	<b>Title</b>
<b>Marita Corbett (Chair)</b>	Partner, BDO
<b>Andrew Spina</b>	Deputy Director-General, Government ICT Division
<b>Mike Burnheim</b>	Assistant Director-General, Shared Services Division
<b>Kathy Dunning</b>	Deputy Director-General, Corporate Services, Department of Communities
<b>Standing invitees</b>	<b>Title</b>
<b>Michael Hyman</b>	Director of Audit – Queensland Audit Office
<b>Mayus Nath</b>	Director of Audit (IS) – Queensland Audit Office
<b>Brian Ganly</b>	Audit Manager – Queensland Audit Office
<b>Nick Kasatchenko</b>	Director, Internal Audit
<b>Rita McLucas</b>	A/Chief Finance Officer
<b>Dave Jackson</b>	Risk Manager

### Ethics

Face-to-face ethical decision-making training for senior executive service (SES) and senior officers (SO) was provided as part of a senior governance program for senior staff of the former Department of Public Works.

The focus in the Department of Science, Information Technology, Innovation and the Arts will continue to provide a range of workshops for staff at all levels to drive and support ethical behaviour in the workplace.

This was, and will continue to be, reinforced for managers as part of the department's management development program.

### Code of Conduct

The whole-of-government Code of Conduct was issued in January 2011. Online tools and resources, as well as support networks, are helping managers meet their ethical responsibilities and build staff awareness. Human Resources, Executive and Administration Services assess departmental policies under revision or development for compliance with the Code of Conduct.

The department has commenced activity to supplement existing policies about making public interest disclosures, contact with lobbyists, secondary employment and employee complaints with policies on fraud, corruption and misconduct control, and complaints management.

These are all measures to support managers in successfully reinforcing ethics and integrity matters in the workplace.

During 2011–2012, all new employees received comprehensive Code of Conduct training covering the:

- awareness of the *Public Sector Ethics Act 1994*, including ethics principles and values
- standards of conduct expected of employees as outlined in the code and rights and obligations of employees in relation to contravention of the code.

Code of Conduct training is being included as part of the New Employee Induction Program.

An online tool set is being developed to enable all employees to refresh their code of conduct knowledge annually.

## 4. Our people

### Workforce profile

#### Staff numbers

<b>FTE (Full Time Equivalent)</b>								
Division	Permanent	Temporary	Casual	SO	Section 122	SES	Total	%
Office of DG	0.00	1.00	0.00	0.00	0.00	1.00	2.00	0.05%
Arts Queensland	129.10	39.60	12.55	16.00	0.00	2.00	199.25	5.45%
Corporate Services	25.30	5.00	0.00	2.70	1.00	1.00	35.00	0.96%
Science Delivery	318.59	74.53	7.27	9.40	1.00	2.00	412.79	11.28%
Government ICT	1034.65	131.59	9.22	27.00	53.84	5.00	1261.30	34.47%
Innovation and Science Development	102.14	4.00	0.00	10.00	0.00	6.00	122.14	3.34%
Shared Services	1302.49	254.04	0.96	23.20	11.00	0.00	1591.69	43.50%
Office of Chief Information Officer	17.28	5.00	0.00	6.00	0.00	2.00	30.28	0.83%
Office of Chief Scientist	1.00	1.80	0.00	1.00	0.00	0.66	4.46	0.12%
<b>DSITIA</b>	<b>2930.55</b>	<b>516.56</b>	<b>30.00</b>	<b>96.30</b>	<b>65.84</b>	<b>19.66</b>	<b>3658.91</b>	<b>100.00%</b>

FTE count as at 30 June 2012.

#### Gender

<b>Gender</b>					
Division	Totals				Total
	Female	%	Male	%	
Office of DG	1.00	0.03%	1.00	0.03%	2.00
Arts Queensland	116.86	3.19%	82.39	2.25%	199.25
Corporate Services	28.00	0.77%	7.00	0.19%	35.00
Science Delivery	159.93	4.37%	252.86	6.91%	412.79
Government ICT	629.24	17.20%	632.07	17.27%	1261.30
Innovation and Science Development	73.54	2.01%	48.60	1.33%	122.14
Shared Services	1066.29	29.14%	525.40	14.36%	1591.69
Office of Chief Information Officer	15.48	0.42%	14.80	0.40%	30.28
Office of Chief Scientist	2.80	0.08%	1.66	0.05%	4.46
<b>DSITIA</b>	<b>2093.14</b>	<b>57.21%</b>	<b>1565.78</b>	<b>42.79%</b>	<b>3658.91</b>

Gender data as at 30 June 2012.

Due to the complexity of machinery-of-government changes effective 1 May 2012, annual separation and retention rates for the 2011–12 financial year are unable to be calculated and may misrepresent actual long-term agency trends.

### Early retirement, redundancy and retrenchment

There were no early retirement, redundancy or retrenchment figures to report for the financial period of 1 May to 30 June 2012.

### Voluntary Separation Program

A Voluntary Separation Program was introduced into the Queensland public sector as part of the Mid-Year Fiscal and Economic Review in January 2011. This program was one of a number of measures designed to deliver additional savings and reprioritise spending. The program was targeted primarily at non-frontline areas, as a service reprioritisation strategy to ensure continued growth in frontline areas.

The majority of this program was implemented under the previous departmental arrangements prior to the establishment of DSITIA on 3 April 2012. These departments sought expressions of interest from permanent staff. Offers were made to eligible employees based on criteria determined within each of these departments.

DSITIA is developing its approach for implementing the government's goal of rebalancing resources to focus on the delivery of frontline services. This approach will be finalised in response to the state budget on 11 September 2012.

In 2011–12 between the months of May to June 2012 three employees accepted voluntary separation packages at a cost of \$373,285.95.

## Voluntary Separation Programs (May to June 2012)

Division	Packages Paid to Employees	Package Value	Comments
Office of DG	0.00	-	
Arts Queensland	1.00	\$117,913.45	1 VSP from Arts
Corporate Services	0.00	-	
Science Delivery	0.00	-	
Government ICT	1.00	\$151,834.50	1 VSP from CITEC
Innovation and Science Development	0.00	-	
Shared Services	1.00	\$103,538.00	1 VSP from QSS
Office of Chief Information Officer	0.00	-	
Office of Chief Scientist	0.00	-	
<b>DSITIA</b>	<b>3.00</b>	<b>\$373,285.95</b>	

The report period for this data is May to June 2012.



## 4. Our people

### Informing the community

Communication of government services is essential to keep the community informed on matters such as research, science, innovation, information and technology and arts. The department also produces communications to facilitate access to government services.

As at 30 June 2012, the department employed 35.87 full time equivalent staff whose functions relate to media, public affairs or communications.

### Workforce planning, attraction and retention

DSITIA's workforce planning, attraction and retention framework will be based on the frameworks published by the Public Service Commission, as well as on elements of the various frameworks and approaches used in the former departments.

One of the first things to be considered by the People Committee will be DSITIA's *People Strategy 2012–2016*. This strategy will provide an overarching vision for its people and a set of guiding principles that drive and guide all human resource activity. It will set a clear direction for the divisions and individual business areas to develop their own workforce plans providing both long and short-term agendas for change and improvement in DSITIA.

In 2011–2012, areas of the department implemented the relevant strategies and actions as contained in their former departments to ensure they possessed the required capability and workforce capacity to deliver the required business outcomes and services to the Queensland community and other government agencies. Some of those strategies and actions implemented during the year by the business areas as part of their former departments included:

- business unit specific workforce plans which were integrated with business planning processes
- the Capability Leadership Framework and, where appropriate, the Skills Framework for the Information Age continued to be integrated into key human resource programs and policies

- formal and informal programs focussed on the recognition of employee performance
- attraction of new talent through the following employment programs – apprenticeships, traineeships (full-time and school-based), graduate programs, cadetships, scholarships and formal work experience programs.

### Employee Performance Management

In 2011–2012, areas of the department drawn from the former Department of Public Works (DPW) developed and implemented a new Employee Performance Management Framework. This framework consists of strategies, systems, and processes for managing the performance of employees, including:

- development of an online induction program
- a review of the performance management and development policy, including the incorporation of the Queensland Public Service Capability Leadership Framework, and where appropriate, the Skills Framework for the Information Age
- review of the employee recognition policy.

DSITIA's Employee Performance Management Framework will be based on the framework published by the Public Service Commission, and include the best practice elements out of the former departments' programs.

### Industrial and employee relations framework

DSITIA's industrial and employee relations framework will be based on the framework established by the Public Service Commission. In doing this the department will seek to maintain the effective relationships which existed in the previous departments with all stakeholders.

This was facilitated through a proactive approach to consultation and conflict management at both industrial and workplace levels, which resulted in

minimal disputation and no days lost to industrial action.

DSITIA has established a whole-of-department Agency Consultative Committee and continued the use of local consultative committees to provide a forum for whole-of-department union engagement and to meet the requirements of the State Government Department's Certified Agreement 2009.

### Work-life balance

DSITIA's approach to work-life balance is based on the frameworks which existed in each of the former departments, and which were largely consistent in terms of their structure and approach. The department offers numerous flexible working arrangements and encourages employees to undertake flexible working arrangements to assist in improving their work-life balance. Employees have the option to request extra leave through the Purchased Leave Policy.

A Child Care Referral Service is available to assist employees to locate and secure child care anywhere in Australia.

An Aged Care Referral Service is available to assist employees who have the responsibility of caring for their elderly relatives. The service provides employees with advice, information and appropriate referrals.

Additionally, the department offers employees and their immediate family access to confidential, professional counselling to assist with the resolution of work or personal-related concerns that may be impacting on their work or quality of life.

### Leadership and management development

DSITIA is committed to supporting leadership development at both whole-of-government and whole-of-agency level. Therefore, DSITIA will continue to participate in the Public Service Commission's endorsed programs, which include the University of Queensland Inspiring Executive Leadership Program, the Queensland University of Technology Emerging Leaders Program, and the Australia and New Zealand School of Government

(ANZSOG) Executive Fellows Program and Executive Masters of Public Administration Program.

DSITIA will also continue to develop its managers using a management development approach that incorporates whole-of-government benchmarks as provided through the Public Service Commission's Practical People Management Program.

This will be complemented by a DSITIA program which will develop frontline managers to optimise individual and organisational productivity, performance and service delivery. This will be achieved through the development and delivery of a range of modules that aim to build business acumen of DSITIA managers.

Individual business units will continue a strong focus on developing the leadership and management capabilities of their people and provide many opportunities to enable this to occur.

During 2011–12, selected department staff participated in management development programs offered through their previous departments. For example these included in-house management development programs, University of Queensland Inspiring Executive Leadership Program and the Queensland University of Technology Emerging Leaders Program, the Australia and New Zealand School of Government (ANZSOG) Executive Fellows Program, an Executive Masters of Public Administration Program, and the Public Sector Management Program.

### Workplace health and safety

Workplace health and safety has been a high priority for the department. DSITIA has continued a number of key programs from the former departments including a series of initiatives to support the *Safer and Healthier Workplaces Strategy 2007–2012*.

In 2011–2012 DSITIA:

- conducted an external audit to determine compliance with the *Safer and Healthier Workplaces Strategy* and the new *Work Health and Safety Act 2011*

## 4. Our people

- continued implementation of the new workplace health and safety legislation
- participated in the TravelSmart program, Pathways to Better Health and Safety program, Live Well program, Flu Vaccination program, Walking Challenge program, Skin Cancer Prevention sessions, Weight Watchers at Work, Healthy Heart program delivered by the Heart Foundation, Men's Health sessions, Information to support World No Tobacco Day – World Health Organisation, corporate private health insurance memberships, and participation in the 2012 Corporate Games
- made further enhancements to the Safety Health and Environment (SHE) software program which provides an online reporting system for injuries and hazards
- facilitated the Early Intervention Centre (EIC) to provide early assistance and support to workers who are ill or injured, and to managers in dealing with such workers
- offered an Employee Assistance Service (EAS), a confidential and professional service available to all employees and their families to help them deal with work and life issues.
- establish a whole-of-department WHS network to support the department's business units in managing their WHS risks, incidents and hazards
- roll-out the SHE system to all areas of the department
- continue to educate managers and workers in their WHS roles and responsibilities to ensure the Director-General and Board of Management are able to demonstrate their due diligence in complying with the legislative requirements.

### Other whole-of-government plans/specific initiatives

Project 2800 was a Queensland Government initiative committed to providing 2,800 employment opportunities for Aboriginal and Torres Strait Islander people in the public sector by mid-2013 through: working in partnership with universities, schools, TAFE institutes, employment providers and training organisations to assist Aboriginal and Torres Strait Islander candidates find employment

- building valuable relationships with Indigenous communities
- working with all public sector agencies and organisations to identify employment opportunities and to connect candidates with appropriate work opportunities.

As at 30 June 2012, the total headcount of Indigenous employees in the department was 58, representing one percent of the workforce. The department will incorporate appropriate and relevant strategies into its People Strategy to continue to improve its performance with respect to having a diverse and representative workforce which reflects the Queensland community it serves.

In 2011 several business units were subject to an external audit of the department's alignment to, and compliance with, both the *Safer and Healthier Workplaces 2007-2012 Strategy* and the *Work Health and Safety Act 2011*. The audit, undertaken by Focus on Risk, provided an action plan to enable the department to focus on improving work health and safety compliance, initiatives, and strategies. This action plan is currently being reviewed prior to implementation.

The focus for the DSITIA Workplace Health and Safety Committee over the next year will be to:

- oversee the development and implementation of the aforementioned Action Plan across the department to address those risks and issues identified in the audit

## Related entities

Type of board or committee	Functions and responsibilities	Achievements during 2010–11 include the:	Costs	Membership	No. of new female appointees during 2010–11
<b>Board of Directors of BioPharmaceuticals Australia (Network) Pty Ltd</b>	<p>The Board of Directors of BioPharmaceuticals Australia (Network) Pty Ltd (BPA) governs the activities of BPA with the following key functions:</p> <ul style="list-style-type: none"> <li>plan, facilitate and oversee the design and construction of a new biopharmaceutical manufacturing facility (BPA Facility) to be co-located with the Translational Research Institute, (currently under construction at the Princess Alexandra Hospital in Brisbane)</li> <li>provide strategic advice, input into and assist with obtaining additional investment in the BPA Facility</li> <li>secure an existing contract manufacturing organisation to operate the BPA Facility (which it has successfully achieved through partnering with International pharmaceutical manufacturer DSM Biologics) and</li> <li>assist with maintaining a network of local complementary service providers to support the BPA Facility and oversee business development activities to secure a pipeline of potential clients for the facility in the future.</li> </ul>	<ul style="list-style-type: none"> <li>finalisation of the schematic and detailed design for the BPA Facility</li> <li>the completion of tender packages for the fit-out</li> <li>equipment acquisition for the facility and the award of the complete fit-out contract to Watpac.</li> </ul>	\$620,000	3 Members (2 men, 1 woman)	

## 5. Other reporting

Position	Meeting Fee		Special Assignment fee	
	More than 4 hours in a day	4 hours or less a day	More than 4 hours in a day	4 hours or less a day
Chair	\$406	\$203	\$338	\$169
Members	\$334	\$167	\$278	\$139

The remuneration and on-costs for the Board of Directors are met from the operational funds of BioPharmaceuticals Australia (Network) Pty Ltd. The remuneration is made on the basis of a D1 Board which is shown above.

In addition, members are entitled to be reimbursed for motor vehicle and domestic travel expenses in accordance with Ministerial Directives on motor vehicle allowances and domestic travelling and relieving expenses current at the time of the claim. The department is not directly involved in any payments made to the board members.

### Statutory bodies, authorities and instrumentalities

#### List of legislation

*Libraries Act 1988*

*Queensland Art Gallery Act 1987*

*Queensland Museum Act 1970*

*Queensland Performing Arts Trust Act 1977*

*Queensland Theatre Company Act 1970*

*Schools of Arts (Winding Up and Transfer) Act 1960*

*Schools of Arts (Winding Up and Transfer) Act Amendment Act 1981*

#### Statutory bodies

The following statutory bodies prepare separate annual reports. These are provided to the Queensland Premier or the Speaker of the Legislative Assembly of Queensland.

