

Annual Report 2013–2014





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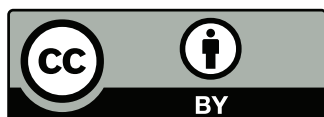
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Department of Science, Information Technology, Innovation and the Arts Annual Report 2013–14.

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Letter of compliance

30 September 2014

The Honourable Ian Walker 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 2013–14* 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 report outlines the purpose, services, financial performance and achievements of the department during the 2013–14 financial year.

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

Yours sincerely



Sue Rickerby
Director-General

Table of contents

Letter of compliance.	1
Table of contents	2
About our annual report.	5
View our report online	5
More information on the Queensland Government Open Data website.	5
From the Director-General—the year in review	6
The year ahead—a year of action	6
Our achievements	7
Our achievements for 2013–14	7
1 About the department.	12
Who we are	12
How we began	12
Our purpose	12
Our role	13
Our structure (as at 30 June 2014).	13
Our operating environment	14
Our values.	15
What we do	15
Our priorities	16
Our challenges	18
Our commitment to red-tape reduction	18
Looking forward	19
2 Our service performance	21
Science	21
Our operating environment	21
Performance review	22
Achievements.	22
Other whole-of-government plans/specific initiatives	23
Looking forward	23
Digital Productivity and Services.	25
Digital Economy and Productivity	25
One-Stop Shop Strategy and Implementation Office.	25
Smart Service Queensland	26
Queensland State Archives	26
Our operating environment	26
Performance review	27
Achievements.	28
Other whole-of-government plans/specific initiatives	29
Looking forward	30
Arts Queensland.	31
Our operating environment	31
Performance review	32
Achievements.	32
Other whole-of-government plans/specific initiatives	33
Looking forward	35

Strategic Information and Communication Technology (ICT)	37
CITEC	37
ICT Renewal	37
ICT Strategic Sourcing	37
Our operating environment	38
Performance review	38
Achievements	39
Other whole-of-government plans/specific initiatives	40
Looking forward	41
Shared Corporate Services	42
Corporate Administration Agency	42
Queensland Shared Services	42
Our operating environment	42
Performance review	43
Achievements	44
Other whole-of-government plans/specific initiatives	44
The year ahead	45
Strategic Policy and Innovation	46
Commercialisation	46
Customer and Market Insights	46
Innovation Policy and Programs	46
Strategic Policy	47
Our operating environment	47
Performance review	47
Achievements	48
Other whole-of-government plans/specific initiatives	48
Looking forward	49
Queensland Government Chief Information Office	50
Our operating environment	50
Achievements	51
Other whole-of-government plans/specific initiatives	51
Looking forward	52
Queensland Chief Scientist	53
Our operating environment	53
Achievements	54
Other whole-of-government plans/specific initiatives	54
Looking forward	54
3 Our corporate governance	55
Our leaders	55
Previous leaders	61
Governance framework	62
Governance committees and boards	63
Audit arrangements	67
Risk management	67
Audit and Risk Management Committee	68
Ethics and code of conduct	68
Information systems and recordkeeping	69

4	Our people	70
	Workforce profile*	70
	Staff numbers	70
	Gender as at 27 June 2014	70
	Permanent retention rate	70
	Permanent separation rate	70
	Early retirement, redundancy and retrenchment	71
	Informing the community	71
	Workforce planning, attraction and retention	71
	Workforce planning framework and key strategies	72
	Employee performance management	73
	Industrial and employee relations framework	74
	Work-life balance	74
	Leadership and management development	75
	Workplace health and safety	76
	Other whole-of-government plans/specific initiatives	76
5	Other reporting	77
	Related entities	77
	Statutory bodies, authorities and instrumentalities	78
	Legislation	78
	Statutory bodies	78
	External scrutiny	79
	Audits	79
	Reviews	80
	Legislation administered by the department	81
	Boards and committees	84
6	Our locations	90
	Queensland Government Agent Program (QGAP) offices	92
7	Our financial performance	93
	Statement by Chief Finance Officer	93
	Summary of financial performance	93
	Our income—where the funds come from	94
	Our expenses—how funds are spent	94
	Our assets—what we own	95
	Our liabilities—what we owe	95
	Statement of comprehensive income for the year ended 30 June 2014	96
	Statement of financial position for the year ended 30 June 2014	97
	Notes	98
	Statement of comprehensive income	98
	Statement of financial position	99
	Annual report compliance checklist	100

About our annual report

The Department of Science, Information Technology, Innovation and the Arts (DSITIA) *Annual report 2013–14* is an integral part of our *Corporate governance framework* and is one of the main tools we use to ensure we are accountable to stakeholders, the Queensland Parliament and the community about our activities.

This report details our achievements, performance and financial position for the 2013–14 financial year. It aligns with the DSITIA *Strategic plan, Service delivery statement 2013–14*, and the Queensland Government's objectives for the community. It also provides information on our future direction, people management and corporate governance processes.

View our report online

This report is available online: www.qld.gov.au/dsitia/annual-report.

For enquiries about this annual report, contact the Principal Consultant, Planning, Performance and People, telephone +61 7 3719 7890 or webfeedback@dsitia.qld.gov.au.

More information on the Queensland Government Open Data website

A number of annual reporting requirements for this year have been addressed through publication of information on the Queensland Government Open Data website. For further information on consultancies and overseas travel expenditure and our achievements for the *Queensland multicultural action plan 2011–14* please visit www.qld.gov.au/data.



From the Director-General—the year in review

I am pleased to present the 2013–14 annual report for the Department of Science, Information Technology, Innovation and the Arts (DSITIA).

This report reviews our performance and illustrates the effort, commitment and achievements of our staff throughout the year. It outlines the service delivery achievements our department has already made in delivering on the Queensland Government's objectives for the community.

I would like to acknowledge and thank my predecessor Andrew Garner for the significant contribution he made during his time as Director-General for the department.

Since being appointed Director-General for the department in November 2013, one of my priorities has been to ensure DSITIA is recognised as a flagship department which is clever, creative and connected and is making a significant contribution toward the Queensland Government goal of becoming Australia's most respected and responsive public service.

As outlined in the following pages, the department has delivered significant achievements which assist to fulfil the government's five pledges it made to Queenslanders on entering office: to grow a four-pillar economy, lower the cost of living, deliver better infrastructure and planning, revitalise front-line services and restore accountability in government.

Delivering efficient and effective services to government agencies and Queenslanders and at the same time delivering savings, benefits and achievements from whole-of-government service reform, have been major priorities for the department and are highlighted further in Section 2 of this report.

The year ahead—a year of action

In 2013–14, we undertook a significant amount of planning and strategic work to outline the future direction for science, information and communication technology, innovation and the arts, while continuing to deliver day-to-day services to our customers. This coming year will see us implementing many of the activities outlined in our strategies and action plans to deliver improved outcomes for Queenslanders.

We will also be focused on the role DSITIA will have in delivering the outcomes outlined in *The Queensland Plan; the 30 year vision for the state*.

As we continue to progress our renewal agenda, I will keep engaging with our stakeholders about our services to ensure that we retain a customer focus and are pursuing the desired outcomes in a collaborative and innovative way.

In closing I thank all DSITIA staff for their outstanding work throughout the year to ensure our department delivers quality services to our customers. I have been impressed by the dedication and passion of our staff and look forward to working with my department, my colleagues in other agencies and our many partners and stakeholders to ensure that we transform our services and the public sector for all Queenslanders.