Statutory bodies	
Name of body as described in the Constituting Act	Constituting Act
Board of the Queensland Museum	Queensland Museum Act 1970
Library Board of Queensland	Libraries Act 1988
Queensland Art Gallery Board of Trustees	Queensland Art Gallery Act 1987
Queensland Performing Arts Trust	Queensland Performing Arts Trust Act 1977
Queensland Theatre Company	Queensland Theatre Company Act 1970



## Legislation administered by the department

The following extract from the ADMINISTRATIVE ARRANGEMENTS ORDER (No. 4) 2012 shows the legislation administered by the Department. (Made by the Governor in Council on 24 May 2012 and Published in the Government Gazette on 25 May 2012)

Minister	Principal Ministerial Responsibilities	Acts Administered	Administrative Units	Responsible Heads
Minister for Science, Information Technology, Innovation and the Arts	Administration of Crown Copyright and Intellectual Property CITEC Coastal Management relating to the Tweed River Entrance Sand Bypassing Project Digital Economy Environment, Climate and Natural Resource Sciences – Research, Development and Advice Government Information and Communication Technology Services and Delivery including- Portfolio, Program and Project Assurance Services Public Sector Development Capability Development Government-Industry Liaison Telecommunications, Broadband and Digital Economy Innovation Policy, Strategy and Programs International Collaborations Research and Development Co-ordination and Planning Science Policy, Strategy and Investment Shared Services Provision (other than Queensland Health and the Department of Education, Training and Employment) Shared Services Systems Smart Service Queensland	<i>Biodiscovery Act 2004</i> <i>Gene Technology Act 2001</i> <i>Tweed River Entrance Sand Bypassing Project Agreement Act 1998</i>	Department of Science, Information Technology, Innovation and the Arts	Director-General

## 5. Other reporting

Minister	Principal Ministerial Responsibilities	Acts Administered	Administrative Units	Responsible Heads
Minister for Science, Information Technology, Innovation and the Arts	Queensland State Archives Arts	<i>Libraries Act 1988</i> <i>Public Records Act 2002</i> <i>Queensland Art Gallery Act 1987</i> <i>Queensland Museum Act 1970</i> <i>Queensland Performing Arts Trust Act 1977</i> <i>Queensland Theatre Company Act 1970</i> <i>Schools of Arts (Winding Up and Transfer) Act 1960</i> <i>Schools of Arts (Winding Up and Transfer) Act Amendment Act 1981</i>		
	Lead the Development of Science and Innovation Strategy across government Promote Queensland Science Science and Innovation Stakeholder Engagement		Department of Science, Information Technology, Innovation and the Arts	Chief Scientist
	Government Information and Communication Technology Policy and Planning including - <ul style="list-style-type: none"> <li>• ICT Governance</li> <li>• ICT Investment Assurance</li> <li>• Information Systems and Information Techn</li> <li>• ICT Policy and Standards (including Shared Services)</li> <li>• Queensland Government Enterprise Architecture</li> </ul>		Department of Science, Information Technology, Innovation and the Arts	Queensland Government Chief Information Officer

## Boards and committees

Government boards and committees that the department administers.

Name and type of board or committee	Functions and responsibilities	Achievements during 2011–12	Costs	Membership
art+place Curatorial Panel	<p>The art+place Curatorial Panel provides strategic and independent advice regarding the state's investment in major public art commissions.</p> <p>Its key function is to assess applications to the art+place Queensland Public Art Fund and advise on public art policy and program delivery. Arts Queensland provides secretariat support to the panel.</p>	<p>The panel:</p> <ul style="list-style-type: none"> <li>provided expert advice that resulted in major public art investments including: three major commissions for Northshore Hamilton Reach; a series of commissions in the North Lakes bus stations; and artworks in the Queen Elizabeth II Jubilee Hospital plus the Thursday Island Chronic Disease Centre.</li> <li>delivered regional access through public art forums that engaged communities in Cairns and Blackall, plus leading public art program workshops to encourage community participation on the Sunshine Coast.</li> </ul>	<p>The Panel had expenses totalling \$20,332.79 paid (exclusive of GST)</p>	<p>7 members (3 women, 4 men)</p>
Queensland Design Council	<p>The Queensland Design Council provides strategic and independent advice about design issues and design-led solutions in response to economic, social and environmental challenges facing Queensland. They also steer and inform the direction and priorities of the <i>Queensland Design Strategy 2020</i>.</p>	<p>The council:</p> <ul style="list-style-type: none"> <li>endorsed key design events and initiatives including TEDx Brisbane, Brisbane Indesign and Design Minds online design learning initiative (<a href="http://www.designminds.org.au">www.designminds.org.au</a>) championing the Queensland Smart Design Awards</li> <li>hosted key national design policy forums to connect industry and state and federal government, co-hosting the Sir George Cox industry forum with the Australian Design Alliance, contributing to the Bruce Mau Neilson Design Lecture and Massive Change workshops</li> <li>activated the QUEENSLANDERSIGN™ initiative, the Council's 'best practice' endorsement, and encouraging online communities of interest to get involved <a href="http://www.queenslandersign.com.au">www.queenslandersign.com.au</a></li> </ul>	<p>The Council had expenses totalling \$26,266 paid (exclusive of GST).</p>	<p>11 members (5 women, 6 men)</p>

## 5. Other reporting

### Boards and committees

Government boards and committees that the department administers.

Name and type of board or committee	Functions and responsibilities	Achievements during 2011–12	Costs	Membership
Horse Trails Scientific Advisory Committee	<p>The objective of the Committee is to provide an independent scientific assessment of the development of the Horse Trails Scientific Monitoring Program by:</p> <ul style="list-style-type: none"> <li>ensuring adequate consideration of scientific, environmental, social and economic issues in the development of the monitoring program</li> <li>providing expert commentary about the application of scientific principles and frameworks for the development of the monitoring program</li> <li>reviewing the monitoring program developed by the department</li> <li>reviewing the progress and outputs of the monitoring program and related research annually and provide advice to the Minister for National Parks, Recreation, Sport and Racing</li> </ul> <p>The committee meets annually and this year's meeting was held 25th January 2012.</p>	<p>The committee meets annually and this year's meeting was held 25th January 2012.</p> <p>The committee:</p> <ul style="list-style-type: none"> <li>reviewed the Department of Environment and Resource report on the outcomes of the impacts of horse crossing onwater quality study.</li> <li>provided expert input into the methods used for the forest and weed monitoring study.</li> <li>suggested improvements to question R11 being used in the Cudex phone poll of social attitudes to horse riding in National Parks.</li> <li>provided feedback to the Griffith University team conducting the social assessments of stakeholders on methods to be used.</li> <li>discussed the consequences of the erosion study, and provided advice on further work required in this area.</li> </ul>	\$1253	7 members (3 women, 4 men)

## 5. Other reporting

Name and type of board or committee	Functions and responsibilities	Achievements during 2011–12	Costs	Membership
Tweed River Entrance Sand Bypassing Project (TRESBP) Advisory Committee	<p>The Tweed River Entrance Sand Bypassing Project (TRESBP) is a joint agreement with NSW government and is also coordinated by the NSW government. The Advisory Committee provides advice to the Ministers relating to this project about:</p> <ul style="list-style-type: none"> <li>• preparation of environmental impact assessment and tender documents for the bypass</li> <li>• calling tenders</li> <li>• acceptance of tenders</li> <li>• preparation of a plan of management</li> <li>• management and implementation of works</li> <li>• issues of relevance to the local community</li> <li>• other matters referred to it by the Ministers.</li> </ul> <p>The Advisory Committee is comprised of:</p> <ul style="list-style-type: none"> <li>• four state representatives (two from each state)</li> <li>• one member from the Tweed Shire Council</li> <li>• one member from the Gold Coast City Council</li> <li>• four community representatives (two from each state).</li> </ul>	<p>The Advisory Committee held two formal meetings in 2011/12 on 5 December 2011 and 5 March 2012 at Tweed Heads NSW.</p> <p>Regular agenda item briefings were provided on:</p> <ul style="list-style-type: none"> <li>• sand bypassing operations</li> <li>• beach and entrance conditions</li> <li>• sand delivery and placement strategies</li> <li>• environmental monitoring results.</li> </ul> <p>The briefings were followed by discussions and feedback from advisory committee members and community stakeholder group observers.</p> <p>Advisory committee members also provided valuable feed back and input into an operational feasibility options study to enhance the bypass system operations in order to better manage the highly variable natural sand supply. A subsequent community consultation process was undertaken in November 2011 as recommended by the advisory committee.</p> <p>The advisory committee also assisted in the development of a school package consisting of educational material about the project.</p>	\$409	10 members (2 women, 8 men)

## 5. Other reporting

### Boards and committees

Government boards and committees that the department administers.

Name and type of board or committee	Functions and responsibilities	Achievements during 2011–12	Costs	Membership
Animal Ethics Advisory Committee	The Animal Ethics Committee (AEC) was established in 2001 and its purpose is to ensure that use of animals for scientific purposes within agencies under its umbrella meet the requirements of the <i>Animal Care and Protection Act (2001)</i> (ACPA). It is a requirement under the ACPA, to ensure that projects involving the use of animals gain approval from an animal ethics committee.	<p>In 2011–12 the AEC monitored 74 projects, 22 of which either expired or were completed during the year while an additional 18 new applications were assessed and approved. In addition the committee also approved six amendment requests for approved projects.</p> <p>By 31 April 2012 all annual project reports had been received by the AEC and details from the reports had been entered in the “Animal Use Statistics Report” for submission to the Department of Agriculture, Fisheries and Forestry by 31 May 2012.</p> <p>Consistent with the AEC’s project monitoring role, a field inspection to inspect a dingo satellite tracking project was conducted on 4 &amp; 5 July 2011 by four members on Fraser Island.</p> <p>During the year the committee held six full meetings and three teleconferences.</p>	<p>Members are not paid sitting fees for meetings.</p> <p>During the year \$1623 in expenses were claimed</p>	9 members (3 women, 6 men)
ICT Ministerial Advisory Group	The group provides industry input about issues, policies and programs related to development of the information and communication technology (ICT) industry	<ul style="list-style-type: none"> <li>• Provided input and advice on the 2011/12 ICT industry action plan.</li> <li>• Identified the need for timely data gathering and analysis on the ICT industry.</li> <li>• Identified the need to explore the treatment of ICT in the new Australian Curriculum and met with the Department of Education and Training and the Queensland Studies Authority to explore the development and future implementation of the curriculum in Queensland.</li> <li>• Provided input into the ‘I choose technology’ initiative.</li> </ul>	<p>Committee members are not paid sitting fees for meetings.</p> <p>Travel expenses: \$2220 (GST exclusive)</p>	Chair and 11 other members (9 men, 3 women)



## 5. Other reporting

Name and type of board or committee	Functions and responsibilities	Achievements during 2011–12	Costs	Membership
Public Records Review Committee	<p>Under section 29 of the <i>Public Records Act 2002</i>, the Public Records Review Committee advises both the Minister and the state archivist on issues affecting the administration or enforcement of the Act.</p> <p>The functions of the committee include reviewing, if requested by a public authority, decisions of the State Archivist not to authorise the disposal of particular public records. The committee may also resolve disputes between the State Archivist and a public authority about the setting of restricted access periods for records.</p>	<p>The committee considered advice on a range of recordkeeping, archival and collection management issues.</p>	\$9688	<p>9 members (5 men, 4 women)</p>
Deputy Vice-Chancellors-Research Committee	<p>Chaired by the Queensland Chief Scientist, this committee provides a mechanism for stakeholder engagement and information sharing which fosters collaboration between Queensland's major research institutions and government, leveraging opportunities, resources and capabilities.</p> <p>Membership includes the deputy vice-chancellors of the eight major Queensland universities. There have been two meetings of this group.</p>	<p>This committee is convened to facilitate discussion and action on issues that have implications beyond individual universities, complementing meetings on specific topics which the Queensland chief scientist has with individual deputy vice-chancellors-Research.</p> <p>As a result only two full meetings were held in 2011–12.</p>	<p>(This committee does not pay sitting fees)</p> <p>Research – \$149</p>	<p>9 members (1 woman, 8 men)</p>

## 5. Other reporting

### Boards and committees

Government boards and committees that the department administers.

Name and type of board or committee	Functions and responsibilities	Achievements during 2011–12	Costs	Membership
R&D Queensland Committee	<p>Chaired by the Queensland Chief Scientist, the committee was established in October 2008 as a whole-of-government committee to achieve greater integration and coordination of the government's investment in research and development, both across agencies and with major policy objectives.</p> <p>The committee provides strategic direction for Queensland Government research and development.</p> <p>Membership drawn from senior executive level of twelve government departments – the Department of Agriculture, Fisheries and Forestry; Department of Communities, Child Safety and Disability Services; Department of Education, Training and Employment; Department of Energy and Water Supply; Department of Environment and Heritage Protection; Department of National Parks, Recreation, Sport and Racing; Department of Natural Resources and Mines; Department of the Premier and Cabinet; Department of Science, Information Technology, Innovation and the Arts; Department of Transport and Main Roads; Queensland Health; and Queensland Treasury and Trade.</p>	<p>The committee:</p> <ul style="list-style-type: none"> <li>progressed development of the research and development (R&amp;D) Action plan.</li> </ul> <p>The above also incorporates the development of the 'REDS' Decision Rules</p> <p>Progress being made in gathering three year R&amp;D plans from each government department. This will include current year themes of R&amp;D, budgets and incorporates the REDS and the use of impact metrics in defining the R&amp;D.</p>	<p>(This committee does not pay sitting fees)</p> <p>Expenses - \$270</p>	<p>15 members (6 women, 9 men)</p>

## 6. Locations

While many services are delivered in and around Brisbane, the department is also represented throughout regional Queensland.

Division	Address
Arts Queensland	Brisbane, 111 George Street
	Fortitude Valley, 381 Brunswick Street
Arts Queensland (Judith Wright Centre of Contemporary Arts)	Fortitude Valley, 420 Brunswick Street
Corporate Administration Agency (Arts Queensland)	South Brisbane, 3/31 Merivale Street
	South Brisbane, 35 Merivale Street
CITEC	Brisbane, Edward St Railway 1C
	Brisbane, Edward St Railway 1D
	Brisbane, Cnr Ann and Edward Streets (Mincom Building)
	Brisbane, Executive B1 100 George Street
	Ipswich, Springfield DATA Centre I (Polaris)
	Melbourne, 256 Queen Street
	Sydney, 60 Margaret Street
Queensland State Archives	Runcorn, 435 Compton Road
Queensland Shared Services	Brisbane, 75 William Street, Neville Bonner Building
	Woolloongabba, 411 Vulture Street
	Spring Hill, 80-88 Leichhardt Street
	Milton, 67 Castlemaine Street
	Brisbane, 179 North Quay
	Brisbane, 160 Mary Street
	Brisbane, 61 Mary Street
	Brisbane, 60 Edward Street
Smart Service Queensland (Call Centre)	Mt Gravatt, Garden Square Block B Logan Road
Smart Service Queensland (Call Centre)	Zillmere, Pineapple Street
Smart Service Queensland	Brisbane, 127 Creek Street
Science Delivery Division	Dutton Park, Ecosciences Precinct ,41 Boggo Road
	Toowong
	Deagon
	Toowoomba
	Brisbane, 400 George Street
Office of Queensland Chief Scientist	Brisbane, 111 George Street
Science and Research Division	Brisbane, 111 George Street
Innovation and Science Development	Brisbane, 111 George Street
Queensland Government Chief Information Office	Brisbane, 80 George Street
Queensland Government Chief Information Office	Brisbane, 41 George Street
Director-General's Office	Brisbane, 100 George Street
Regions	
Queensland Shared Services	Toowoomba, 145 Herries Street
	Townsville, 143 Walker Street
	Robina, 2/514 Christine Avenue
	Maroochydore, 12 First Ave
	Rockhampton, 80 Denham Street
	Cairns, 63 Spence Street
	Gympie, Louisa St
Arts Queensland	Cairns, 15 Lake St
	Cairns, 20 Lake St
Cairns Centre of Contemporary Arts	Cairns, 94-96 Abbotts St
Smart Services Queensland	Cairns, William McCormack Building 5B Sheridan Street
	Maroochydore, Mike Ahern Centre 12 First Ave

## 6. Locations

### Queensland Government Agent Program (QGAP) offices

Smart Service QGAP offices are located in regional centres:

Agnes Water	Collinsville	Jundah	Mt Garnet	Taroom
Aramac	Cooktown	Kalbar	Mundubbera	Texas
Augathella	Crows Nest	Kilkivan	Murgon	Thargomindah
Babinda	Croydon	Laidley	Nanango	Toogoolawah
Barcaldine	Cunnamulla	Lowood	Normanton	Tully
Beaudesert	Dirranbandi	Malanda	North Stradbroke Island	Wandoan
Bedourie	Eidsvold	Maleny	Pittsworth	Weipa
Biloela	Gayndah	Mary Valley	Quilpie	Windorah
Birdsville	Georgetown	Middlemount	Ravenshoe	Winton
Blackall	Goombungee	Miles	Richmond	Yarrabah
Blackbutt	Herberton	Mirani	Sarina	Yeppoon
Boonah	Hughenden	Mitchell	Springsure	
Boulia	Inglewood	Monto	St George	
Camooweal	Injune	Moranbah	Stanthorpe	
Cannonvale	Isisford	Mossman	Surat	
Childers	Jandowae	Moura	Tara	
Clermont	Julia Creek	Mount Morgan		

### Glossary

AIC	Australian Institute for Commercialisation	COAG	Council of Australian Governments
AMIS	Asset Management Inspection Services	CO2	Carbon dioxide
ANZSOG	Australia and New Zealand School of Government	CO2-e	Carbon dioxide equivalent
APEC	Asia-Pacific Economic Corporation	CPA	Certified practicing accountant
AS/NZS	Australia/New Zealand Standard	CSIRO	Commonwealth Science and Industrial Research Organisation
ATSIP	Australian Tropical Science and Innovation Precinct	DCCSDS	Department of Communities, Child Safety and Disability Services
BoM	Board of Management	DEEDI	Department of Employment, Economic Development and Innovation
BOS	Business Online Services	DEHP	Department of Environment and Heritage Protection
CBD	Central business district	DERM	Department of Environment and Resource Management
CEO	Chief Executive Officer	DETE	Department of Education, Training and Employment
CFO	Chief Finance Officer	DFAT	Department of Foreign Affairs and Trade
CIO	Chief Information Officer	DHPW	Department of Housing and Public Works
CITEC	Centre for Information Technology and Communication	DNRM	Department of Natural Resources and Mines
CLF	Capability leadership framework		

DPC	Department of Premier and Cabinet	QGCI	Queensland Government Chief Information Office
DPW	Department of Public Works	QGCN	Queensland Government Consolidated Network
DSITIA	Department of Science, Information Technology, Innovation and the Arts	QGCPO	Queensland Government Chief Procurement Office
EBIT	Earnings Before Interest and Tax	QGCTO	Queensland Government Chief Technology Office
EHMP	Ecosystem Health Monitoring Program	QGICT	Queensland Government Information and Communication Technology
ECQ	Electoral Commission Queensland	QGOV	Queensland Government
FMPM	Financial Management Practice Manual	QGSC	Queensland Government Service Centre
FTE	Full time equivalent	QH	Queensland Health
GPO	General Post Office	QIF	Queensland International Fellowships
GST	Goods and services tax	QM	Queensland Museum
HR	Human resources	QMI	Queensland Manufacturing Institute
ICAA	Institute of Chartered Accountants Australia	QSA	Queensland State Archives
ICT	Information and communication technology	QSS	Queensland Shared Services
ICTC	Information and Communication Technology Consolidation Program	QUT	Queensland University of Technology
IDES	Identity, Directory and Email Services	QWIN	Queensland Wide Innovation Network
ISO	International Standard Organisation	R&D	Research and development
IT	Information technology	REVS	Register of Encumbered Vehicles
kWh	kilowatt hours	SDS	Service delivery statement
LPG	Liquefied petroleum gas	SES	Senior executive service
MOHRI FTE	Minimum Obligatory Human Resources Information Full Time Equivalent	SET	Queensland Floods Science, Engineering and Technology
MP	Member of Parliament	Panel	
NAIDOC	National Aborigines and Islanders Day Observance Committee	SFIA	Skills Framework for the Information Age
NATA	National Association of Testing Authorities	SME	Small to medium enterprise
NLOS	National Occupational Licensing System	SMS	Safety Management System
QAO	Queensland Audit Office	SMS	Short message service
QAS	Queensland Academy of Sport	SO	Senior officer
QGAP	Queensland Government Agency Program	STEM	Science, Technology, Engineering, Mathematics
		USA	United States of America
		VSP	Voluntary Separation Program

## Financial Summary

**This financial summary provides an overview of the department's financial performance for the period 1 May 2012 to 30 June 2012. A more detailed view of the department's financial performance is provided in the financial statements included in this Annual Report.**

The Department of Science, Information Technology, Innovation and the Arts was established on 3 April 2012, the economic entity consists of seven major departmental services, a commercialised business unit, two shared service providers and six controlled corporate bodies. Refer to Note 1(b) within the Financial Statements for further information in relation to the department's economic entity. As the economic entity was established for financial reporting purposes effective 1 May 2012, no comparative information has been reported.

The department has reported an operating deficit of \$31.548 million for the period 1 May 2012 to 30 June 2012. This deficit is primarily due to the revaluation decrement reported as an expense of \$10.913 million as a result of the revaluation of Queensland Cultural Centre Precinct buildings managed by Arts Queensland and an impairment loss of \$19.643 million mainly due to the discontinuation of the Identity, Directory and Email Service (IDES) and impairment of the associated IDES related capital asset base within CITEC.

Total appropriated departmental services revenue received for the period 1 May 2012 to 30 June 2012 was \$95.649 million and the department operated within its appropriated budget during this period. Total user charges received for the period was \$84.987 million, primarily derived through the sale of Information, Communication and Technology services by CITEC and Corporate Services (including Finance and Payroll support) by the Department's two Shared Service Providers, Queensland Shared Services and the Corporate Administration Agency.

The department maintained a sound position as at 30 June 2012 with net assets of \$1.038 billion. Following machinery-of-Government changes, the Department received on establishment net assets transferred from other government departments of \$1.076 billion as at 1 May 2012. As at 30 June 2012, Property, plant and equipment of \$821.561 million associated with Arts Queensland land and building holdings accounts for the majority of the department's net asset base. Cash balances are significant at \$138.668 million and will be allocated to settle payables recognised of \$108.777 million primarily due to cash flow associated with the Department's expenditure paid for by the Department of Environment and Heritage Protection and the Department of State Development, Infrastructure and Planning as a result of transitional financial management arrangements following machinery-of-Government changes.

All liabilities recognised by the department are funded and no significant contingent liabilities exist as at 30 June 2012 in respect to the department's activities.

All administered activities operated within budget and administered assets were administered consistent with departmental objectives.

### Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Acting Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with section 57 of the *Financial and Performance Management Standard 2009*.

The Chief Finance Officer has fulfilled the minimum responsibilities as required by the *Financial Accountability Act 2009*.



# Part B Annual Report 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

For the period 1 May 2012 to 30 June 2012

## Contents

Statement of Comprehensive Income	68
Statement of Financial Position	69
Statement of Changes in Equity	70
Statement of Cash Flows	71
Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs	72
Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs	74
Notes to and forming part of the Financial Statements for the period 1 May 2012 to 30 June 2012	76
Management Certificate	125
Independent Auditor's Report	126

### General Information

These financial statements cover the Department of Science, Information Technology, Innovation and the Arts and its controlled entities. The Department of Science, Information Technology, Innovation and the Arts 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 100 George Street, BRISBANE QLD 4000.

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

For information in relation to the department's financial statement, please call 13 QGOV (13 74 68) or visit the departmental website [www.qld.gov.au/dsitia](http://www.qld.gov.au/dsitia).

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

## Part B

# 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

## Statement of Comprehensive Income

For the period 1 May 2012 to 30 June 2012

	Notes	2012 \$'000
<b>Income from continuing operations</b>		
Departmental services revenue	2	95,649
User charges	3	84,987
Grants and other contributions	4	10,914
Other revenue	5	1,290
<b>Total income from continuing operations</b>		<b>192,840</b>
<b>Expenses from continuing operations</b>		
Employee expenses	6	60,591
Supplies and services	8	60,312
Grants and subsidies	9	49,236
Depreciation and amortisation	10	12,989
Impairment losses	11	19,643
Revaluation decrement	12	10,913
Finance/borrowing costs	13	297
Other expenses	14	10,407
<b>Total expenses from continuing operations</b>		<b>224,388</b>
<b>Operating result from continuing operations before income tax</b>		<b>(31,548)</b>
Income tax benefit/(expense)	36	-
<b>Operating result from continuing operations after income tax</b>		<b>(31,548)</b>
<b>Other comprehensive income/(loss)</b>		
Increase in asset revaluation surplus	27	10,150
<b>Total other comprehensive income/(loss)</b>		<b>10,150</b>
<b>Total comprehensive income/(loss)</b>		<b>(21,398)</b>

*The accompanying notes form part of these statements.*

# Part B

## 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

### Statement of Financial Position

As at 30 June 2012

	Notes	2012 \$'000
<b>Current assets</b>		
Cash and cash equivalents	15	138,668
Receivables	16	67,843
Inventories	17	9
Other assets	19	15,159
<b>Total current assets</b>		<b>221,679</b>
<b>Non-current assets</b>		
Receivables	16	20,722
Deferred tax assets	18	10,209
Intangible assets	20	119,659
Property, plant and equipment	21	821,561
Other assets	19	1,851
<b>Total non-current assets</b>		<b>974,002</b>
<b>Total assets</b>		<b>1,195,681</b>
<b>Current liabilities</b>		
Payables	22	108,777
Other financial liabilities	23	19,166
Accrued employee benefits	24	8,695
Other liabilities	26	4,675
<b>Total current liabilities</b>		<b>141,313</b>
<b>Non-current liabilities</b>		
Other financial liabilities	23	15,467
Deferred tax liabilities	25	73
<b>Total non-current liabilities</b>		<b>15,540</b>
<b>Total liabilities</b>		<b>156,853</b>
<b>Net assets</b>		<b>1,038,828</b>
<b>Equity</b>		
Contributed equity		1,060,226
Accumulated surplus		(31,548)
Asset revaluation surplus	27	10,150
<b>Total equity</b>		<b>1,038,828</b>

*The accompanying notes form part of these statements.*

# Part B

## 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

### Statement of Changes in Equity

For the period 1 May 2012 to 30 June 2012

	Notes	2012 \$'000
<b>Contributed equity</b>		
<b>Balance as at 1 May</b>		-
<i>Transactions with owners as owners:</i>		
Appropriated equity injections		15,664
Appropriated equity withdrawals		(16,330)
Non appropriated equity injections		1,190
Non appropriated equity withdrawals		(17,056)
Net assets received (transferred via machinery-of-government change)	30	1,076,758
<b>Balance as at 30 June</b>		<b>1,060,226</b>
<b>Accumulated surpluses/(deficits)</b>		
<b>Balance as at 1 May</b>		-
Operating result from continuing operations		(31,548)
<b>Balance as at 30 June</b>		<b>(31,548)</b>
<b>Asset revaluation surplus</b>		
<b>Balance as at 1 May</b>		-
<i>Total other comprehensive income</i>		
Increase on revaluation of:		
Land		9,919
Buildings		105
Infrastructure		126
<b>Balance as at 30 June</b>	27	<b>10,150</b>

*The accompanying notes form part of these statements.*

# Part B

## 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

### Statement of Cash Flows

For the period 1 May 2012 to 30 June 2012

	Notes	2012 \$'000
<b>Cash flows from operating activities</b>		
<i>Inflows:</i>		
Departmental services revenue		91,893
User charges		115,675
Grants and other contributions		3,393
GST collected from customers		27,029
GST input tax credits from ATO		11,428
Interest receipts		66
Other		244
<i>Outflows:</i>		
Employee expenses		(57,219)
Supplies and services		(55,057)
Grants and subsidies		(11,241)
Finance/borrowing costs		(398)
Insurance premiums		(169)
GST paid to suppliers		(12,934)
GST remitted to ATO		(25,624)
Other		(13,944)
<b>Net cash provided by/(used in) operating activities</b>		<b>73,142</b>
<b>Cash flows from investing activities</b>		
<i>Inflows:</i>		
Sales of property, plant and equipment		600
<i>Outflows:</i>		
Payments for property, plant and equipment		(4,801)
Payments for intangible assets		(100)
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,301)</b>
<b>Cash flows from financing activities</b>		
<i>Inflows:</i>		
Borrowings		2,179
Equity injections		24,993
Transfer of cash and cash equivalents as a result of machinery-of-Government changes	30	72,024
<i>Outflows:</i>		
Borrowing redemptions		(5,700)
Equity withdrawals		(23,669)
<b>Net cash provided by/(used in) financing activities</b>		<b>69,827</b>
<b>Net increase in cash and cash equivalents</b>		<b>138,668</b>
Cash and cash equivalents at beginning of financial year		-
<b>Cash and cash equivalents at end of financial year</b>	15	<b>138,668</b>

*The accompanying notes form part of these statements.*

# Part B

## 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

### Statement of Comprehensive Income by Major Departmental Services, CBUs, and SSPs

For the period 1 May 2012 to 30 June 2012

	Corporate Administration Agency 2012 \$'000	Arts Queensland 2012 \$'000	CITEC 2012 \$'000	Science Delivery Services 2012 \$'000	Queensland Government Chief Information Office 2012 \$'000	Queensland Chief Scientist 2012 \$'000
<b>Income from continuing operations</b>						
<b>Revenue</b>						
Departmental services revenue	-	22,602	-	10,812	7,781	477
User charges	1,749	2,851	33,335	381	74	-
Grants and other contributions	31	2,380	-	1,824	335	-
Other revenue	6	121	316	24	8	-
<b>Total income from continuing operations</b>	<b>1,786</b>	<b>27,954</b>	<b>33,651</b>	<b>13,041</b>	<b>8,198</b>	<b>477</b>
<b>Expenses from continuing operations</b>						
Employee expenses	1,165	2,763	11,794	6,785	2,134	171
Supplies and services	417	6,819	21,414	4,001	5,309	17
Grants and subsidies	-	11,202	-	549	336	-
Depreciation and amortisation	41	6,991	2,767	1,148	25	-
Impairment losses	-	-	19,782	28	-	-
Revaluation decrement	-	10,913	-	-	-	-
Finance/borrowing costs	-	78	219	-	-	-
Other expenses	72	95	91	117	5	3
<b>Total expenses from continuing operations</b>	<b>1,695</b>	<b>38,861</b>	<b>56,067</b>	<b>12,628</b>	<b>7,809</b>	<b>191</b>
<b>Operating result from continuing operations before income tax</b>	<b>91</b>	<b>(10,907)</b>	<b>(22,416)</b>	<b>413</b>	<b>389</b>	<b>286</b>
<b>Income tax benefit/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating result from continuing operations after income tax</b>	<b>91</b>	<b>(10,907)</b>	<b>(22,416)</b>	<b>413</b>	<b>389</b>	<b>286</b>
<b>Other comprehensive income</b>						
Increase in asset revaluation surplus	-	9,919	-	231	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>9,919</b>	<b>-</b>	<b>231</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>91</b>	<b>(988)</b>	<b>(22,416)</b>	<b>644</b>	<b>389</b>	<b>286</b>



# Part B

## 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

	Queensland State Archives 2012 \$'000	Queensland Shared Services 2012 \$'000	Innovation and Science Development Services 2012 \$'000	Smart Services Queensland 2012 \$'000	General - Not attributed 2012 \$'000	Inter services/ Activity Eliminations 2012 \$'000	TOTAL 2012 \$'000
<b>Income from continuing operations</b>							
<b>Revenue</b>							
Departmental services revenue	2,872	-	44,134	7,278	(307)	-	95,649
User charges	19	47,093	1	4,894	-	(5,410)	84,987
Grants and other contributions	2,395	258	237	3,454	-	-	10,914
Other revenue	-	(140)	954	1	528	(528)	1,290
<b>Total income from continuing operations</b>	<b>5,286</b>	<b>47,211</b>	<b>45,326</b>	<b>15,627</b>	<b>221</b>	<b>(5,938)</b>	<b>192,840</b>
<b>Expenses from continuing operations</b>							
Employee expenses	1,263	24,875	2,224	7,158	259	-	60,591
Supplies and services	1,489	21,620	1,250	3,532	373	(5,929)	60,312
Grants and subsidies	-	-	37,023	126	-	-	49,236
Depreciation and amortisation	35	1,842	1	139	-	-	12,989
Impairment losses	-	(167)	1	(1)	-	-	19,643
Revaluation decrement	-	-	-	-	-	-	10,913
Finance/borrowing costs	-	-	-	-	-	-	297
Other expenses	2,399	107	7,452	45	30	(9)	10,407
<b>Total expenses from continuing operations</b>	<b>5,186</b>	<b>48,277</b>	<b>47,951</b>	<b>10,999</b>	<b>662</b>	<b>(5,938)</b>	<b>224,388</b>
<b>Operating result from continuing operations before income tax</b>	<b>100</b>	<b>(1,066)</b>	<b>(2,625)</b>	<b>4,628</b>	<b>(441)</b>	<b>-</b>	<b>(31,548)</b>
<b>Income tax benefit/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating result from continuing operations after income tax</b>	<b>100</b>	<b>(1,066)</b>	<b>(2,625)</b>	<b>4,628</b>	<b>(441)</b>	<b>-</b>	<b>(31,548)</b>
<b>Other comprehensive income</b>							
Increase in asset revaluation surplus	-	-	-	-	-	-	10,150
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,150</b>
<b>Total comprehensive income</b>	<b>100</b>	<b>(1,066)</b>	<b>(2,625)</b>	<b>4,628</b>	<b>(441)</b>	<b>-</b>	<b>(21,398)</b>