Sue Rickerby

Director-General

Department of Science, Information Technology, Innovation and the Arts

Our achievements

Our achievements for 2013–14

DSITIA continued its significant renewal agenda in line with its strategic direction and to contribute to the Queensland Government priorities of reinvigorating the Queensland economy and becoming the most respected and responsive public service in Australia.

DSITIA's strategic objectives and renewal agenda directly contribute to the government's objectives for the community, the Commission of Audit's *A Plan: Better Services for Queenslanders*, and will contribute to the government's response to *The Queensland Plan—a 30 year vision for Queensland*.

These strategic objectives align with the Queensland Government priorities:

- To grow a four-pillar economy based on tourism, agriculture, resources and construction
- Lower the cost of living for families by cutting waste
- Revitalise front-line services for families
- Restore accountability in government
- *A Plan: Better Services for Queenslanders*

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Strategic objective:

Establish the environment to strengthen industries in the knowledge and digital economy through science, technology and innovation

Our achievements

- Released *GoDigitalQld Queensland's Digital Economy Strategy and Action Plan* which is our roadmap to using digital technologies, content and innovation services to boost productivity and connectivity in Queensland.
- Published 188 datasets by June 2014, ahead of our target of 70, as per the Queensland Government open data strategy.
- Released the *Science and Innovation Action Plan* to renew the state's science and innovation efforts and established the Science and Innovation Advisory Council to provide guidance, investment advice and review progress against Queensland science and research priorities.
- Committed \$42.12 million, and leveraged a further \$42 million from the Australian Government, to build essential infrastructure and bolster key research projects for the Australian Institute of Tropical Health and Medicine.
- Supported commercialisation within the Queensland startup community by connecting stakeholders, identifying challenges and opportunities, and encouraging collaboration, through the Minister's Startup Summit, and the Business Angels in Parliament event. We also supported regional Queensland businesses to have access to incubator services through contractual arrangements with iLab.
- Completed a series of Queensland Government's scientific capacity and capability audits which highlighted Queensland's significant skill set and enabled the provision of high level strategic advice to government on the role of science.
- Renewed, with our partner departments, the Memoranda of Understanding Annexures that detail the scientific and technical services to be provided in 2014–15, ensuring that the best possible scientific advice is provided to support decision making.



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Strategic objective:

Support a vibrant and creative arts and cultural sector to strengthen cultural and economic outcomes for Queensland

Our achievements

- Implemented the *Arts and Cultural Investment Framework 2013–14*, including investing in 35 arts and culture service organisations and managing government owned companies and major performing arts organisation contracts, with a total investment of \$37.7 million.
- Released the *Arts for all Queenslanders strategy 2014–18* after extensive consultation with the Queensland community. Seventy-eight per cent of Arts Queensland’s clients were satisfied with the consultation. The strategy aims to grow the arts sector and build a strong community of arts. The online strategy’s readership continues to grow with 6285 unique visitors and 48 per cent repeat visitors since its launch.
- Invested in several events in 2013–14 that are driving cultural tourists to regional Queensland including the Queensland Music Festival, Australian Festival of Chamber Music in Townsville, and the Cairns Indigenous Art Fair.
- Supported 38 touring productions to tour to 107 Queensland communities through the Playing Queensland Fund, increasing touring arts productions for Queenslanders.
- Over 4.9 million visitors came to the Brisbane Cultural Precinct and the Judith Wright Centre of Performing Arts. Arts Queensland managed the state-owned arts and cultural infrastructure, spending \$5.2 million on capital maintenance.
- The *Cultural Precinct Master Plan* was released for public consultation. The master plan is a key action of the *Cultural Precinct Strategy* and will prioritise development of the Brisbane Cultural Precinct and enable Queensland to capitalise on the unique co-location of its major cultural institutions.
- Arts Queensland increased its customer focus with a new client management model for funded organisations and local government. This includes a suite of tools to assist the reporting of outcomes from investment or articulate public value more clearly.

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Strategic objective:

Deliver efficient and responsive service delivery across and beyond government

Our achievements

- Launched the *One-Stop Shop Plan 2013–18* to make government services simpler, clearer and faster for Queenslanders.
- Commenced a one-year pilot for Queensland Government Brisbane CBD based employees to ‘telecommute’ from Gold Coast and Moreton Bay Flexible Work Centres.
- Commenced the Queensland Innovation Hub Pilot Project, involving experts from the public and private sectors to tackle four complex Queensland Government issues.
- Continued to expand Queenslanders’ access to government information and services through initiatives such as AskQGOV and click to chat and tell us once, and the expansion of information and services available through www.qld.gov.au.
- Released the *Queensland Government ICT Strategy 2013–17* and accompanying ICT action plan to drive the government’s ICT management and delivery reform agenda.
- Released the ICT Small to Medium Enterprise (SMEs) policy, making it easier to work with government through mechanisms such as allowing agencies to directly engage SMEs for innovative ICT solutions up to \$500,000.
- Commenced the implementation of the Government Wireless Network (GWN), providing the Queensland Police Service, Queensland Fire and Emergency Services and the Queensland Ambulance Service with improved network reliability and coverage.
- Developed a business case for a whole-of-government Digital Archiving Program, including the establishment of a Digital Archive for Queensland’s permanent-value digital public records.
- Promoted an accountable government through Queensland State Archives release of the General Retention and Disposal Schedule for Administrative Records to support recordkeeping by Queensland public authorities; and the release of the decommissioning business systems methodology and toolkit to help state government departments manage their recordkeeping obligations when decommissioning legacy business systems.



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Strategic objective:

Be recognised as a clever, creative and connected department

Our achievements

- The DSITIA contestability program was developed, with key activities progressing a contestable environment as part of the government’s renewal program. Key achievements include a dedicated contestability team and framework to assess the contestability of DSITIA’s services including corporate services, shared services and science delivery.
- Supporting community resilience, DSITIA contributed in excess of 1400 hours to disaster response and recovery activities. This includes approximately 900 hours of effort in delivering services directly to Queenslanders via the government’s call centre and maintaining disaster specific content on the Queensland Government website.
- The DSITIA *People strategy* has been developed to build and sustain the workforce and culture we require to deliver against our strategic plan.
- The OneDSITIA renewal program was supported by the Public Sector Renewal Board and established in October 2013. Key outcomes include the:
 - establishment of the new organisational structure and leadership team in February 2014
 - endorsement of organisational key performance indicators
 - launch of the *Strategic Workforce Plan 2014–18* and *ICT Workforce Transformation Plan 2014–16*
 - development of the *Strategic Plan 2014–18*, which is based on the department’s renewal agenda
 - establishment of the Aligning the Culture Reference Group—a committee that is driving a range of organisational cultural activities across the department.

DSITIA performance against the DSITIA Strategic Plan 2013–17 key performance indicators

Key performance measures	Notes	2013–14
Improvement in DSITIA culture survey key measures	1	N/A
DSITIA operates within a 2% variance of budget		1.1%
Staff satisfaction		45%
Client satisfaction		Refer to individual divisional performance reviews
Increased number of collaborations between researchers and end users	2	To be baselined
Commercial revenue as percentage of total revenue		15%
Utilisation of state owned arts and cultural facilities		4,968,683
Customer (public) and client (agency) satisfaction measures for business unit		Refer to individual divisional performance reviews
Agreed and completed service level agreements/ Memorandum of Understandings with client agencies		All service level agreements with client agencies completed
100% of performance agreements with external providers documented		100%

Notes:

1. Cultural survey instrument was not developed and was replaced with Working for Queensland Employee Opinion Survey.
2. This indicator has since been modified based on the new strategic plan. The indicator is being defined and data being baselined.