# Part B

## 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

### Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs

As at 30 June 2012

	Corporate Administration Agency 2012 \$'000	Arts Queensland 2012 \$'000	CITEC 2012 \$'000	Science Delivery Services 2012 \$'000	Queensland Government Chief Information Office 2012 \$'000	Queensland Chief Scientist 2012 \$'000
<b>Current assets</b>						
Cash and cash equivalents	2,752	8,238	8,147	1,632	-	-
Receivables	949	11,687	22,287	13,784	3,913	477
Inventories	-	9	-	-	-	-
Other assets	464	75	4,956	31	6,917	-
<b>Total current assets</b>	<b>4,165</b>	<b>20,009</b>	<b>35,390</b>	<b>15,447</b>	<b>10,830</b>	<b>477</b>
<b>Non-current assets</b>						
Receivables	-	100	-	-	-	-
Deferred tax assets	-	-	10,209	-	-	-
Intangible assets	310	-	11,116	1,865	626	-
Property, plant and equipment	584	710,267	32,264	65,097	77	4
Other assets	-	-	1,851	-	-	-
<b>Total non-current assets</b>	<b>894</b>	<b>710,367</b>	<b>55,440</b>	<b>66,962</b>	<b>703</b>	<b>4</b>
<b>Total assets</b>	<b>5,059</b>	<b>730,376</b>	<b>90,830</b>	<b>82,409</b>	<b>11,533</b>	<b>481</b>
<b>Current liabilities</b>						
Payables	234	2,766	12,929	1,655	2,983	190
Other financial liabilities	-	8,682	9,796	688	-	-
Accrued employee benefits	217	394	2,005	1,057	-	-
Other liabilities	-	-	4,117	79	6,893	-
<b>Total current liabilities</b>	<b>451</b>	<b>11,842</b>	<b>28,847</b>	<b>3,479</b>	<b>9,876</b>	<b>190</b>
<b>Non-current liabilities</b>						
Other financial liabilities	-	461	15,006	-	-	-
Deferred tax liabilities	-	-	73	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>461</b>	<b>15,079</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>451</b>	<b>12,303</b>	<b>43,926</b>	<b>3,479</b>	<b>9,876</b>	<b>190</b>
<b>Net assets</b>	<b>4,608</b>	<b>718,073</b>	<b>46,904</b>	<b>78,930</b>	<b>1,657</b>	<b>291</b>

# Part B

## 2011–12 Financial Statements

Department of Science, Information Technology, Innovation and the Arts

	Queensland State Archives 2012 \$'000	Queensland Shared Services 2012 \$'000	Innovation and Science Development Services 2012 \$'000	Smart Services Queensland 2012 \$'000	General - Not attributed 2012 \$'000	Inter services/ Activity Eliminations 2012 \$'000	TOTAL 2012 \$'000
<b>Current assets</b>							
Cash and cash equivalents	2	41,316	-	1,600	74,981	-	138,668
Receivables	1,915	26,404	64,983	9,421	270	(88,247)	67,843
Inventories	-	-	-	-	-	-	9
Other assets	30	2,307	-	379	-	-	15,159
<b>Total current assets</b>	<b>1,947</b>	<b>70,027</b>	<b>64,983</b>	<b>11,400</b>	<b>75,251</b>	<b>(88,247)</b>	<b>221,679</b>
<b>Non-current assets</b>							
Receivables	-	-	20,622	-	-	-	20,722
Deferred tax assets	-	-	-	-	-	-	10,209
Intangible assets	87	95,460	-	10,195	-	-	119,659
Property, plant and equipment	566	4,909	-	7,793	-	-	821,561
Other assets	-	-	-	-	-	-	1,851
<b>Total non-current assets</b>	<b>653</b>	<b>100,369</b>	<b>20,622</b>	<b>17,988</b>	<b>-</b>	<b>-</b>	<b>974,002</b>
<b>Total assets</b>	<b>2,600</b>	<b>170,396</b>	<b>85,605</b>	<b>29,388</b>	<b>75,251</b>	<b>(88,247)</b>	<b>1,195,681</b>
<b>Current liabilities</b>							
Payables	1,664	18,227	68,664	5,573	75,246	(81,354)	108,777
Other financial liabilities	-	-	-	-	-	-	19,166
Accrued employee benefits	-	3,715	-	1,307	-	-	8,695
Other liabilities	-	-	-	34	445	(6,893)	4,675
<b>Total current liabilities</b>	<b>1,664</b>	<b>21,942</b>	<b>68,664</b>	<b>6,914</b>	<b>75,691</b>	<b>(88,247)</b>	<b>141,313</b>
<b>Non current liabilities</b>							
Other financial liabilities	-	-	-	-	-	-	15,467
Deferred tax liabilities	-	-	-	-	-	-	73
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,540</b>
<b>Total liabilities</b>	<b>1,664</b>	<b>21,942</b>	<b>68,664</b>	<b>6,914</b>	<b>75,691</b>	<b>(88,247)</b>	<b>156,853</b>
<b>Net assets</b>	<b>936</b>	<b>148,454</b>	<b>16,941</b>	<b>22,474</b>	<b>(440)</b>	<b>-</b>	<b>1,038,828</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

Note 1:	Summary of significant accounting policies
Note 2:	Reconciliation of payments from consolidated fund to departmental services revenue recognised in Statement of Comprehensive Income
	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
Note 3:	User charges
Note 4:	Grants and other contributions
Note 5:	Other revenue
Note 6:	Employee expenses
Note 7:	Key executive management personnel and remuneration
Note 8:	Supplies and services
Note 9:	Grants and subsidies
Note 10:	Depreciation and amortisation
Note 11:	Impairment losses
Note 12:	Revaluation decrement
Note 13:	Finance/borrowing costs
Note 14:	Other expenses
Note 15:	Cash and cash equivalents
Note 16:	Receivables
Note 17:	Inventories
Note 18:	Tax assets
Note 19:	Other assets
Note 20:	Intangible assets
Note 21:	Property, plant and equipment
Note 22:	Payables
Note 23:	Other financial liabilities
Note 24:	Accrued employee benefits
Note 25:	Tax liabilities
Note 26:	Other liabilities
Note 27:	Asset revaluation surplus by class
Note 28:	Reconciliation of operating result to net cash from operating activities
Note 29:	Noncash financing and investing activities
Note 30:	Machinery-of-Government transfers
Note 31:	Commitments for expenditure
Note 32:	Contingencies
Note 33:	Controlled entities
Note 34:	Financial instruments
Note 35:	Taxation equivalents
Note 36:	Schedule of administered items

Note 37:	Reconciliation of payments from consolidated fund to administered item appropriation
Note 38:	Agency transactions
Note 39:	Events occurring after balance date

### Objectives and principal activities of the department

The Department of Science, Information Technology, Innovation and the Arts brings together science, innovation, information technology and arts into one portfolio to help drive Queensland's economy.

The department's overarching vision is a globally competitive Queensland economy driven by knowledge and creativity. Activity within the department is focussed on delivering six broad objectives:

- Better informed government decision-making through Science
- Increased productivity through an increase in innovation and activity
- Strengthened cultural and economic outcomes for Queenslanders through an innovative and creative arts and cultural sector
- Supporting high performing Queensland Government agencies through the facilitation of efficient standardised shared services
- Strengthened ICT and information management through high quality services and capability
- Connecting Queenslanders to their Government through a one-stop-shop.

The department is supported by two key roles, the Queensland Government Chief Information Officer and the Queensland Chief Scientist, both of whom provide strategic advice and services to the minister, including the implementation of government priorities.

The department is funded for the departmental services it delivers principally by parliamentary appropriations with further significant funding sourced through the generation of user charges through the sale of:

- Information, Communication and Technology services by CITEC
- Financial, Procurement, Human Resource Management, Facilities Management, Mail Support Services and Information Systems Support services by Queensland Shared Services and the Corporate Administration Agency

The objectives and principal activities of the department's controlled entities are set out in note 33.

# Part B Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

## 1. Summary of significant accounting policies

### (a) Statement of compliance

The Department of Science, Information Technology, Innovation and the Arts and its controlled entities, has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2012, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Department of Science, Information Technology, Innovation and the Arts has applied those requirements applicable to not-for-profit entities, as the Department of Science, Information Technology, Innovation and the Arts is a not-for-profit department.

Except where stated, the historical cost convention is used.

Companies disclosed in the financial statements comply with Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

### (b) The reporting entity

As a result of the *Public Service Departmental Arrangements Notice (No.1) 2012*, the Department of Science, Information Technology, Innovation and the Arts was established on 3 April 2012. The following government entities were declared to be part of the department.

- Arts Queensland from the Department of the Premier and Cabinet
- Corporate Administration Agency from the Department of the Premier and Cabinet
- Office of the Chief Scientist from the Department of the Premier and Cabinet
- That part of the Department of Employment, Economic Development and Innovation responsible for (a) science research and development and (b) business innovation and the associated executive support services

- International Collaborations from the Department of Employment, Economic Development and Innovation
- Centre for Information Technology and Communications (CITEC) from the Department of Public Works
- Queensland State Archives from the Department of Public Works

As a result of the *Public Service Departmental Arrangements Notice (No.2) 2012*, the Department of Science, Information Technology, Innovation and the Arts assumed the following additional functions:

- Smart Service Queensland from the Department of Public Works
- Office of the Queensland Government Chief Information Officer from the Department of the Premier and Cabinet
- Environment and Resource Sciences from the Department of Environment and Resource Management
- Queensland Climate Change Centre for Excellence from the Department of Environment and Resource Management
- Queensland Shared Services including CorpTech from the Department of Public Works

However, pursuant to section 80(2) of the *Financial Accountability Act 2009*, for financial statement purposes, the transfer is deemed to have occurred from the first day of the month following the gazettal date, that is, from 1 May 2012.

Although the Department of Science, Information Technology, Innovation and the Arts was created on 3 April, these financial statements include transactions for the period 1 May 2012 to 30 June 2012 only. Transactions for the period 3 April 2012 to 30 April 2012 are recorded in the financial statements of the Department of the Premier and Cabinet, the Department of Housing and Public Works, the Department of State Development, Infrastructure and Planning and the Department of Environment and Heritage Protection in respect to the entities which have transferred in accordance with the respective Public Service Departmental Arrangements Notice.

The consolidated financial statements include the value of all assets, liabilities, equity, revenues and expenses of the Department of Science, Information Technology, Innovation and the Arts.

The department as an economic entity consists of major departmental services, together with corporate and executive services, a commercialised business unit, shared service providers and controlled companies.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (b) The reporting entity (continued)

In order to provide enhanced disclosure, the department has adopted the principles outlined in Australian Accounting Standard AASB 127 *Consolidated and Separate Financial Statements*. This approach is considered appropriate as it reflects the relationship between the department's core business activities and those of its commercialised business units and shared service providers. In the process of reporting on the economic entity, all transactions and balances internal to the economic entity have been eliminated in full.

#### Major Departmental Services:

- Science Delivery Services
- Innovation and Science Development Services
- Queensland Government Chief Information Office
- Arts Queensland
- Queensland State Archives
- Queensland Chief Scientist
- Smart Service Queensland

The departmental services/major activities undertaken by the department are disclosed in paragraph 1(ae).

#### Commercialised Business Units

- CITEC

#### Shared Service Providers

- Corporate Administration Agency
- Queensland Shared Services (including CorpTech)

#### Controlled companies

- Screen Queensland Pty Ltd (formerly Pacific Film and Television Pty Ltd)
- Aboriginal Centre for the Performing Arts Pty Ltd
- Queensland Music Festival Pty Ltd
- Major Brisbane Festivals Pty Ltd\*
- Biopharmaceuticals Australia (Network) Pty Ltd
- CSI Holdings Pty Ltd

*\*It has been determined that the department does not have control over the financial or operating policies of Major Brisbane Festivals Pty Ltd through voting rights or board membership of the entity. However, due to funding arrangements for the entity, the department has significant influence.*

The transactions and balances in respect of the controlled companies are not considered material and have not been consolidated into the financial

statements. Each controlled company is a reporting entity in its own right and the audited financial statements are included in their respective annual reports. Details of the department's controlled entities are disclosed in note 33.

### (c) Administered transactions and balances

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

Administered transactions and balances are disclosed in note 36. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

The principal asset which the department administers relates to loans provided under the Smart State Research Facility Fund with associated activities being the management of these loan arrangements.

The principal expense which the department administers relates to grant payments made to statutory authorities and other commercial entities relating to investments in the arts sector.

### (d) Agency transactions and balances

The department, through the CITEC business unit, has commercial arrangements with various state and federal government agencies to perform certain transactions on their behalf.

The department, through Smart Service Queensland, facilitates easier access to responsive government services and information and provides the primary point of contact for Queenslanders to access government services through multiple delivery channels.

The transactions and balances related to these agency arrangements for the period 1 May 2012 to 30 June 2012 are identified separately in note 38 and are not included in these financial statements because the department acts only in a custodial role.

### (e) Departmental services revenue/Administered revenue

Appropriations provided under the Annual Appropriation Act are recognised as revenue when received or when a service rendered is recognised after approval from Queensland Treasury and Trade.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

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

### (f) User charges

User charges and fees 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. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

User charges, taxes, fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer to note 36.

### (g) Grants and contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them. Where grants that are reciprocal in nature are received, revenue is recognised over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

### (h) Cash and cash equivalents

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

### (i) Receivables

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

The collectability of receivables is assessed at balance date with provision being made for impairment. All known bad debts were written-off as at 30 June 2012. Increases in the allowance for impairment are based on loss events as disclosed in note 11.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. No interest is charged and no security is obtained.

The department has provided interest free loans. These loans are initially recognised at their fair value. The difference between the fair value of loans and the amounts given (fair value adjustment on loans) is recorded in the Statement of Comprehensive Income as part of other expenses. Loans are subsequently measured using the effective interest rate method. Effective interest is recorded in the Statement of Comprehensive Income over the period of the loans and recognises any difference between the fair value of loans at inception and the redemption amount. As it is the intention of the borrowers to hold the loans for their full term, the accumulated effective interest recorded in the Statement of Comprehensive Income will, over time, exactly offset the accumulated fair value adjustment on loans.

### (j) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

### (k) Work in progress

Work in progress is recognised at cost. All costs relating to items of property, plant and equipment and intangibles constructed in-house are recorded as work in progress until completion of the project using all direct costs and, where applicable, reliable attributed indirect costs. Work in progress performed under external contracts is recorded using the invoice amount supplied by the contractor. The department does not capitalise finance and borrowing costs.

### (l) Acquisitions of assets

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

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

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (l) Acquisitions of assets (continued)

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

### (m) Property, plant and equipment

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

Buildings	\$10 000
Infrastructure	\$10 000
Land	\$1
Plant and equipment (including heritage and cultural assets)	\$5 000

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

Land improvements undertaken by the department are included with buildings.

### (n) Revaluations of non-current physical and intangible assets

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

Where intangible assets have an active market, they are measured at fair value; otherwise they are measured at cost.

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

Non-current physical assets measured at fair value are comprehensively re-valued at least once every five years, with interim valuations using appropriate indices being otherwise performed on an annual basis where there has been a material variation in the index.

Fair value for infrastructure assets is assessed on a depreciated replacement cost approach due to the lack of market sales for such assets.

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

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

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

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

The revaluation process undertaken during the period 1 May 2012 to 30 June 2012 is outlined in note 21.

### (o) Intangible assets

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

The residual value is zero for all the department's intangible assets.

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

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

#### *Purchased software*

The purchase cost of this software has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to the department, generally five years. However, where appropriate, the useful lives of certain assets have been determined on an individual basis.

#### *Internally generated software*

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

Costs associated with the development of computer software have been capitalised and are amortised on a straight line basis over the period of the expected benefit to the department, generally five years.

However, where appropriate, the useful lives of certain assets have been determined on an individual basis.

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

Land is not depreciated as it has an unlimited useful life.

All intangible assets of the department have finite useful lives and are amortised on a straight line basis.

All property, plant and equipment, with the exception of Screen Queensland's plant and equipment, is depreciated on a straight-line basis so as to allocate the net cost or re-valued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department. Screen Queensland's plant and equipment is depreciated on a diminishing value basis resulting in a decreasing charge over the useful life of the assets. Screen Queensland's financial statements are not consolidated within the departmental financial statements and therefore this alternative method used has no impact on the financial statements of the economic entity.

Assets under construction (work in progress) are not depreciated until they reach their 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 and intangible assets.

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

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

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the

unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

Plant and equipment subject to a finance lease is amortised on a straight-line basis over the term of the lease or, where it is likely that the department will obtain ownership of the asset, the expected useful life of the asset to the department.

Items comprising the department's technical library are expensed on acquisition.

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

**Class Depreciation rates**

Land:	nil
Buildings:	Determined on an individual basis in accordance with useful life – range 1.5% to 10%
Infrastructure assets:	From 2% to 33% in accordance with useful life of components
Plant and equipment	2%-50%

**Intangible assets**

**Amortisation rates**

Software purchased:	4.3% to 67%
Software internally generated:	6.3% to 33%

Where appropriate, the depreciation rates applied to assets are determined on an individual basis.

**(q) Impairment of non-current assets**

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

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

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a re-valued amount. When the asset is measured at a re-valued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (q) Impairment of non-current assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also note 11.

### (r) Leases

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

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

Lease payments are allocated between the principal component of the lease liability and the interest expense.

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

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

### (s) Payables

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

### (t) Financial instruments

#### *Recognition*

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

#### *Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit or loss
- Receivables – held at amortised cost
- Payables – held at amortised cost
- Borrowings – held at amortised cost.

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

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

The department does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement basis and financial risk management of financial instruments held by the department are included in note 34.

### (u) Employee benefits

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

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

#### *Wages, salaries and sick leave*

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

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

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

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

### *Annual leave*

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 this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs).

The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

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

Controlled companies of the department are not required to participate in the ALCS. These entities recognise annual leave due but unpaid at reporting date. For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity. Balances and transactions of the controlled companies are not considered material and have not been consolidated into the financial statements.

### *Long service leave*

Under the Queensland Government's long service leave scheme, a levy is made on the department to

cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

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

Controlled companies do not participate in the Queensland Government long service leave scheme. These entities recognise a provision for long service leave when it is probable that settlement will be required and it is capable of being measured reliably. The provision is based on the present value of the estimated future cash outflows to be made resulting from employee services provided to the reporting date, calculated using rates attached to Commonwealth bonds of similar maturity. Balances and transactions of controlled companies are not considered material and have not been consolidated into the financial statements.

### *Superannuation*

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary.

Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

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

Controlled companies do not participate in the whole-of-Government arrangements for superannuation. Contributions are made on behalf of employees to several defined benefit and defined contribution superannuation plans. Contributions are expensed as they are made. The department has no legal or constructive obligation to fund any deficit.

Contributions paid meet or exceed the requirements of the Superannuation Guarantee Levy. Balances and transactions of controlled companies are not considered material and have not been consolidated into the financial statements.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (u) Employee benefits (continued)

#### *Key executive management personnel and remuneration*

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 7 for the disclosures on key executive management personnel and remuneration.

For the controlled companies no executives are employed under the *Public Service Act 2008*.

### (v) Taxation

The department's activities are exempt from all forms of Commonwealth taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Department. As such, input tax credits receivable and GST payable from/to the Australian Taxation Office are recognised and accrued.

Agreements have been reached with Queensland Treasury and Trade for CITEC to pay an income tax equivalent, in accordance with the requirements of the National Tax Equivalents Regime.

The income tax equivalent expense for CITEC is calculated based on the Balance Sheet approach under which temporary differences are identified for each asset and liability. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised in the Statement of Financial Position as a tax asset or a tax liability.

Tax assets are not brought to account unless realisation of the asset is probable. Tax assets relating to CITEC's tax losses are only brought to account to the extent that future profits are probable. Recovery of deferred tax assets is primarily based on projected operational results outlined in three year forecasting budgets provided to Queensland Treasury and Trade.

### (w) 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
- Finance lease charges

- Amortisation of discounts or premiums relating to borrowings
- Ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

### (x) Insurance

With the exception of non-current physical assets at CITEC, which are commercially insured, the department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, 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) Services received free of charge or for nominal value

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

### (z) 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.

### (aa) Issuance of financial statements

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

### (ab) 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.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

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

- Valuation of property, plant and equipment - Note 21
- Contingencies - Note 32
- Impairment - Notes 11,16,20 and 21

The Australian Government passed its Clean Energy Act in November 2011 with a start date of 1 July 2012. The legislation will result in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It will be preceded by a three year period during which the price of permits will be fixed at \$23 per tonne or carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.

Section 4.3.4 of Queensland Treasury and Trade's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on the department's critical accounting estimates, assumptions and management judgements.

### (ac) Rounding and comparatives

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

As the economic entity was established for financial reporting purposes effective 1 May 2012, no comparative information has been reported.

### (ad) New and Revised Accounting Standards

The department did not voluntarily change any of its accounting policies during 1 May 2012 to 30 June 2012. Australian accounting standard changes applicable for the first time during 1 May 2012 to 30 June 2012 have had minimal effect on the department's financial statements, as explained below.

*AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual*

*Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]* became effective from reporting periods beginning on or after 1 January 2011. Given the department's existing financial instruments, there was only a minor impact on the department's financial instruments note (refer note 34), in relation to disclosures about credit risk.

That note no longer needs to disclose amounts that best represent the maximum exposure to credit risk where the carrying amount of the instruments already reflects this. As this was the case with all the department's receivables as at 30 June 2012 receivables are not included in the credit risk disclosure in this year's financial statements.

As the department held no collateral or other credit enhancements in respect of its financial instruments, and did not renegotiate the terms of any financial assets during the reporting periods presented in these financial statements, there were no other changes required to the department's financial instruments note arising from the amendments to *AASB 7 Financial Instruments: Disclosures*.

*AASB 1054 Australian Additional Disclosures* became effective from reporting periods beginning on or after 1 July 2011. Given the department's previous disclosure practices, AASB 1054 had minimal impact on the department. One of the footnotes to note 14 Other Expenses, regarding audit fees, has been slightly amended to identify the department's auditor and clarify the nature of the work performed by the auditor.

*AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]* also became effective from reporting periods beginning on or after 1 July 2011. The only potential implication for the department from this amending standard was the deletion from AASB 101 Presentation of Financial Statements of the requirement for disclosure of commitments. However, Treasury's Minimum Reporting Requirements require continuation of commitments disclosures, so this deletion from AASB 101 has no impact on the department's commitments note (refer note 31).

The department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the department has not applied any

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (ad) New and Revised Accounting Standards (continued)

Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The department applies standards and interpretations in accordance with their respective commencement dates.

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

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

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

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

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

*AASB 9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]* become effective from reporting periods beginning on or after 1 January 2013. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value.

Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The department has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department’s conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, it is not expected that any of the department’s financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2013-14 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(t) and 35). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the department’s current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2013:

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

These standards cannot be applied by not-for-profit entities prior to their effective date, as the AASB is presently considering modifying them for application by not-for-profit entities in an Australian context. Any such modifications are likely to clarify how the IASB's principles should be applied by not-for-profit entities. Hence, the department is not yet in a position to reliably determine the future implications of these new and revised standards for the department's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, which is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, subject to any not-for-profit modifications yet to be made to AASB 10, the department will need to re-assess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control, and sets out new principles for determining the type of joint arrangement that exists – which, in turn, dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit modifications yet to be made to AASB 11, the department will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.

AASB 12 contains a wide range of new disclosure requirements in respect of interests in other entities, whether those entities are controlled entities, associates, joint arrangements, or structured entities that aren't consolidated. The volume and nature of disclosures that the department will be required to make as from its 2013-14 financial statements will depend on the department's eventual assessment of the implications of the new and revised standards listed above, particularly AASB 10, AASB 11 and AASB 128.

A revised version of AASB 119 *Employee Benefits* applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. Given the department's circumstances, the only implications for the department are that the revised standard clarifies the concept of "termination benefits", and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

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

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as "tier 2"). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.



## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (ad) New and Revised Accounting Standards (continued)

Details of which disclosures in standards and interpretations are not required under tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6 and AASB 2011-11 (which also apply from reporting periods beginning on or after 1 July 2013).

However, Treasury's Minimum Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the department may adopt tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the tier 1 requirements. In the case of the department, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of tier 1 reporting by all Queensland Government departments and statutory bodies that are consolidated into the whole-of-Government financial statements. Queensland Treasury and Trade's policy also prohibits the early adoption of the arrangements outlined in AASB 1053 and its accompanying amending standards. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the department.

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.

### (ae) Services/major activities of the department

The identity and purpose of each service/major activity undertaken by the department for the period 1 May 2012 to 30 June 2012 is summarised below.

**Science Delivery Services** provides the scientific evidence that underpins legislative and government policy development to ensure government decision-making and planning is founded on sound, practical science.

The division assists its clients in the delivery of scientific services in the areas of water (freshwater and marine), land and vegetation, climate variability, air quality and biodiversity. Scientific services include data collection and analysis of scientific information, advice and assessments; and the collection, maintenance and storage of fundamental datasets.

Science Delivery's capabilities also support the Government's Policy Commitment – Science and

Innovation for Economic Success, through the provision of scientific services and support to the Department of Agriculture, Fisheries and Forestry for the Queensland Agricultural Land Audit.

**Innovation and Science Development Services** focuses on increasing productivity by enabling businesses and government to operate competitively in a global environment by encouraging and supporting innovation.

The division provides innovation and science policy leadership across Government, as well as providing advice and services support to industry and research institutions on enabling technologies and intellectual property.

**Queensland Government ICT Services** is a critical government service provider consisting of four business areas — CITEC; Smart Service Queensland; Queensland State Archives and ICT Strategic Procurement.

The group maintains a centre of excellence for ICT skills and technologies and provides quality ICT services to assist the Government to operate effectively and efficiently. Services include solutions architecture and infrastructure engineering, archiving and information management, ICT procurement, multi-channel service delivery, disaster recovery capability and service management security.

Through these services, and in close cooperation with the Queensland Government Chief Information Officer, the Government ICT group supports the department to meet the intent of the Government's commitments by ensuring a consistent approach to IT systems and applications across Government, enabling effective and efficient delivery of frontline services.

The division is also responsible for the core operations for the Queensland Government. It keeps all the Government's technology services running securely 24/7/365, keeps Queenslanders connected to key Queensland Government services 24/7/365 and securely manages Queensland's largest record collection.

- **CITEC's** core business is to deliver consolidated ICT infrastructure services for the Queensland Government, covering data centre, network and infrastructure services and solution integration services. CITEC also delivers information brokerage services through CITEC Confirm.
- **Smart Service Queensland's** core business is to be the 'one-stop-shop' for Queenslanders to access government agencies and services 24/7/365 via phone, in person or online.

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

- Smart Service delivers over 260 services on behalf of all agencies through three fully redundant call centre sites, whole-of-Government websites including www.qld.gov.au, 79 Queensland Government Agent Programs and three Queensland Government Service Centres.
- **Queensland State Archives** is established under section 21 of the *Public Records Act 2002* as the state's archives and records management authority and is the custodian of the state's largest and most significant documentary heritage collection. Queensland State Archives manages, preserves and facilitates public access to the permanent public records of Queensland. As the lead agency for government recordkeeping, Queensland State Archives is also responsible for the development and implementation of a whole-of-Government recordkeeping policy framework for approximately 600 public authorities.
- The **ICT Strategic Procurement unit** was established to become the Queensland Government Centre of Excellence in ICT procurement matters. The group is responsible for the preparation and management of contracts, and other arrangements that support the implementation of ICT strategies.
- providing direction for strategy development, legal and governance advice, marketing and corporate communications, cultural infrastructure planning and strategy and policy development, performance measurement, corporate planning and reporting
- overseeing management responsibilities for the Cultural Centre and other State Government owned arts infrastructure.

The **Corporate Administration Agency** provides corporate services including HR consultancy, payroll and recruitment, financial management, procurement and information management for Arts Queensland and its statutory bodies.

The **Queensland Government Chief Information Office** (QGCIO) provides unbiased, independent quality advice to the Minister for Science, Information Technology, Innovation and the Arts on Information and Communication Technology (ICT) issues from a whole-of-Government perspective.

This advice is informed by extensive risk based analysis on the performance of information technology and information systems across government. The QGCIO also develops policy and standards to ensure consistency across the Queensland Government to mitigate risks.

The QGCIO provides:

- investment assurance on operations, systems, initiatives and business-as-usual optimisation
- governance processes and architectures, and encourages cross-jurisdictional relations
- long-term strategy for information technology and information systems (transformation)
- policy and standards as the authority for a consistent approach and performance targets
- advice, analysis and intervention on emerging day-to-day issues
- enhanced workforce capability through the ICT Graduate Program, and
- the ability to conduct a due diligence check on the status of ICT management across all departments.

The **Queensland Chief Scientist** provides leadership in science policy development and implementation supported by the department and provides high level, strategic advice to the Queensland Government on the role of science, research and innovation in meeting Queensland's economic challenges. The Chief Scientist also provides advice on maximising opportunities from the Government's investment in research and development.

**Queensland Shared Services** (QSS) was established as a rest-of-Government shared service provider on 1 July 2011 and facilitates a range of corporate services. These services include finance, procurement, human resource (HR) management, facilities management and mail support services to the majority of Queensland Government agencies (excluding Queensland Health (QH) and the Department of Education, Training and Employment (DETE)) and statutory authorities.

QSS also supports the DETE finance system solution, DETE training HR system solution, QH finance system solution and the QH HR rostering and payroll technology solution. Around 160,000 public servants are paid each fortnight by QSS, representing approximately 94 per cent of the sector.

**Arts Queensland** is building a strong arts and cultural sector for Queensland by advising and supporting the Minister for the Arts in setting the Government's strategic policy direction for arts and culture.

The division delivers the Government's mandate for arts and culture by:

- identifying strategic priorities for the design and delivery of programs, and management and administration of grant programs, fellowships and bursaries

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (ae) Services/major activities of the department (continued)

The Queensland Chief Scientist acts as an ambassador for Queensland science, fostering cooperation and collaboration amongst the government, research,

industry and community sectors; raising Queensland's profile as a state characterised by world class research and investment opportunities; and engaging the community in better understanding the importance of science, research and innovation in the state's future economic, social and environmental wellbeing.