1 About the department

Who we are

DSITIA brings together science, innovation, information technology and arts into one portfolio to enable a clever, creative and connected Queensland, and to deliver on the strategic priorities of the Queensland Government.

Within the broader portfolio there are several specific entities, statutory bodies and companies that contribute to our departmental objectives. The two entities are the Queensland Government Chief Information Office (QGCI) and the Office of the Queensland Chief Scientist. The Chief Scientist reports directly to the Minister for Science, Information Technology, Innovation and the Arts.

We oversee and support the governance and performance of five arts statutory bodies: the Queensland Art Gallery/Gallery of Modern Art, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company and the State Library of Queensland; and four companies: the Aboriginal Centre for Performing Arts, Major Brisbane Festival, Screen Queensland and the Queensland Music Festival. These bodies and companies produce their own annual reports.

Under section 56 of the *Public Records Act 2002*, Queensland State Archives also produces a separate annual report on the administration of the Act. Financial statements for Queensland State Archives are consolidated into the DSITIA financial statements and are included in this report.

How we began

DSITIA was formed on 3 April 2012 to revitalise front-line services to meet the growing needs of government and the community. Our Minister is the Honourable Ian Walker MP and the Director-General is Sue Rickerby.

The five service areas 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.

DSITIA has no single legislative charter.

Our purpose

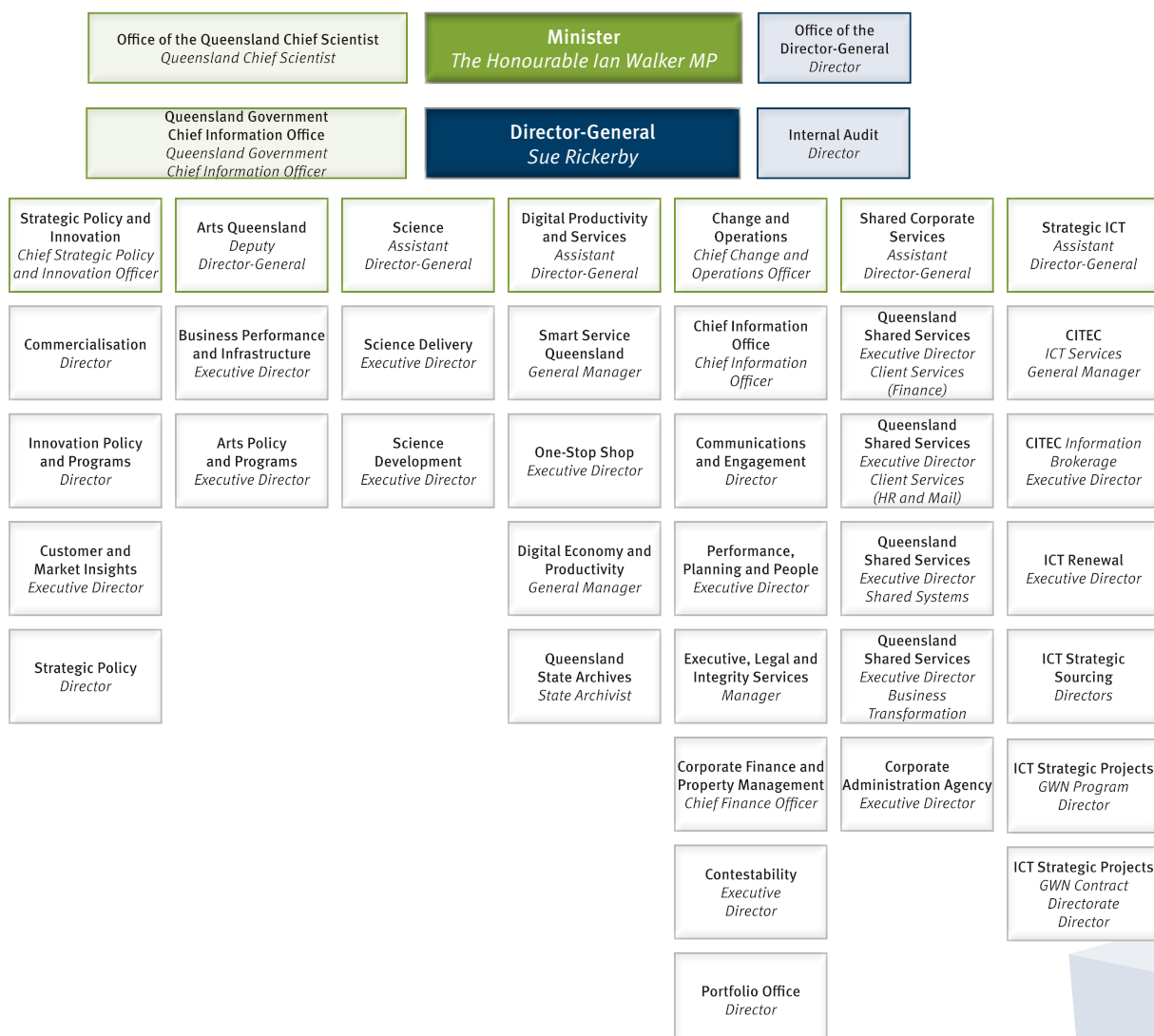
We contribute to getting Queensland back on track by encouraging better outcomes through productivity and creative capability in science, innovation, information technology and the arts.

Our role

DSITIA supports delivery of the government’s objectives for the community to revitalise front-line services, grow a four-pillar economy, lower the cost of living and deliver better infrastructure and better planning to provide better outcomes for Queenslanders by:

- driving a sustainable economic future through effective leadership and application of science
- connecting government business needs with value-for-money, service-based ICT solutions
- bringing the arts to all Queenslanders
- delivering better services through online government initiatives
- helping agencies get on with their business by ensuring they have access to modern, value-for-money corporate services and trusted advice
- leading the innovation agenda, to facilitate increased levels of innovation and commercialisation to re-energise the Queensland economy
- driving consistency and the connections across portfolios from a policy perspective.

Our structure (as at 30 June 2014)

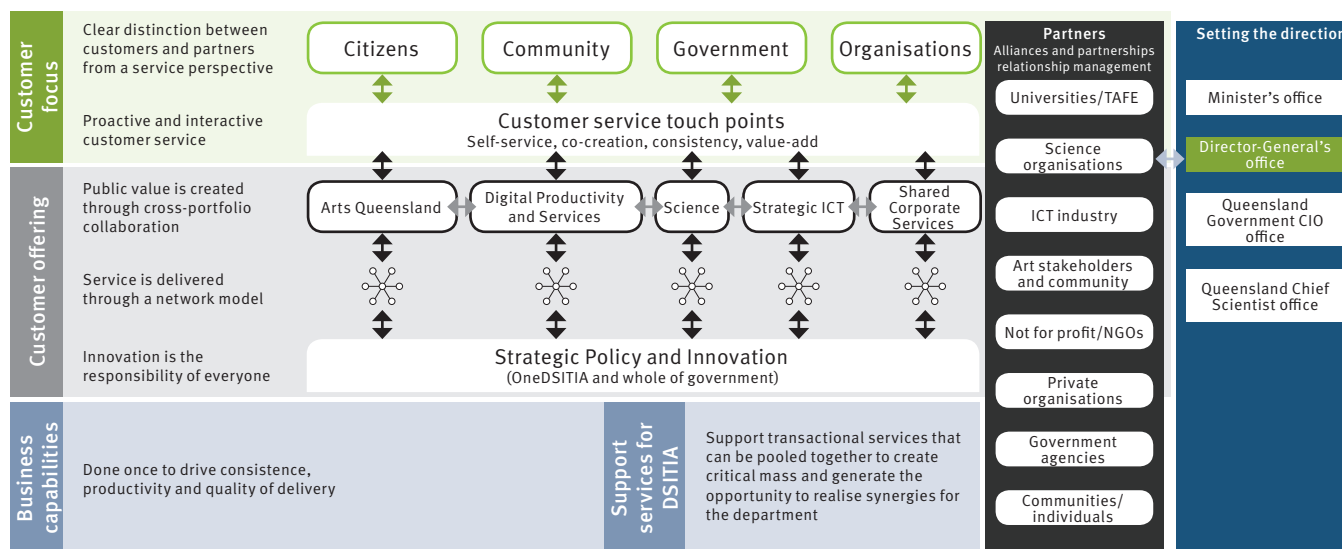


Our operating environment

On 14 October 2013, the Public Sector Renewal Board supported DSITIA's approach to service renewal through the delivery of the OneDSITIA renewal program and a new operating model for the department.

Implementing the OneDSITIA service delivery approach will occur over a two-year period and will be guided by the results of the Queensland Employee Opinion Survey, *Working for Queensland*, and the renewal principles of:

- customer focus
- innovation
- contestability, commissioning and core services
- excellence, agility and productivity
- governance and accountability.



Above: The DSITIA operating model

The operating model came into effect on 3 February 2014 and aims to shift organisational focus from delivering services to connecting and coordinating service offerings through:

- our key partners: universities and TAFEs, science organisations, the information technology (IT) industry, arts stakeholders and community, not for profit/non-government organisations (NGOs), private organisations, government agencies, communities and individuals
- four customer groupings: citizens, community, government and organisations
- five service delivery divisions: Arts Queensland, Science, Digital Productivity and Services, Strategic ICT, Shared Corporate Services
- two support functions: Strategic Policy and Innovation, and Change and Operations.

Our values

In 2013 the Public Service Commission released the *Better Ways of Working* strategy with the aim to drive better government services through instilling a values-based leadership approach within the Queensland Public Service.

DSITIA began the process of embedding the Queensland Public Sector values in 2013 to guide our decisions and behaviours in the workplace by communicating them to senior leaders and staff. Teams have embraced this further with conversations about what the values mean to them in terms of behaviours in the workplace.

DSITIA has developed an awareness program that promotes the celebration of each value on a bi-monthly basis with departmental-wide and team-based activities. The program includes the development of resources to promote and recognise the values, a DSITIA Service Excellence Program for all staff and regular communication activities for staff.

The DSITIA Annual Recognition of Excellence Awards were reviewed to ensure award categories aligned with the values.

What we do

In 2013–14 our diverse range of services:

- provided scientific and technical advice and services to government agencies to underpin their decision making and legislative responsibilities and collaborate with the Chief Scientist in the development of the Queensland Government's science policy and strategic leadership for the government's investment in science through the **Science Division** (*key achievements are available on page 20*)
- promoted the successful adoption of digital technologies and digital content services to revitalise Queensland Government services, boost productivity and innovation within Queensland businesses, and to connect and enable our communities through **Digital Productivity and Services** (*key achievements are available on page 24*)
- strengthened cultural and economic outcomes for Queensland through facilitation of resilience and innovation in the arts and cultural sector by **Arts Queensland** (*key achievements are available on page 30*)
- ensured quality ICT outcomes are achieved across government and supported front-line service delivery through **Strategic ICT** (*key achievements are available on page 36*)
- delivered responsive corporate services and solutions to the majority of Queensland Government agencies through **Shared Corporate Services** (*key achievements are available on page 42*)
- created the right environment to promote innovation and commercialisation of products and services that benefit Queensland and ensure departmental policies align to customer needs and government priorities through **Strategic Policy and Innovation** (*key achievements are available on page 46*)

- provided independent quality advice on ICT issues through the Queensland Government Chief Information Office (*key achievements are available on page 50*), and science policy and strategic advice from the Queensland Chief Scientist (*key achievements are available on page 53*).

Our priorities

In 2013–14 activity within the department was focused on delivering four broad objectives as outlined in our strategic plan for 2013–17. These align with the Queensland Government priorities:

- To grow a four-pillar economy based on tourism, agriculture, resources and construction
- Lower the cost of living for families by cutting waste
- Revitalise front-line services for families
- Restore accountability in government
- *A Plan: Better Services for Queenslanders*

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Strategic objective:

Establish the environment to strengthen industries in the knowledge and digital economy through science, technology and innovation

Outcomes

- Information and knowledge applied to support government priorities
- Best possible scientific information and advice provided to support ministers' and departments' decision making and policy development
- Capability to respond to tropical health threats increased
- Research and development activity aligned to identified industry need
- Access to innovation services and support for all businesses increased
- Increased awareness of and access for Queensland business and community organisations to digital economy opportunities

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Strategic objective:

Support a vibrant and creative arts and cultural sector to strengthen cultural and economic outcomes for Queensland

Outcomes

- Access to arts and culture increased
- Innovation within and resilience of the arts and cultural sector increased
- Queensland's cultural reputation enhanced and cultural tourism opportunities maximised

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Strategic objective:

Deliver efficient and responsive service delivery across and beyond government

Outcomes

- Innovative models for service delivery developed
- Streamlined, accessible, customer-centric government services delivered through optimal channels
- Value for money demonstrated in contestable service areas
- Productive engagement with stakeholders in the community

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Strategic objective:

Be recognised as a clever, creative and connected department

Outcomes

- Workforce is skilled, engaged and accountable
- A culture that values and encourages productivity and creativity
- Organisation is financially sustainable
- Governance and policies facilitate accountable decision making and promote organisational agility

Our core focus continued to be on delivering efficient and effective services for our stakeholders, while ensuring the government is getting the best value for money in service delivery.

These activities included:

- portfolio management of key service renewal programs across DSITIA resulting from the Queensland Commission of Audit report recommendations and the Queensland Government ICT Audit including: contestability, ICT renewal, One-Stop Shop, and the Government Wireless Network
- reforming the way ICT is delivered across Queensland Government through the implementation of the *Queensland Government ICT Strategy 2013–17 Action Plan*; a decisive roadmap for ICT in the Queensland public sector
- continuing service reforms as part of the Public Sector Renewal Program.



Our challenges

Potential strategic challenges identified for the department were outlined in the DSITIA *Strategic Plan 2013–17* and included:

- managing the synchronisation of multiple-reform agendas to maximise outcomes for the department and government
- delivering high-quality services and policies which meet stakeholders' expectations and the demands of government-reform priorities within its environment of fiscal constraint
- realigning the departmental business operations and services to deliver the government reform agenda and inspire innovation and creativity
- developing the skills and capabilities of our workforce to deliver the government reform agenda, support staff through transformation, and inspire innovation and creativity.