### 2. Reconciliation of payments from consolidated fund to departmental services revenue recognised in Statement of Comprehensive Income

	<b>2012 \$'000</b>
Budgeted output appropriation revenue	-
Transfers from/(to) other departments	
Former Department of Employment, Economic Development and Innovation	94,252
Former Department of Public Works	13,254
Former Department of Environment and Resource Management	15,688
Department of the Premier and Cabinet	37,911
Transfers from/(to) other headings	(31,286)
Less: Lapsed appropriations	(39,768)
<b>Total departmental services receipts</b>	<b>90,051</b>
Plus: Opening balance of departmental services revenue payable (transferred as at 1 May)	2,618
Plus: Closing balance of departmental services revenue receivable	2,980
<b>Departmental services revenue recognised in Statement of Comprehensive Income</b>	<b>95,649</b>

### Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity

Budgeted equity adjustment appropriation	-
Transfers from/(to) other departments	
Former Department of Employment, Economic Development and Innovation	(10,471)
Former Department of Public Works	2,537
Department of the Premier and Cabinet	(8,875)
Transfers from/(to) other headings	32,473
Less: Closing balance of equity payable	(16,330)
<b>Equity adjustment recognised in contributed equity</b>	<b>(666)</b>

### 3. User charges

Information, communication and technology services	33,420
Services rendered by shared service provider	48,263
Other	3,304
<b>Total</b>	<b>84,987</b>



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

	<b>2012 \$'000</b>
<b>4. Grants and other contributions</b>	
Queensland Government grants and contributions	2,850
Commonwealth grants and contributions	1,075
Industry grants and contributions	578
Assets received at below fair value	3,636
Services provided at below fair value	2,395
Other	380
<b>Total</b>	<b>10,914</b>

### 5. Other revenue

Interest revenue	1,127
Procurement commissions	202
Miscellaneous revenue	(39)
<b>Total</b>	<b>1,290</b>

### 6. Employee expenses

<b>Employee benefits</b>	
Wages and salaries	45,970
Annual leave levy *	4,403
Employer superannuation contributions *	5,543
Long service leave levy *	1,023
Voluntary separation payments**	151
Other employee benefits	22
<b>Total employee benefits</b>	<b>57,112</b>
<b>Employee related expenses:</b>	
Workers' compensation premium *	221
Payroll tax *	2,719
Other employee related expenses	539
<b>Total employee related expenses</b>	<b>3,479</b>
<b>Total employee expenses</b>	<b>60,591</b>

\* Refer to 1(u)

The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis as at 30 June.

\*\*The department's commercialised business unit, CITEC paid voluntary separation payments under its voluntary separation payment program during 1 May 2012 to 30 June 2012. The obligations under this program were settled by 30 June 2012 and were funded internally.

	<b>No.</b>
Number of employees:	3,659

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 7. Key executive management personnel and remuneration

#### a) Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency from 1 May 2012 to 30 June 2012. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

		Current Incumbents	
Position	Responsibilities	Contract classification and appointment authority	Date appointment to position (Date resigned from position)
Director-General	The Director-General is responsible for the efficient, effective and economic administration of the agency.	CE03-5 <i>Public Service Act 2008</i>	3 April 2012
Queensland Government Chief Information Officer	The Chief Information Officer is responsible for ICT governance, investment assurance, information systems and information technology strategy, policy and standards and the Queensland Government Enterprise Architecture.	CE03-6 S122 contract	3 April 2012
Queensland Chief Scientist	The Queensland Chief Scientist is responsible for providing high-level, strategic advice to the State Government on the role of science, research and innovation in achieving the State Government's priorities.	CE01-Chief Scientist S122 contract	3 April 2012
Deputy Director-General, Government ICT Division	The Deputy Director-General, Government ICT Division is responsible for information and communication technology service delivery within the Queensland Government.	SES4-2 S122 contract	3 April 2012
Assistant Director-General, Corporate and Shared Services Division	The Assistant Director-General, Corporate and Shared Services Division is responsible for ensuring high quality, integrated service delivery to Government in corporate services and procurement.	SES3-5 <i>Public Service Act 2008</i>	23 July 2012 (acting May and June)
Chief Finance Officer	The Chief Finance Officer is responsible for providing overall stewardship of the Department's finances and assuring tight financial integration and accountability to enable the Department to meet corporate governance and statutory compliance requirements.	SES2-2 S122 contract	1 July 2012 (acting May and June)

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointment to position (Date resigned from position)
Assistant Director-General, Science Delivery Division	The Assistant Director-General, Science Delivery Division is responsible for improving the use of science to inform policy and decision-making both within the department and elsewhere in government and the community.	SES3-1 <i>Public Service Act 2008</i>	5 June 2012 (acting May and June)
Deputy Director-General, Innovation and Science Development Division	The Deputy Director-General, Innovation and Science Development is responsible for business innovation services, innovation policy, industry ICT and the digital economy, design industries, commercial evaluation, science policy and investment, and science development.	SES4-1 <i>Public Service Act 2008</i>	5 June 2012 (acting May and June)
Deputy Director-General, Arts Division	The Deputy Director-General, Arts Division is responsible for strengthening Queensland's arts and cultural sector by promoting a diverse and dynamic creative culture; supporting partnerships and collaboration; and capitalising on Queensland's unique strengths and characteristics.	SES2-3 <i>Public Service Act 2008</i>	3 April 2012 (resigned 30 June 2012)

### b) Remuneration

Remuneration policy for the department's key executive management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*.

The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee benefits which include:
  - Base consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
  - Nonmonetary benefits consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 7. Key executive management personnel and remuneration (continued)

- Long term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

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

1 May 2012 to 30 June 2012	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
Position	Base \$'000	Non Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Director General	55	5	1	7	-	68
Queensland Government Chief Information Officer	53	5	1	7	-	66
Queensland Government Chief Scientist	45	4	1	6	-	56
Deputy Director-General Government ICT Division	33	4	1	4	-	42
Assistant Director- General, Corporate and Shared Services Division	30	4	1	4	-	39
Chief Finance Officer	23	3	1	3	-	30
Assistant Director- General, Science Delivery Division	25	3	1	3	-	32
Deputy Director- General, Innovation and Science Development Division	40	5	1	7	-	53
Deputy Director- General, Arts Division	35	-	1	4	243	283
<b>Total Remuneration</b>	<b>339</b>	<b>33</b>	<b>9</b>	<b>45</b>	<b>243</b>	<b>669</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

Although the Department of Science, Information Technology, Innovation and the Arts was created on 3 April 2012, the remuneration in respect to the key executive management referred to above is for the period beginning 1 May 2012 to 30 June 2012. Remuneration paid to key executive management for the period 3 April 2012 to 30 April 2012 are recorded in the following financial statements:

<b>Department of Housing and Public Works</b>	Deputy Director-General Government ICT Division
<b>Department of the Premier and Cabinet</b>	Queensland Government Chief Information Officer Queensland Government Chief Scientist
<b>Department of Justice and Attorney-General</b>	Director-General

### C) Performance payments

No performance bonuses were paid or were payable in the period 1 May 2012 to 30 June 2012.

	<b>2012</b>
	<b>\$'000</b>
<b>8. Supplies and services</b>	
Information, communication and technology service delivery expense	29,212
Arts and culture service delivery expense	6,469
Science and innovation related service delivery expense	5,268
Shared service provider delivery expense	17,502
Other	1,861
<b>Total</b>	<b>60,312</b>
<b>9. Grants and subsidies</b>	
Arts and culture	11,202
Science and innovation	37,262
Information, communication and technology	462
Other contributions	310
<b>Total</b>	<b>49,236</b>

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

**2012**  
**\$'000**

### 10. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:

Buildings	6,381
Infrastructure assets	50
Plant and equipment	3,559
Software purchased	177
Software internally generated	2,822
<b>Total</b>	<b>12,989</b>

The approximate decrease in depreciation and amortisation expense as a result of the re-assessment of the useful lives of depreciable assets during the reporting period was:

Intangibles	504
Plant and equipment	1,653

### 11. Impairment losses

Intangible assets	19,079
Impairment losses on prepaid assets	205
Impairment losses on trade receivables	359
<b>Total</b>	<b>19,643</b>

Refer to note 20 for details of the recognised impairment loss for intangible assets.

### 12. Revaluation decrement

Buildings	10,913
<b>Total</b>	<b>10,913</b>

The decrement, not being a reversal of a previous revaluation increment in respect of the same class of assets, has been recognised as an expense in the Statement of Comprehensive Income. Refer Note 21.

### 13. Finance/borrowing costs

Interest expense	284
Finance charges relating to finance leases	9
Administration charges	4
<b>Total</b>	<b>297</b>

The department does not capitalise finance/borrowing costs. Refer to note 1(w) for further information.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

	<b>2012</b> <b>\$'000</b>
<b>14. Other expenses</b>	
Loan – fair value adjustment *	7,441
Insurance premiums – QGIF	92
Insurance premiums – Other **	83
Bad debts written off	13
External audit fees ***	40
Bank charges / merchant fees	75
Losses from disposal of non-current assets	47
Write-down of assets	90
Write-down of inventory	35
<i>Losses:</i>	
Public moneys	4
Performance penalties	39
Services provided at below fair value	2,395
Other	53
<b>Total</b>	<b>10,407</b>

\* The department provides loans to universities and research institutions under the Innovation Building Fund. These loans have been adjusted to fair value as calculated by Queensland Treasury Corporation as at 30 June 2012.

\*\* The Under Treasurer's approval has been obtained for entering into the insurance contracts.

\*\*\* Projected audit fees for the period 1 May 2012 to 30 June 2012 payable to the Queensland Audit Office are \$170,000. Adjustments relating to audit fees payable by the Queensland Shared Services and CITEC, prior to the department being established are included in the amount disclosed for the period 1 May 2012 to 30 June 2012. There are no non-audit services included in this amount.

### 15. Cash and cash equivalents

#### *Current*

Imprest accounts	50
Cash at bank	138,618
<b>Total</b>	<b>138,668</b>

CITEC continues to earn interest on its deposits with the Commonwealth Bank. Interest earned on cash held with the Commonwealth Bank earned 3.26% between 1 May 2012 and 30 June 2012.

Departmental bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balances accrues to the Consolidated Fund.

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

	<b>2012</b>
	<b>\$'000</b>
<b>16. Receivables</b>	
<i>Current</i>	
Trade debtors	34,190
Less: allowance for impairment loss*	(802)
<b>Net trade debtors</b>	<b>33,388</b>
Advances	243
Less: Allowance for impairment loss*	(200)
<b>Net advances</b>	<b>43</b>
Annual leave reimbursements	5,080
Long service leave reimbursements	526
Departmental services revenue receivable	2,980
Accrued revenue	15,102
Interest receivable	156
Loans receivable	8,413
Other	2,155
<b>Total</b>	<b>67,843</b>
<i>Non-current</i>	
Loan receivable**	20,722
<b>Total</b>	<b>20,722</b>
<b>* Movements in the allowance for impairment loss</b>	
Transfer of balance as at 1 May due to machinery-of-Government changes	(657)
Amounts written off during the year	13
Amounts recovered during the year	1
(Increase)/decrease in allowance recognised in the operating result	(359)
<b>Balance at 30 June</b>	<b>(1,002)</b>

\*\*This amount includes loans of \$20.622 million at fair value provided under the Innovation Building Fund with a cost value of \$76.007 million.

### 17. Inventories

<i>Current</i>	
Supplies and consumables – at cost	9
<b>Total</b>	<b>9</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

	<b>2012 \$'000</b>
<b>18. Tax Assets</b>	
<i>Non-current</i>	
Deferred tax asset	10,209
<b>Total</b>	<b>10,209</b>

### 19. Other assets

<i>Current</i>	
Prepayments	15,364
Less: Allowance for impairment loss	(205)
<b>Total</b>	<b>15,159</b>

\*Impairment of prepayments relate to service contracts associated with the IDES capital asset base.

<i>Non-current</i>	
Prepayments	1,851
<b>Total</b>	<b>1,851</b>

### 20. Intangible assets

#### Software purchased:

At cost	147,753
Less: Accumulated amortisation	(141,102)
Less: Accumulated impairment losses	(4,342)
<b>Total</b>	<b>2,309</b>

#### Software internally generated:

At cost	258,242
Less: Accumulated amortisation	(108,063)
Less: Accumulated impairment losses	(36,634)
<b>Total</b>	<b>113,545</b>

Carrying amount of intangible assets under development at cost	3,805
<b>Total</b>	<b>119,659</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### Reconciliations

Reconciliations of the carrying amount for each class of intangible assets are set out below.

Intangible assets reconciliation	Software purchased	Software internally generated	Intangibles under development at cost	Total
	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000
Net assets received via machinery-of-Government changes as at 1 May	6,135	130,912	3,713	<b>140,760</b>
Acquisitions	693	273	321	<b>1,287</b>
Disposals	-	(311)	-	<b>(311)</b>
Impairment losses recognised*	(4,342)	(14,736)	-	<b>(19,078)</b>
Transfers between classes	-	229	(229)	-
Amortisation**	(177)	(2,822)	-	<b>(2,999)</b>
<b>Carrying amount at 30 June</b>	<b>2,309</b>	<b>113,545</b>	<b>3,805</b>	<b>119,659</b>

The original cost of fully amortised intangible assets still in use with a written down value of nil is \$103.605 million. The majority of these assets relate to legacy computer software held by Queensland Shared Services pending review or replacement.

\*Impairment losses are shown as separate line items in the Statement of Comprehensive Income.

\*\*Amortisation of intangible assets is included in the line item "Depreciation and Amortisation in the Statement of Comprehensive Income".

### 21. Property, plant and equipment

Land:	212,891
At fair value	<b>212,891</b>
Buildings:	
At fair value	<b>912,275</b>
Less: Accumulated depreciation	(406,371)
<b>Total</b>	<b>505,904</b>
Heritage and cultural assets:	
At fair value	98
Less: Accumulated depreciation	-
<b>Total</b>	<b>98</b>
Infrastructure assets:	
At fair value	13,624
Less: Accumulated depreciation	(3,738)
<b>Total</b>	<b>9,886</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

Plant and equipment:	
At cost	167,844
Less: Accumulated depreciation	(84,176)
<b>Total</b>	<b>83,668</b>
Capital works in progress:	9,114
At cost	<b>9,114</b>
<b>Total</b>	<b>821,561</b>

### Reconciliations

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below

Property, plant and equipment reconciliation	Land	Buildings	Heritage and cultural assets	Infrastructure Assets	Plant and equipment	Capital works in progress	Total
	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000
Net assets received via machinery-of-Government changes as at 1 May	202,972	511,254	98	9,878	77,991	22,217	<b>824,410</b>
Revaluation increments/ (decrements)	9,919	(10,809)	-	127	-	-	<b>(763)</b>
Acquisitions	-	-	-	-	6,306	2,255	<b>8,561</b>
Disposals	-	-	-	-	(647)	-	<b>(647)</b>
Transfers between classes	-	11,840	-	(69)	3,577	(15,358)	<b>(10)</b>
Depreciation*	-	(6,381)	-	(50)	(3,559)	-	<b>(9,990)</b>
<b>Carrying amount at 30 June</b>	<b>212,891</b>	<b>505,904</b>	<b>98</b>	<b>9,886</b>	<b>83,668</b>	<b>9,114</b>	<b>821,561</b>

The original cost of fully depreciated property, plant and equipment still in use with a written down value of nil is \$16.320 million. The majority of these assets relate to computer hardware still in productive use held by Queensland Shared Services and CITEC.

\*Depreciation of property, plant and equipment is included in the line item "Depreciation and Amortisation in the Statement of Comprehensive Income."

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## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 21. Property, plant and equipment (continued)

#### Re-valuation of property, plant and equipment process

To ensure the carrying amounts of the department's land, buildings, infrastructure, heritage and cultural assets reflect their fair value, in accordance with the Department of Treasury and Trade's *Non-Current Asset Accounting Policies for the Queensland Public Sector* it is the department's policy to revalue its land, buildings, infrastructure, heritage and cultural assets, and major plant and equipment asset classes on an annual basis.

The annual valuation process for a class of land, buildings, infrastructure, heritage and cultural assets, carried at fair value may incorporate either one or both of the following methodologies:-

- Appraisals undertaken by an independent professional valuer or internal expert.
- Use of appropriate and relevant indices.

All land, buildings, infrastructure, heritage and cultural assets of the department must be re-valued by an independent professional valuer or internal expert at least once every five years.

In respect to those assets controlled by the major departmental service, Science Delivery Services, assets are re-valued using a rolling revaluation program. An index is applied to the assets not comprehensively valued in the current financial year. The index applied is based on market value movements for the current financial year.

As detailed in note 30, property, plant and equipment assets were transferred to the Department of Science, Information Technology, Innovation and the Arts on 1 May 2012 following machinery-of-Government changes. In accordance with Queensland Treasury and Trade's issued Accounting Policy Guideline 9 *Accounting for Contributions by Owners*, equity balances, including asset revaluation surpluses, were not transferred to the Department of Science, Information Technology, Innovation and the Arts.

Consequently any revaluation decrements associated with valuations carried out after the departmental transfer, are recorded as an expense in the Statement of Comprehensive Income, as there are no prior year revaluation reserves against which to record the decrement. Any revaluation increments associated with valuations carried out after the departmental transfer have been used to create a new asset revaluation reserve in the Statement of Financial Position for the department.