To mitigate these potential challenges, the DSITIA Renewal Portfolio Board governed the implementation of the renewal programs across the department at a strategic level. Board membership comprises divisional heads and an external expert, providing recommendations to resolve program issues and help mitigate risks.

Our commitment to red-tape reduction

DSITIA is fully committed to playing its part in achieving the government's commitment to reduce red tape for Queensland. The department has progressed several service related and regulatory red-tape reduction initiatives in 2013–14 designed to simplify access, increase convenience and reduce barriers to government services and information for our customers.

Activities included:

- One-Stop Shop access to government services that provides Queenslanders with easy and convenient access to a range of information and services through phone (13 QGOV (13 74 68)) online (www.qld.gov.au) and at multi-agency service outlets. During the 2013–14 year, the One-Stop Shop Plan was launched with delivery of phase one of the program due to be completed in October 2014.
- 188 departmental datasets (as at 30 June 2014) available to the public through the open data website.
- Reducing the barriers for suppliers to work with Queensland Government by providing easier access to government, improved payment practices and accelerated government information technology contract processes. This includes simplification and earlier consideration of ICT engagement, and revision of processes.
- The continued development and updating of innovative environmental information systems providing government and the broader community with increased access to scientific information and maps to streamline or automate processes to reduce regulatory burden.

- Provided an eFiling solution for the Department of Justice and Attorney-General, as an online mechanism for approved law firms to file court documents without having to be physically present at a court house. This innovative and unique product has generated a 36 per cent increase in online court transaction with an average 1636 electronic lodgements per month. Clients have processed in excess of 1000 Queensland Magistrates claims in a single lodgement in less than two hours using this functionality which would have previously taken three to four weeks.

Looking forward

During 2014–15 the department will:

- lead implementation of the *Queensland Digital Economy Strategy and Action Plan* to achieve the vision for Queensland to be Australia's most digitally interactive state
- further implement the *One-Stop Shop Plan* through the addition of 100 new online transactions, establishing the first Service Outlet Pilot in the Lockyer Valley/Scenic Rim region and rolling out and assessing the pilots for social media, and click to chat and tell us once capabilities on www.qld.gov.au
- announce the recipients of \$8.75 million in funding available across the Accelerate Queensland Science and Innovation Program, as part of the implementation of the *Science and Innovation Action Plan*
- boost the Maps Online service to enhance the reporting packages available and provide a one-stop shop for access to information on environmental values (such as wetland extent and condition) in areas of interest such as a lot on a plan or street address
- continue to support Queensland Startups by providing early-stage, high-growth potential businesses with access to high quality incubator services
- continue to implement the *Arts for all Queenslanders strategy 2014–18* to achieve growth of the arts sector and a strong community of arts
- implement a refreshed *Arts and Cultural Investment Framework* to grow economic, social, cultural and artistic returns on government investment in Queensland arts and culture
- continue to administer the government's investment in arts statutory bodies, major performing arts organisations and government-owned arts companies
- complete the implementation of the Government Wireless Network for use by public safety agencies throughout the Gold Coast, Logan and Ipswich areas
- assist agencies in progressing from government-owned ICT to sourcing ICT-as-a-service
- complete an assessment of the state's investment in health and biomedical research
- lead the development of a Born Digital, Stay Digital Policy to enhance digital recordkeeping maturity and capabilities across government

- 
- continue to build on collaborations and research opportunities under Queensland's science and technology related agreements with China's Ministry of Science and Technology and the Chinese Academy of Sciences
 - facilitate a series of Thought Labs to provide opportunities to co-design policy and program solutions with external stakeholders across the portfolio
 - complete and assess the Queensland Government's Flexible Work Centres pilot
 - commence construction of the Australian Institute of Tropical Health and Medicine
 - continue to deliver on the Queensland Government's ICT renewal agenda to achieve fundamental change in the management and delivery of government ICT.

2 Our service performance

Science

DSITIA's Science Division provides scientific and technical advice and services to government agencies that underpins their decision-making and legislative responsibilities. The division, in close collaboration with the Chief Scientist, also develops the Queensland Government's science policy and provides strategic leadership for the government's investment in science.

The Science Delivery business area of the division provides high-quality, timely, innovative scientific and technical services and advice in the priority areas of water (freshwater and marine), land and vegetation, climate variability, air quality and biodiversity. Core services also include the provision of foundation environmental and natural resource management data and models.

The Science Development business area of the division supports the investment in, and development of, science capability to maximise the impact and benefits of government investment in science by providing policy advice, administering science legislation and regulations and facilitating science partnerships and international collaborations.

The division works in partnership with government agencies, universities and other research groups, as well as natural resource management groups and industry.

Our operating environment

Science Division spearheads a unified government approach to science and innovation through the *Science and Innovation Action Plan*, launched in October 2013. This plan provides direction for science and innovation activity across government, and for other science providers.

The Science and Innovation Advisory Council held its inaugural meeting on 7 April 2014 and provides independent guidance, investment advice and reviews progress against the plan's priorities, actions and programs.

The division manages key actions within the *Science and Innovation Action Plan* and provides Queensland Government departments with scientific and technical services and advice.

Memoranda of Understanding (MoU) are negotiated with relevant partner departments to formalise the provision of scientific services, information and advice. This extensive program of work is overseen and managed by the Science Delivery Board, comprising the Directors-General and Commissioner of the partner departments.

An Operational Committee has recently been established to support the Science Delivery Board by providing a mechanism to enhance governance, communication and engagement arrangements within and between agencies and ensure a single point of contact for the MoUs. The Committee consists of a senior executive nominee of each partner department and is chaired by the Assistant Director-General, Science Division.

Performance review

The following service standards in the department's *Service delivery statement 2013–14* were used by the department and the government to assess the division's overall performance.

Department of Science, Information Technology, Innovation and the Arts	Notes	2013–14 target/est.	2013–14 actual
Service area: Science			
Service standards			
Average time taken to upload quality checked air quality monitoring data to the DEHP website that shows the air quality conditions across the state	1	1 hour	55.6 minutes
Percentage of clients from other government agencies satisfied with the natural resource and environmental science services and information provided	2	80%	97%
Other measures			
Annual increase of the number of hectares of vegetation communities and ecosystems mapped to support key policy programs	3	discontinued	discontinued

Notes

1. This measure has been amended to more accurately describe its purpose and to identify its target groups following a review of Queensland Government service standards conducted by the Queensland Audit Office in 2013. The method of calculating the results of this measure remains unchanged.
2. This measure is a new measure for Science Delivery, a business area of the Science Division. The first annual survey was conducted in the first half of 2013 and will be the baseline for reporting over subsequent years. Due to the high result achieved in the baseline survey, a target of 85% has been nominated for 2014–15 as more than one year of survey data is required in order to establish a robust and realistic target for this measure.
3. This measure has been discontinued for future Service Delivery Statement reporting purposes as it is not an indication of the efficiency or effectiveness of the service area.