Plant and equipment is valued at cost as prescribed in the Department of Treasury and Trade's *Non Current Asset Accounting Policies for the Queensland Public Sector*.

#### Land

Arts Queensland appointed the Australian Valuation Office to complete revaluation of land as at 30 June 2012. Land is valued at market price with reference to sales of large redevelopment sites in inner Brisbane. The result of the 30 June 2012 revaluation of land was a revaluation increment of \$9.9 million, which has resulted in an increment to the asset revaluation reserve.

#### Heritage and Cultural Assets

Heritage and cultural assets include works of art. These assets have not been subject to an official revaluation or indexation, as management consider the values to be immaterial.

#### Buildings

Buildings consist of non-residential properties (major commercial and other commercial properties).

Arts Queensland appointed the Australian Valuation Office to complete revaluations of buildings as at 30 June 2012. Buildings are valued on a written down basis, reflecting current replacement cost, current conditions rating and remaining effective life. The result of the 30 June 2012 revaluation of buildings was a revaluation decrement of \$10.9 million, which has been reflected in the Statement of Comprehensive Income.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

<b>22. Payables</b>	<b>2012 \$'000</b>
<i>Current</i>	
Trade creditors and accruals	106,900
Grants and subsidies	796
Payroll tax	953
GST payable	4,231
Less: GST receivable	(4,166)
Net GST payable	65
Other	63
<b>Total</b>	<b>108,777</b>

### 23. Other financial liabilities

<i>Current</i>	
Finance lease liability (see note 31)	1,073
Promissory note	688
Queensland Treasury Corporation borrowings	17,045
<b>Total</b>	<b>19,166</b>
 <i>Non-Current</i>	
Queensland Treasury Corporation borrowings	15,467
<b>Total</b>	<b>15,467</b>

No assets have been pledged as security for the borrowings.

All borrowings are in \$AUD denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current reporting period.

Repayment dates vary from 31 July 2012 to 19 May 2021. The interest rate on borrowings range from 4.25% to 8.74%.

The fair value of the department's borrowings at 30 June, as notified by Queensland Treasury Corporation was \$33.499 million. This represents the value of the debt if the department repaid the debt at balance date. As it is the intention of the department to hold its borrowings for their full term, no adjustment provision is made to these accounts. At 30 June 2012, overdraft facilities with the Commonwealth Bank with limits ranging from nil to \$10 million were in place under the Queensland Treasury and Trade's cash management incentives regime.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 24. Accrued employee benefits 2012 \$'000

<i>Current</i>	
Annual leave levy payable	6,731
Long service leave levy payable	1,415
Salaries, wages and other related expenses	515
Other	34
<b>Total</b>	<b>8,695</b>

### 25. Tax liabilities

Non-current	
Deferred tax liability	73
<b>Total</b>	<b>73</b>

### 26. Other liabilities

<i>Current</i>	
Unearned revenue	3,226
Prepaid deposits	912
Other	537
<b>Total</b>	<b>4,675</b>

### 27. Asset revaluation surplus by class

Balance at 1 May	-
Increment on revaluation of:	
Land	9,919
Buildings	105
Infrastructure	126
<b>Balance at 30 June *</b>	<b>10,150</b>

\* Closing balance of asset revaluation surplus by class:

Land	9,919
Buildings	105
Infrastructure	126
<b>Total</b>	<b>10,150</b>

The asset revaluation surplus represents the net effect of upwards revaluations of assets to fair value. Refer note 21 for further information relating to the departments asset revaluation process.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 28. Reconciliation of operating result to net cash from operating activities

**2012**  
**\$'000**

#### (a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents – refer note 15	<b>138,668</b>
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#### (b) Reconciliation of operating result to net cash from operating activities

<b>Operating result from continuing operations before income tax</b>	<b>(31,548)</b>
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Less: Income tax benefit/(expense)	-
	<b>(31,548)</b>

#### *Non-cash items:*

Depreciation and amortisation expense	12,989
Contributed assets	(3,454)
Doubtful debts written off or provided for	153
Loss on sale or disposal of non-current assets	47
Debt forgiveness on loans	6,391
Fair value and notional interest adjustment on loans	7,205
Assets and liabilities assumed/relinquished	(258)
Assets transferred to expense	14
Revaluation decrement	10,913
Impairment loss	19,284

#### *Change in assets and liabilities:*

(Increase)/decrease in net receivables	(91,278)
(Increase)/decrease in inventories	37
(Increase)/decrease in interest receivable	(108)
(Increase)/decrease in prepayments	(4,938)
(Increase)/decrease in other assets	(433)
Increase/(decrease) in unearned revenue	(791)
Increase/(decrease) in accrued employee benefits	472
Increase/(decrease) in payables	148,422
Increase/(decrease) in interest payable	(99)
Increase/(decrease) in other liabilities	2,360
Increase/(decrease) in GST receivable	(2,699)
Increase/(decrease) in GST payable	461

<b>Net cash from operating activities</b>	<b>73,142</b>
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## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 29. Non-cash financing and investing activities

Assets and liabilities received by the department as a result of non-reciprocal transfers are recognised in Note 4 - Grants and other contributions.

Assets and liabilities received or transferred by the department as a result of machinery-of-Government transfers are set out in notes 1(b) and note 30.

### 30. Machinery-of-Government transfers

As a result of the restructuring of administrative arrangements during the year, the department has gained certain assets and liabilities as follows:

#### (a) Transfer of Arts Queensland

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for Arts Queensland was transferred from the Department of the Premier and Cabinet.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	10,794
Receivables	12,396
Other	75
Other non-current receivables	100
Property, plant and equipment	716,651
<i>Liabilities</i>	
Payables	(5,805)
Other current financial liabilities	(8,247)
Accrued employee benefits	(112)
Other non-current financial liabilities	(717)
<b>Net assets transferred</b>	<b>725,135</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to Arts Queensland, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of the Premier and Cabinet for the period from 1 July 2011 to 30 April 2012 that were attributed to Arts Queensland totalled \$110.022 million and \$110.104 million respectively.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (b) Transfer of Corporate Administration Agency

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for the Corporate Administration Agency was transferred from the Department of the Premier and Cabinet.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	4,392
Receivables	806
Other	31
Intangible assets	324
Property, plant and equipment	413
 <i>Liabilities</i>	
Payables	(1,101)
Accrued employee benefits	(209)
Other liabilities	(139)
<b>Net assets transferred</b>	<b>4,517</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to the Corporate Administration Agency, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of the Premier and Cabinet for the period from 1 July 2011 to 30 April 2012 that were attributed to the Corporate Administration Agency totalled \$8.200 million and \$8.401 million respectively.

### (c) Transfer of the Office of the Chief Scientist

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for the Office of the Chief Scientist was transferred from the Department of the Premier and Cabinet.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Property, plant and equipment	4
<b>Net assets transferred</b>	<b>4</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to the Office of the Chief Scientist, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of the Premier and Cabinet for the period from 1 July 2011 to 30 April 2012 in respect to the Chief Scientist Office totalled \$0.846 million and \$0.846 million respectively.

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (d) Transfer of Queensland Government Chief Information Office

As a result of the *Public Service Departmental Arrangements Notice (No. 2) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for the Queensland Government Chief Information Office was transferred from the Department of the Premier and Cabinet.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	1
Property, plant and equipment	80
<i>Liabilities</i>	
Payables	(12)
<b>Net assets transferred</b>	<b>69</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to the Queensland Government Chief Information Office, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of the Housing for the period from 1 July 2011 to 31 November 2011 and the Department of the Premier and Cabinet for the period 1 December 2011 to 30 April 2012 that were attributed to the Queensland Government Chief Information Office totalled in sum to \$22.681 million and \$22.681 million respectively.

### (e) Transfer of Queensland State Archives

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for the Queensland State Archives was transferred from the former Department of Public Works.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	1
Other	30
Intangible assets	106
Property, plant and equipment	596
<b>Net assets transferred</b>	<b>733</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to the Queensland State Archives, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of Housing and Public Works for the period from 1 July 2011 to 30 April 2012 in respect to the Queensland State Archives totalled \$12.475 million and \$12.475 million respectively.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (f) Transfer of Smart Service Queensland

As a result of the *Public Service Departmental Arrangements Notice (No. 2) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for Smart Services Queensland was transferred from the former Department of Public Works.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	5,804
Receivables	6,942
Other	543
Intangible assets	10,003
Property, Plant and Equipment	4,227
 <i>Liabilities</i>	
Payables	(3,168)
Accrued Employee Benefits	(1,259)
Other	(2,655)
<b>Net assets transferred</b>	<b>20,437</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to the Smart Service Queensland, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of Housing and Public Works for the period from 1 July 2011 to 30 April 2012 in respect to the Smart Service Queensland totalled \$59.016 million and \$59.016 million respectively.

### (g) Transfer of Queensland Shared Service

As a result of the *Public Service Departmental Arrangements Notice (No. 2) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for Queensland Shared Services was transferred from the former Department of Public Works.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	32,839
Receivables	53,120
Other	2,640
Intangible assets	97,180
Property, plant and equipment	4,820
 <i>Liabilities</i>	
Payables	(16,877)
Accrued employee benefits	(3,855)
Other	(5,466)
<b>Net assets transferred</b>	<b>164,401</b>

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (g) Transfer of Queensland Shared Service (Continued)

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to Queensland Shared Service, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of Housing and Public Works for the period from 1 July 2011 to 30 April 2012 in respect to Queensland Shared Service totalled \$221.152 million and \$223.974 million respectively.

### (h) Transfer of the Centre for Information, Communication and Technology (CITEC)

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for the Centre for Information, Technology and Communications (CITEC) was transferred from the former Department of Public Works.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	5,965
Receivables	25,193
Other	8,531
Intangible assets	30,508
Property, plant and equipment	32,198
Tax assets	10,209
<i>Liabilities</i>	
Payables	(10,329)
Accrued employee benefits	(1,857)
Other financial liabilities	(28,501)
Other	(3,711)
Tax liabilities	(73)
<b>Net assets transferred</b>	<b>68,133</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to CITEC, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of Housing and Public Works for the period from 1 July 2011 to 30 April 2012 in respect to CITEC totalled \$170.086 million and \$149.286 million respectively.

### (i) Transfer of Science Delivery Services

As a result of the *Public Service Departmental Arrangements Notice (No. 2) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for Environment and Resource Sciences and the Queensland Climate Change Centre for Excellence was transferred from the former Department of Environment and Resource Management.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Cash	12,229
Receivables	1,955
Inventories	46
Other	46
Intangible assets	1,770
Property, plant and equipment	65,421
 <i>Liabilities</i>	
Payables	(1,299)
Accrued employee benefits	(1,115)
Other financial liabilities	(688)
Other	(80)
<b>Net assets transferred</b>	<b>78,285</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to Science Delivery Services, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of Environment and Heritage Protection for the period from 1 July 2011 to 30 April 2012 in respect to Science Delivery Services have not been attributed as a major departmental service by the Department of Environment and Heritage Protection in their financial statements and therefore these amounts have not been disclosed.

### **(j) Transfer of Innovation and Science Development Services**

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility for that part of the former Department of Employment, Economic Development and Innovation responsible for science, research and development and business innovation and the associated executive support services and international collaborations was transferred from the former Department of Employment, Economic Development and Innovation.

<b>Assets and Liabilities transferred:</b>	<b>\$'000</b>
<i>Assets</i>	
Receivables	15,044
<b>Net assets transferred</b>	<b>15,044</b>

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. Expenses and revenues attributed to CITEC, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 May 2012 to 30 June 2012.

Expenses and revenues recognised by the Department of State Development, Infrastructure and Planning for the period from 1 July 2011 to 30 April 2012 in respect to Science Delivery Services have not been attributed as a major departmental service by the Department of State Development, Infrastructure and Planning in their financial statements and therefore these amounts have not been disclosed.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (j) Transfer of Innovation and Science Development Services (Continued)

#### Administered on a whole-of-Government basis

Assets and Liabilities transferred:	<b>\$'000</b>
<i>Assets</i>	
Receivables	54,759
<b>Net assets transferred</b>	<b>54,759</b>

The net assets transferred, as reported above, were agreed by the Director-General of the Department of State Development, Infrastructure and Planning and the Acting Director-General of the Department of Science, Information Technology, Innovation and the Arts. There are immaterial balances that are subject to further negotiation between these departments that will be transferred on finalisation of the negotiations.

### (k) Total machinery-of-Government transfers

<b>Total economic entity net assets transferred (excluding administered)*</b>	<b>1,076,758</b>
<b>Total economic entity net assets transferred – Administered</b>	<b>54,759</b>

\*refer to Statement of Changes in Equity.

### (l) Other machinery-of-Government transfers

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility of the following entities were transferred to the Department of Science, Information Technology, Innovation and the Arts.

#### Entities:

Screen Queensland Pty Ltd (formerly Pacific Film and Television Pty Ltd)  
 Aboriginal Centre for the Performing Arts Pty Ltd  
 Queensland Music Festival Pty Ltd  
 Major Brisbane Festivals Pty Ltd  
 Biopharmaceuticals Australia (Network) Pty Ltd  
 CSI Holdings Pty Ltd

#### Transferred from:

Department of the Premier and Cabinet  
 Department of the Premier and Cabinet  
 Department of the Premier and Cabinet  
 Department of the Premier and Cabinet  
 Former Department of Employment,  
 Economic Development and Innovation  
 Former Department of Public Works

Assets and liabilities of the above transferred entities would not materially affect the reported financial position and operating result of the economic entity - refer Note 1(b)

The department does not have control over the financial or operating policies though voting rights or board membership of the Major Brisbane Festivals Pty Ltd.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 31. Commitments for expenditure 2012 \$'000

#### (a) Finance lease liabilities

Lease liabilities recognised in the Statement of Financial Position

Total current	1,073
<b>Total</b>	<b>1,073</b>

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

Not later than one year	1,207
Less: Anticipated input tax credits	(110)
Less: Future finance charges	(24)
<b>Total</b>	<b>1,073</b>

#### (b) Non-cancellable operating lease commitments 2012 \$'000

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

Not later than one year	33,062
Later than one year and not later than five years	62,345
Later than five years	16,497
<b>Total</b>	<b>111,904</b>

Operating leases primarily are entered into as a means of acquiring access to office accommodation and storage facilities. For these, rental payments are usually able to be varied based on CPI or conditions detailed in the lease. Most leases contain renewal clauses but no purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

#### (c) Expenditure commitments

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

Payable:	
Land and buildings	17,015
Plant and equipment	1,505
Grants & subsidies	107,783
Operational expenditure	78,465
Software	404
<b>Total</b>	<b>205,172</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (c) Expenditure commitments (Continued)

Payable:	
Not later than one year	156,187
Later than one year and not later than five years	48,966
Later than five years	19
<b>Total</b>	<b>205,172</b>

### 32. Contingencies

#### (a) Guarantees and indemnities

The department has been a party to several indemnity capped procurement arrangements. These contracts are primarily with suppliers of software and scientific equipment with liability and indemnity caps of various levels up to \$383,000. The contracts are short term in nature and are performance milestone based.

CITEC has arranged bank guarantees in relation to business opportunities pursued as follows:

	<b>2012</b>
	<b>\$'000</b>
Australian Securities and Investment Commission	550
State of Victoria	242
State of New South Wales	850
State of Western Australia	328
Sydney Water Corporation	100
Insolvency and Trustee Service Australia	127
<b>Total</b>	<b>2,197</b>

The above guarantees and arrangements are not recognised as liabilities in the Statement of Financial Position.

#### (b) Litigation in progress

An indemnity against legal costs has been provided to an employee in respect of a formal complaint initiating a prosecution served by the Board of Professional Engineers and potential investigations to be undertaken in relation to the Queensland Floods Commission of Inquiry. The estimated contingent liability in respect of legal representation costs for both these matters totals \$165,000. In the event that the matter progresses to a full trial and a successful prosecution is reached, the employee will be required to repay all legal fees incurred by the State under the indemnity.

The Department of Science, Information, Technology and the Arts is part of the the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants.

### 33. Controlled entities

The following entities were 100 percent controlled by the department during the period 1 May 2012 to 30 June 2012.

<b>Name of Controlled Entity</b>	<b>Audit Arrangements</b>
Aboriginal Centre for the Performing Arts Pty Ltd	Auditor-General of Queensland
Queensland Music Festival Pty Ltd	Auditor-General of Queensland



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

Screen Queensland Pty Ltd  
Biopharmaceuticals Australia (Network) Pty Ltd  
CSI Holdings Pty Ltd

Auditor-General of Queensland  
Auditor-General of Queensland  
Auditor-General of Queensland

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility of the above entities have been transferred to the department – refer note 30(k).