Achievements

During 2013–14, Science:

- commenced, in February 2014, monitoring of particle levels in the air beside the metropolitan rail line at Cannon Hill for a 12-month period, on behalf of the Queensland Resources Council
- launched the Wastewater Tracking and Electronic Reporting System (WaTERS) to receive, store and provide timely reports on water monitoring data collected by approval holders under the *Environmental Protection Act 1994*
- released the *Science and Innovation Action Plan* and established the Science and Innovation Advisory Council to independently oversee its implementation

- committed \$8.75 million of funding to the Accelerate Queensland Science and Innovation Program, under the *Science and Innovation Action Plan*, to help focus investment in science and innovation in Queensland
- supported the Clem Jones Centre for Ageing Dementia Research by committing \$9 million over five years
- committed \$42.12 million over the next three years to establish the Australian Institute of Tropical Health and Medicine in conjunction with James Cook University
- released land use and land use change mapping for South East Queensland
- developed and released new fire scar mapping products that show a 27-year fire history of Queensland
- commenced storm tide monitoring at four new locations in the Torres Strait and at Burketown to enhance severe weather forecasts and modelling for Far North Queensland
- supported the state's disaster preparedness by providing storm tide advice, monitoring and data to the State Disaster Coordination Centre during tropical cyclone events
- awarded the Cooper-Hewitt Fellowship to enable a Queensland teacher to access world class design educators in New York at the Cooper-Hewitt National Design Museum
- finalised the review of the *Gene Technology Act 2001*.

Other whole-of-government plans/specific initiatives


The Science Division supports the following whole-of-government initiatives:

- *State Disaster Management Plan*
- *Reef Water Quality Protection Plan*
- *Science and Innovation Action Plan*.

Looking forward

In 2014–15, Science Division will:

- announce the recipients of the Accelerate Queensland Science and Innovation Program (\$8.75 million)
- expand the scope of WaTERS to cover the coal seam gas and other industries
- release Queensland-wide maps showing trends in woody vegetation density to better inform the long term management of the state's natural resources
- commence construction of the Australian Institute of Tropical Health and Medicine to improve our understanding and treatment of tropical diseases
- boost the Maps Online service to enhance the reporting packages available and provide a one-stop shop for access to information on environmental values (such as wetland extent and condition) in areas of interest such as a lot on a plan or street address

- 
- award five Fellowships to Queenslanders under the Queensland-Smithsonian Fellowship Program to undertake research topics of mutual interest in history, design and science
 - deliver a new whole-of-government standing offer arrangement for the purchase of natural resource science and engineering related services (21 services across 10 Queensland government agencies)
 - coordinate a review of the *Biodiscovery Act 2004* (Queensland)
 - renew Queensland's science and technology agreement with the Chinese Government's Ministry of Science to build on collaborations and research opportunities
 - host the 2014 AusBiotech national conference on the Gold Coast (29–31 October) to support the ongoing development of biotechnology and the life sciences industry.

Digital Productivity and Services

The Digital Productivity and Services Division promotes the successful adoption of digital technologies and digital content to revitalise Queensland Government services, boost productivity and innovation within Queensland businesses, and to connect and enable our communities.

The division is comprised of the Digital Economy and Productivity Office, Queensland State Archives, One-Stop-Shop and Smart Service Queensland. This diverse division's key services include: provision, expansion and improvement of customer access to a wide range of government information and services; collaborative projects and events to promote the adoption of digitally enabled technologies and services across Queensland; and management, preservation and facilitation of access to Queensland's permanent archival public records.

Digital Productivity and Services is responsible for the delivery of the government's One-Stop Shop Plan and the *GoDigitalQld* strategy and action plan. Both of these plans are integral in the government revitalising front-line services and growing a four pillar economy.

Digital Economy and Productivity

The Digital Economy and Productivity team leads the Queensland Government's approach to framing innovative policy responses and collaborative projects across Queensland Government and with the Australian Government, local governments and non-government organisations in the emerging digital economy.

Digital Economy and Productivity is responsible for leading the implementation of the *GoDigitalQld Queensland Digital Economy Strategy and Action Plan*, a vision for Queensland to be Australia's most digitally interactive state and recognised globally as a digital innovation hub. *GoDigitalQld* aims to promote the adoption and increased use of digital technologies, content and innovative services to deliver better economic and social outcomes for Queenslanders and Queensland businesses, regardless of their location.

One-Stop Shop Strategy and Implementation Office

The One-Stop Shop Strategy and Implementation Office has been established to provide citizens, as customers, with simplified access to information, services and transactions. Taking a customer-centric approach allows government to see things from the customers' perspective, help cut through agency and service silos to connect services, reduce duplication, and provide seamless and easy access to government services.

The objectives of the One-Stop Shop Plan are to:

- meet customer demand through greater online service delivery while reducing costs for the majority of simple transactions
- make it easier for customers to access services through simplified One-Stop Shop contact channels alongside efficiencies to improve customer service
- improve customer satisfaction by adopting a customer-centric approach that reduces duplication and improves efficiency.



Smart Service Queensland

Smart Service Queensland plays a pivotal role in the government's commitment to revitalise front-door services through delivering a one-stop shop for Queenslanders. Smart Service Queensland provides easy and convenient access to information and services—online, via the phone, or local counters or agents.

Smart Service Queensland delivers more than 260 services on behalf of all agencies through three call centre sites, whole-of-government websites including www.qld.gov.au, 78 Queensland Government Agent Program offices and three Queensland Government service centres. Smart Service Queensland also supports Queenslanders in times of disaster through the 132 500 SES flood and storm line and acts as the central point of government contact in disaster recovery situations.

Queensland State Archives

Queensland State Archives connects Queenslanders with their past—the histories of their families, the local community and the state—by ensuring that the significant records of government are available and accessible. Established in 1959, the archival collection comprises millions of public records dating back to the early Moreton Bay penal settlement of 1823.

Public records form the cornerstone of government accountability. They provide unique evidence and context of the actions and decisions taken by governments over time. Through the *Public Records Act 2002*, Queensland State Archives supports democracy and government integrity; maintaining the corporate memory of government by overseeing the making and keeping of Queensland's public records.

As the state's lead agency for government recordkeeping, we offer practical recordkeeping advice and tools to over 500 Queensland public authorities.

Our operating environment

Digital Productivity and Services is working in an environment of transformation. Its workforce is responding to this demand by trialling new ways of working and increasing their engagement with Queenslanders to ensure that the services delivered are citizen-centric.

The Digital Productivity and Services division is leading two major reform programs for the Queensland Government; One-Stop Shop Plan and the *GoDigitalQld* strategy and action plan. It is also developing the whole-of-government approach to digital archiving that seeks to address the risks inherent in managing this significant shift in the way we manage our digital information.

While funding pressures exist, the group is using innovative techniques to achieve its work program. It has a strong focus on partnering with stakeholders where possible to find effective solutions and has rigorous governance structures to ensure the effectiveness and value for money of its programs.

Similarly, implementing the *One-Stop Shop Plan 2013–18* will enable the government to better address the challenges of providing fast and easy access to government services and information to all Queenslanders regardless of their location. Informed by the results of extensive community engagement, initiatives such as the Service Outlets Pilot in the Scenic Rim and Lockyer Valley regions will offer digital solutions such as video pods and self-service kiosks to connect customers to services in their local community.

In responding to the challenges posed by ensuring the ongoing integrity and usability of public records created digitally, Queensland State Archives has developed the *Digital Continuity Strategy* to future-proof the critical digital records of government business. In accordance with this strategy, and the *Queensland Government ICT Strategy 2013–17* and *Action Plan*, we are developing a whole-of-government approach to digital archiving that seeks to address the risks inherent in managing this significant shift in the way we manage our digital information.


Performance review

The following service standards in the department's *Service delivery statement 2013–14* were used by the department and the government to assess the division's overall performance.

Department of Science, Information Technology, Innovation and the Arts	Notes	2013–14 target/est.	2013–14 actual
Service area: Digital Productivity and Services	1		
Service standards			
Client satisfaction Smart Service Queensland (SSQ)	2	≥80%	76%
Customer satisfaction with the services delivered by SSQ	3	≥80%	88%
Customer satisfaction with Queensland State Archives (QSA) delivery of services to the public		≥93%	93.4%
Cost per capita per week to provide archival services to Queensland (QSA)	4	Baseline to be established	Discontinued measure
Other measures—accessibility			
Volume of interactions with SSQ service delivery channels:			
• telephone	5	4,000,000	3,539,756
• online	5	17,000,000	24,203,527
• face-to-face	5	400,000	379,465
• processing (including cards and concessions)		1,000,000	1,017,429
Number of public customers accessing government records:			
• online		380,000	392,881
• walk in	6	6,700	6,626

Notes

1. Digital Productivity and Services is a new division formed after an internal realignment of services within DSITIA that occurred during 2013–14.

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2. The 2013–14 actual result for this measure, whilst narrowly falling short of the 2013–14 target, is a significant increase on the 2012–13 result of 53% as Smart Service Queensland continues implementing improvements in delivering services to the public on behalf of its client agencies. Feedback from this year's survey will be used to inform business improvement activities in order to sustain the consistent upward trend in client satisfaction levels since the survey methodology was changed in 2011–12.
 3. The 2013–14 actual result for customer satisfaction has exceeded the 2013–14 target as continuous improvements made to the online channel in particular has produced an increase of 28% in customer satisfaction with this channel from the corresponding 2012–13 result. Whilst all channels recorded improved results, this significant increase in the online channel result is the primary reason for the increased overall satisfaction rating. The target for this measure will be increased to 85% next year in recognition of this improvement.
 4. This measure has been discontinued as it is not a true efficiency measure in that it relies on factors outside the service area's control such as the changing population of Queensland. As a result, no target could be identified for 2013–14 and an actual cannot be ascertained as this is not a meaningful measure of performance. Digital Productivity and Services will replace this measure with a new efficiency measure for 2014–15.
 5. The 2013–14 actual results for both telephone and face-to-face interaction volumes have not met their respective 2013–14 targets due to more customers accessing government services and information online, as evidenced by the online channel results in which the target has been significantly exceeded for the 2013–14 year
 6. The 2013–14 actual result for this measure has not met the target as QSA is realigning its strategy with an increased focus on online channels. Therefore QSA did not host as many tours in 2013–2014 which accounts for the shortfall in walk in customers. It is expected that this trend will continue as more customers exercise the option to access records online

Achievements

2013–14 achievements for Digital Productivity and Services have been reported on in each of the service business areas:

Digital Economy and Productivity:

- partnered with government agencies to commence a one-year pilot enabling Queensland Government Brisbane CBD based employees to telecommute from Gold Coast and Moreton Bay Flexible Work Centres
- connected with Queensland business and industry through the delivery of Partners in Digital Productivity forums linking key stakeholders with government for the purpose of developing business solutions to industry specific productivity and growth challenges.

One-Stop Shop Strategy and Implementation Office:

- launched the *One-Stop Shop Plan 2013–18*, enabling the government to begin delivery of the vision to provide Queenslanders with easy and convenient access to all government services
- implemented phase one of the One-Stop Shop Plan— notable highlights include 133 new services now available online and through our 'Change of address tell us once' pilot in partnership with Australia Post, with more than 1000 Queenslanders having used this service
- services are on track for delivery by end of 2014 and the Scenic Rim and Lockyer Valley regions have been selected for the One-Stop Shop regional service delivery pilot
- implementation of the One-Stop Shop Dashboard where customers can track new services and progress against targets at www.qld.gov.au/onestopshop.

Smart Service Queensland:

- managed the service delivery of more than 260 government services on behalf of Queensland Government agencies to the public handling more than 29 million customer interactions across a range of channels connecting Queenslanders to government information and services
- won three awards at the Asia Pacific Contact Centre Awards—a first place for the best green contact centre in Asia-Pacific and two second place awards in the categories of: best customer service; and contact centre design in Asia-Pacific
- supported and enabled Queensland Government agencies to add a further 124 services to www.qld.gov.au to assist Queenslanders in getting the information they need
- commenced the AskQGOV social media pilot to provide an online hub for Queenslanders to seek Queensland Government service information via Twitter and Facebook
- responded to 12,268 State Emergency Service and Disaster Recovery calls during the 2013–14 disaster season
- administered and managed the delivery of over one million concession services to eligible Queenslanders.

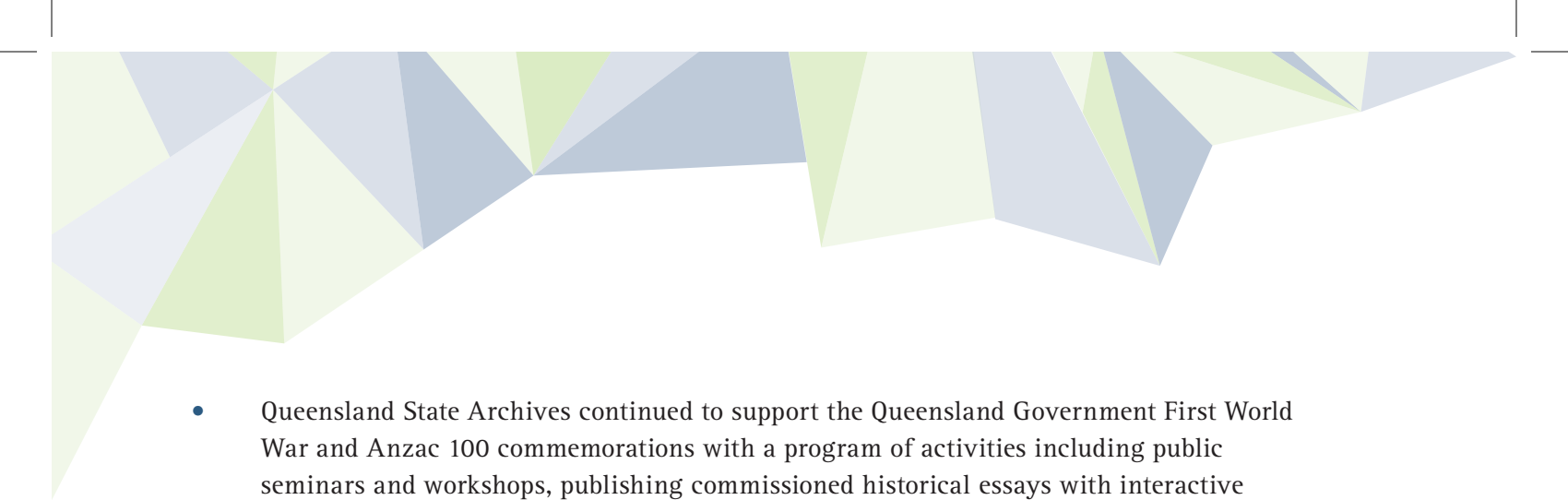
Queensland State Archives:

- added more than 2000 linear meters of public records to Queensland's archival collection, taking Queensland's archival collection to a milestone of 50 linear kilometres of public records during the year
- facilitated the inscription of its Australian South Sea Islander collection onto UNESCO's Memory of the World Register for the Asia Pacific region
- improved Queensland State Archives online service delivery through the introduction of social media platforms such as Facebook, Twitter and History pin and customer engagement tools such as Facebook forums.