### **(a) Aboriginal Centre for Performing Arts Pty Ltd**

Aboriginal Centre for the Performing Arts Pty Ltd (ACPA) is a registered training company that delivers accredited training to Indigenous and Non-Indigenous persons in various performing arts courses.

The assets, liabilities, revenue and expenses of ACPA have not been consolidated in the financial statements as they would not materially affect the reported financial position and operating result of the Economic Entity.

The share capital of ACPA consists of 2 ordinary shares of \$1 each, fully paid, and held by the State of Queensland.

Audited financial statements are yet to be completed in respect of ACPA during the period in which the department had control of the entity.

### **(b) Queensland Music Festival Pty Ltd**

Queensland Music Festival Pty Ltd (QMF) was established and incorporated in the State of Queensland as a non profit company “to produce and promote a biennial Queensland festival of music which achieves both international excellence and accessibility for Queenslanders from all walks of life”.

The assets, liabilities, revenue and expenses of QMF have not been consolidated in the financial statements as they would not materially affect the reported financial position and operating result of the Economic Entity.

The share capital of QMF consists of 2 ordinary shares of \$1 each, fully paid, and are held by the State of Queensland.

Audited financial statements are yet to be completed in respect to QMF during the period in which the department had control of the entity.

### **(c) Screen Queensland Pty Ltd**

Screen Queensland Pty Ltd (SQ) is a company, incorporated in the State of Queensland, limited by shares held beneficially by the State of Queensland. Its principal activities during the course of the year were the facilitation of the development, promotion and enhancement of the film production industry, and film culture and presentation of film and film-related events in Queensland.

The assets, liabilities, revenue and expenses of SQ have not been consolidated in the financial statements as they would not materially affect the reported financial position and operating result of the Economic Entity.

The share capital of SQ consists of one fully paid share to the value of \$10 and is held by the State of Queensland.

A summary of the latest audited financial transactions and balances for SQ is shown on page 65.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 33. Controlled entities (Continued)

#### (d) Biopharmaceuticals Australia (Network) Pty Ltd

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

The assets, liabilities, revenue and expenses of BP have not been consolidated in the financial statements as they would not materially affect the reported financial position and operating result of the Economic Entity.

The share capital of BP consists of one fully paid share to the value of \$1 and is held by the State of Queensland.

A summary of the latest audited financial transactions and balances is shown on page 65.

#### (e) CSI Holdings Pty Ltd

CSI Holdings Pty Ltd (CSI) was a company established by the Queensland Government in 1995-1996 as a controlled entity of CITEC, which is a fully commercialised business of the Queensland Government. CSI was a vehicle for holding investments and shareholdings in businesses incidental to CITEC's approved core business and for enabling work within the Commonwealth Government markets.

In 2008, the Queensland Government Boards, Committees and Statutory Authorities review recommended that CSI maintains a status quo position, with the company to be wound up on the expiry or termination of all existing contractual undertakings. The remaining commercial contracts expired late 2011 and the company was formally de-registered on 6 June 2012.

There were no transactions or balances held prior to deregistration of the company during the period in which the department had control of the entity.

#### (f) Major Brisbane Festivals Pty Ltd

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2012*, dated 3 April 2012 with financial effect from 1 May 2012, the responsibility of Major Brisbane Festivals Pty Ltd (MBF) has been transferred to the department – refer note 30(k).

MBF incorporating Brisbane Festival is jointly owned by the State of Queensland and Brisbane City Council and aims to position Brisbane as a key festival destination.

The department and the Brisbane City Council each hold 50 per cent of the shares of the MBF. It has been determined that the department does not have control over the financial or operating policies through voting rights or board membership of the entity. However, due to funding arrangements for the entity, the department has significant influence.

The share capital of MBF consists of 2 ordinary shares of \$1 each, fully paid. One share is held by the State of Queensland and one is held by the Brisbane City Council.

Equity accounting has not been applied as the transactions of the entity are not material.

Audited financial statements are yet to be completed in respect of MBF during the period in which the department had control of the entity.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

<b>Summary of latest audited financial statements</b>	<b>2012</b>	<b>2012</b>
<b>1 May 2012 to 30 June 2012</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>BP</b>	<b>SQ</b>
Revenue	845	294
Expenses	(300)	(1,871)
<b>Net surplus/(deficit)</b>	<b>545</b>	<b>(1,577)</b>
Assets	4,780	19,606
Liabilities	(2,453)	(11,941)
<b>Net assets</b>	<b>2,327</b>	<b>7,665</b>

<b>34. Financial instruments</b>	<b>Note</b>	<b>2012</b>
		<b>\$'000</b>

#### (a) Categorisation of financial instruments

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

##### Financial assets

Cash and cash equivalents	15	138,668
Receivables	16	88,565
<b>Total</b>		<b>227,233</b>

##### Financial liabilities

Financial liabilities measured at amortised cost:

Payables	22	108,777
Promissory note	23	688
Financial liabilities – finance lease liability	23	1,073
Financial liabilities – Queensland Treasury Corporation Loans	23	32,872
<b>Total</b>		<b>143,410</b>

#### (b) Financial risk management

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

Financial risk management is implemented pursuant to 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 respective finance areas of the department under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (b) Financial risk management (Continued)

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 provisions for impairment.

The carrying amount of receivable's represent the maximum exposure to credit risk.

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 and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. These economic and geographic changes form part of the department's documented risk analysis assessment in conjunction with historic experience and associated industry data.

The recognised impairment loss is \$19.643 million for the current year. The impairment loss is due mainly to the discontinuation of the Identity, Directory and Email Service (IDES) within CITEC and the associated impairment of the IDES related capital asset base.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

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

	2012 \$'000
<b>Financial assets past due but not impaired</b>	
Receivables	
Less than 30 days	15,019
Overdue 31-60 days	1,236
Overdue 61-90 days	671
Overdue more than 90 days	765
<b>Total</b>	<b>17,691</b>
<b>Impaired financial assets</b>	
Receivables	
Not overdue	100
Less than 30 days	396
Overdue 31-60 days	-
Overdue 61-90 days	1
Overdue more than 90 days	505
<b>Total</b>	<b>1,002</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (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, borrowings from Queensland Treasury Corporation and promissory notes.

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 so as to match the expected duration of the various employee and supplier liabilities.

The following tables set 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 reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

	Note	2012 \$'000
<b>Financial Liabilities</b>		
<b>Payables</b>		
Less than 1 year	22	108,777
<b>Total</b>		<b>108,777</b>
<b>Queensland Treasury Corporation Borrowings</b>		
Less than 1 year		17,405
1 to 5 years		15,467
<b>Total</b>		<b>32,872</b>
<b>Promissory notes</b>		
Less than 1 year		688
<b>Total</b>		<b>688</b>
<b>Lease liability</b>		
Less than 1 year		1,073
<b>Total</b>		<b>1,072</b>
<b>Total financial liabilities</b>		
Less than 1 year		127,943
1 to 5 years		15,467
<b>Total</b>		<b>143,410</b>

### (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 its borrowings from Queensland Treasury Corporation and cash deposited in interest bearing accounts.

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 34. Financial instruments (Continued)

#### (f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome on profit and loss 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 a surplus and equity increase of \$155,821. This is mainly attributable to the interest earned on cash deposits by the commercialised business units exceeding the department's exposure to variable interest rates on its borrowings from Queensland Treasury Corporation.

	<b>2012</b>
	<b>\$'000</b>
<b>Financial instruments</b>	
<b>Cash</b>	
Carrying amount*	8,147
Interest rate risk:	
-1% Profit	(81)
-1% Equity	(81)
+1% Profit	81
+1% Equity	81
<b>Borrowings</b>	
Carrying amount**	23,729
Interest rate risk:	
-1% Profit	237
-1% Equity	237
+1% Profit	(237)
+1% Equity	(237)
<b>Overall effect on profit and equity</b>	
Interest rate risk:	
-1% Profit	156
-1% Equity	156
+1% Profit	(156)
+1% Equity	(156)

**Note:**

\*The cash carrying amount includes only interest bearing cash amounts held by the CITEC commercialised business unit with the Commonwealth Bank.

\*\*The borrowings carrying amount includes only the variable interest rate loans from the Queensland Treasury Corporation.



# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### (g) Fair value

The fair value of borrowings is determined by reference to published price quotations in an active market and reflects the value of the debt if the department had repaid it in full at balance date. It is calculated using discounted cash flow analysis and the effective interest rate (refer note 23) and is disclosed below:

	<b>2012 \$'000</b>
<b>Financial liabilities</b>	
<b>Carrying amount</b>	
Financial liabilities at amortised cost	
Queensland Treasury Corporation borrowings	32,872
Promissory notes	688
<b>Total</b>	<b>33,560</b>
<b>Fair value</b>	
Financial liabilities at market value	
Queensland Treasury Corporation borrowings	33,498
Promissory notes	714
<b>Total</b>	<b>34,212</b>

### 35. Taxation equivalents

Information in respect of income tax expense incurred by those activities of CITEC subject to the substantive model of the Tax Equivalents Regime (TER):

	<b>2012 \$'000</b>
<b>Balance Sheet approach</b>	
Major components of income tax expense for the period 1 May 2012 to 30 June 2012:	
<b>Income tax expense</b>	
<i>Current income tax</i>	
Current income tax expense	-
(Under)/over provision in prior years	-
<i>Deferred income tax</i>	
(Decrease)/increase in deferred tax asset (Refer AA below)	-
Under/(over) provision in prior years	-
Decrease/(increase) in deferred tax liability (Refer BB below)	-
<b>Income tax expense reported in Statement of Comprehensive Income</b>	
<b>Reconciliation of income tax expense to prima facie tax payable for the year ended 30 June 2012 is as follows:</b>	
Operating result from continuing operations before income tax of commercialised business units subject to Tax Equivalents Regime:	(22,416)
Indicative tax expense at 30%	(6,725)
<i>Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:</i>	
Effect of unused tax losses & deductible temporary differences not recognised	6,725
<i>Tax effect of amounts which are (deductible)/assessable in calculating taxable income:</i>	
Fully rebateable franked dividends	-
<b>Income tax equivalent expense reported in Statement of Comprehensive Income</b>	<b>-</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 35. Taxation equivalents (continued)

	<b>2012</b>
	<b>\$'000</b>
<b>AA – Deferred tax asset</b>	
<i>The balance comprises temporary differences attributable to: Amounts recognised in Statement of Comprehensive Income</i>	
Receivables	4
Payables	1
Property, plant and equipment	676
Accrued employee benefits	2
Tax losses carried forward	9,526
<b>Deferred tax assets taken to account</b>	<b>10,209</b>
<b>Deferred tax assets not recognised</b>	
Income tax losses	7,444
Assets & other	5,505
<b>Total</b>	<b>12,949</b>

CITEC is carrying Deferred Tax Assets (DTA) of \$10,209,386 including unused tax losses of \$9,526,319 which were recognised on the basis of a 4-year profit projection performed as at 30 June 2012. The projection supports CITEC generating sufficient taxable income by 2016 to fully utilise these assets.

The DTA and temporary differences of \$12,948,807 in 2011-12 (which includes tax losses of \$7,443,691) were not brought to account as the utilisation of the 2011-12 tax losses is not assured, based on current budget projections.

This DTA and temporary differences will be brought to account when it is certain that further tax profits will arise to enable these tax losses to be utilised.

### BB – Deferred tax liabilities

*The balance comprises temporary differences attributable to:  
Amounts recognised in Statement of Comprehensive Income*

Interest receivables	73
<b>Deferred tax liabilities taken to account</b>	<b>73</b>

### 36. Schedule of administered items

#### Administered revenues

Administered item appropriation	40,691
Other	749
<b>Total administered revenue</b>	<b>41,440</b>

#### Administered expenses

Employee expenses	3,533
Supplies and services	1,945
Grants and subsidies	32,658
Finance/borrowing costs	166
<b>Total administered expense</b>	<b>38,302</b>

# Part B

## Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

	<b>2012 \$'000</b>
<b>Net operating surplus</b>	<b>3,138</b>
<b>Administered current assets</b>	
Cash and cash equivalents	3,281
Receivables	1,100
Loan receivables	3,163
<b>Total administered current assets</b>	<b>7,544</b>
<b>Administered non-current assets</b>	
Loan receivables*	54,377
<b>Total administered non-current assets</b>	<b>54,377</b>
<b>Total administered assets</b>	<b>61,921</b>
<b>Administered current liabilities</b>	
Payables	719
QTC Borrowings	3,163
<b>Total administered current liabilities</b>	<b>3,882</b>
<b>Net assets</b>	<b>58,039</b>
<b>Equity</b>	
Contributed equity	54,901
Retained surpluses	3,138
<b>Total equity</b>	<b>58,039</b>
<p>*Loans are provided under the Smart State Research Facility Fund and the University of Queensland Brain Institute with a cost value of \$182.800 million at 30 June 2012.</p>	
<b>Administered grants and subsidies</b>	
Queensland Art Gallery	8,387
Queensland Museum	5,071
State Library of Queensland	13,429
Queensland Performing Arts Trust	2,676
Queensland Theatre Company	650
Screen Queensland	2,445
<b>Total</b>	<b>32,658</b>
<b>Administered loans</b>	
University of Queensland Brain Institute	4,659
Smart State Research Facility Fund	45,319
Queensland Centre for Advanced Technologies	4,399
Screen Queensland	3,163
<b>Total</b>	<b>57,540</b>

## Part B

# Notes to and forming part of the financial statements

For the period 1 May 2012 to 30 June 2012

Department of Science, Information Technology, Innovation and the Arts

### 37. Reconciliation of payments from consolidated fund to administered item appropriation

	<b>2012</b>
	<b>\$'000</b>
Transfers from/(to) other departments	
Former Department of Public Works	8,871
Department of Premier and Cabinet	32,550
Transfers from/(to) other headings	(730)
<b>Total administered revenue recognised</b>	<b>40,691</b>

### 38. Agency transactions

#### a) CITEC

Balance at 1 May	2,952
Collections during the period	493,289
Distributions according to clients instructions during the period	(476,931)
<b>Balance at 30 June</b>	<b>19,310</b>

Fees received for the provision of these services are included in user charges.  
For further information refer note 1(d).

#### (b) Smart Service Queensland

Balance at 1 May	2
Collections during the period	49
Distributions to principals during reporting period	(51)
<b>Balance at 30 June</b>	<b>-</b>

For further information refer note 1(d).

### 39. Events occurring after balance date

There were no material events subsequent to the reporting date but prior to the signing of these accounts which management was aware.

## Certificate of the Department of Science, Information Technology, Innovation and the Arts

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Science, Information Technology, Innovation and the Arts for the period 1 May 2012 to 30 June 2012 and of the financial position of the department at the end of that period.



**Rita McLucas CA**  
Chief Finance Officer  
28 September 2012



**Andrew Spina**  
Acting Director-General  
28 September 2012

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## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Science, Information Technology, Innovation and the Arts

### *Report on the Financial Report*

I have audited the accompanying financial report of the Department of Science, Information Technology, Innovation and the Arts and its controlled entities, which comprises the statement of financial position and statement of assets and liabilities by major departmental services, CBUs and SSPs as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, CBUs and SSPs for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Chief Finance Officer and the Acting Director-General.

### *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*

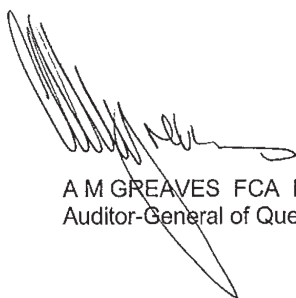
In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (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; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Science, Information Technology, Innovation and the Arts and its controlled entities. for the period 1 May 2012 to 30 June 2012 and of the financial position as at the end of that period.

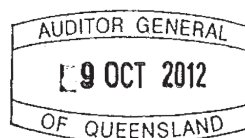
*Other Matters - Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report of the Department of Science, Information Technology, Innovation and the Arts and its controlled entities. for the period ended 30 June 2012. Where the financial report is included on the department's website the Accountable Officer is responsible for the integrity of the department's website and I have not been engaged to report on the integrity of the department's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



A M GREAVES FCA FCPA  
Auditor-General of Queensland



Queensland Audit Office  
Brisbane