Other whole-of-government plans/specific initiatives

During 2013–14, Digital Productivity and Services was responsible for the following strategies and initiatives:

- *GoDigitalQld Queensland Digital Economy Strategy and Action Plan*—was launched on 17 June 2014 and outlines the ways digital technology and services will be used to improve productivity and innovation in the Queensland Government, Queensland business and the community.
- Establishing the Flexible Work Centres trial—this is a 12-month pilot of Queensland Government employees with a Brisbane CBD workplace and a non-Brisbane City residential address being able to work several days per week at non-government operated co-working offices at Southport and Redcliffe; the trial runs from May 2014 to April 2015.

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- Queensland State Archives continued to support the Queensland Government First World War and Anzac 100 commemorations with a program of activities including public seminars and workshops, publishing commissioned historical essays with interactive online exhibitions, adding digitised content from the archival holdings to the website, initiating a First World War blog in addition to collaborating with other cultural institutions on joint events and activities such as the QANZAC 100 Heritage Leaders Workshop.

Looking forward

In 2014–15, Digital Productivity and Services will:

- lead whole-of-government customer experience and renewal of service delivery of activities by delivering a customer insight program to disseminate meaningful insights to its customers and its partners
- drive the delivery of commitments contained within the One-Stop Shop Plan and *GoDigitalQld*
- baseline cost-to-serve activities within Smart Service Queensland
- in partnership with government agencies stimulate and support adoption of digital government services through the development and release of a Born Digital, Stay Digital policy guide
- work with local government and regional/community organisations to co-design and deliver digital economy initiatives
- collaborate with Queensland business and industry to drive digital adoption and exploit the digital economy through the establishment of GoDigital Queensland Business Collaboration Group
- co-create innovative outcomes with the community to enhance services through digital and non-digital channels through implementing and evaluating the service outlet pilot in the Lockyer Valley and Scenic Rim to inform further co-creation opportunities in other parts of the state
- collaborate with government agencies to deliver innovate outcomes for government including completing the trial of the Flexible Work Centres pilot
- continue to promote an accountable government by concluding the review of the recordkeeping policy framework
- collaborate with heritage institutions on significant commemorations such as the anniversary of outbreak of First World War and the first Anzac Day and the 150th anniversary of railways in Queensland
- continue to improve access to government information and services through strategic partnerships with other government agencies to improve the customer experience and provide better customer outcomes
- further advance the maturity of the open data platform, enabling dynamic, data-driven products to be developed by government and industry.

Arts Queensland

Arts Queensland aims to strengthen cultural and economic outcomes for Queensland through the *Arts for all Queenslanders strategy 2014–18*. Released in December 2013, the strategy guides the delivery of the government’s vision of growth in the arts sector and a strong community of arts.

The strategy supports the Queensland Government’s pledge to grow a four-pillar economy through its cultural tourism priority. Arts Queensland is building new tourism partnerships across local and state government and working with the arts sector to grow its cultural tourism potential. Arts Queensland is also finalising the *Cultural Precinct Master Plan*, which is an exemplar of the Queensland Government’s goal to leverage stronger outcomes from the investment in cultural infrastructure.

The master plan is a key feature of the government’s *Cultural Precinct Strategy 2013–15* and supports the government’s commitment to increase overnight visitor expenditure to \$30 billion by 2020.

The interim *Arts and Cultural Investment Framework 2013–14* introduced a new funding model that is simpler, transparent and cuts red tape for artists and arts and cultural organisations. A refreshed framework, aligned to the *Arts for all Queenslanders strategy*, will be implemented in 2014–15, setting out clear principles to achieve artistic, social, cultural and economic returns on government investment. It allows the public to clearly see the value and outcomes of arts funding, delivering on government’s pledge to restore accountability in government.

Our operating environment

In 2013–14 the *Arts for all Queenslanders strategy 2014–18* was released after extensive consultation. The strategy aims to grow the arts sector and build a strong community of arts by prioritising returns on arts and cultural investment, strengthening commercial and entrepreneurial capacity, growing public value for arts and culture and strengthening cultural tourism.

Increased demand for funding together with reduced funding for arts in the federal budget means artists and arts organisations must adapt their business models. The film sector will also be impacted not only by reduced funding to Screen Australia but also cuts to the Australian Broadcasting Corporation and Special Broadcasting Service.

The Arts Investment Advisory Board guided the implementation of the *Arts and Cultural Investment Framework 2013–14* and made recommendations to the Minister about investments under the Super Star, Organisations, Projects and Programs and Individuals funds.

Arts Queensland implemented a client management approach to investments and released a suite of tools to assist the reporting of outcomes from investment and articulate public value more clearly. Arts Queensland trialled new online applications and is rolling out online forms across its funding programs to reduce red tape and improve streamlining.

The *Cultural Precinct Master Plan* was released for public consultation on 5 May 2014 and will be finalised as a key action of the *Cultural Precinct Strategy 2013–15*. This will prioritise development of the precinct to maximise the artistic and cultural and tourism potential of the precinct.

Performance review

The following service standards in the department's *Service delivery statement 2013–14* were used by the department and the government to assess the division's overall performance.

Department of Science, Information Technology, Innovation and the Arts	Notes	2013–14 target/est.	2013–14 actual
Service area: Arts Queensland	1		
Service standards			
Level of client satisfaction with Arts Queensland's funding programs and services	2	85%	84%
Commercial revenue as a percentage of total revenue		12%	15%

Notes

- As part of an internal realignment of services, Arts and Culture Services has been renamed as Arts Queensland.
- This measure has been amended following a review of Queensland Government service standards conducted by the Queensland Audit Office in 2013. The method of calculating the result of this measure remains unchanged.

Achievements

In 2013–14, Arts Queensland:

- released the *Arts for all Queenslanders strategy 2014–18* following statewide consultation and commenced implementation including delivering a collaborative online platform for strategy engagement with the sector and public
- implemented the *Arts and Cultural Investment Framework 2013–14*, including investing in 35 arts and culture service organisations and managing government-owned companies and major performing arts organisations contracts, with a total investment of \$37.7 million
- invested in arts and cultural events, programs and festivals which were delivered to over 4.3 million attendees and participants
- commenced implementation of the *Cultural Precinct Strategy*, including consultation on the draft *Cultural Precinct Master Plan* to drive new cultural tourism outcomes for the state and plan for future collection storage requirements
- supported 38 touring productions to tour to 107 Queensland communities through the Playing Queensland Fund, increasing touring arts productions for Queenslanders
- approved more than \$850,000 for investment in four Super Star Fund events, two of which have been staged—Bernard Fanning's performance with emerging Aboriginal

and Torres Strait Islander musicians as part of *Clancestry* and the Queensland Theatre Company's production of *Macbeth*, directed by internationally acclaimed Shakespearean super star Michael Attenborough CBE in collaboration with local theatre company Grin and Tonic

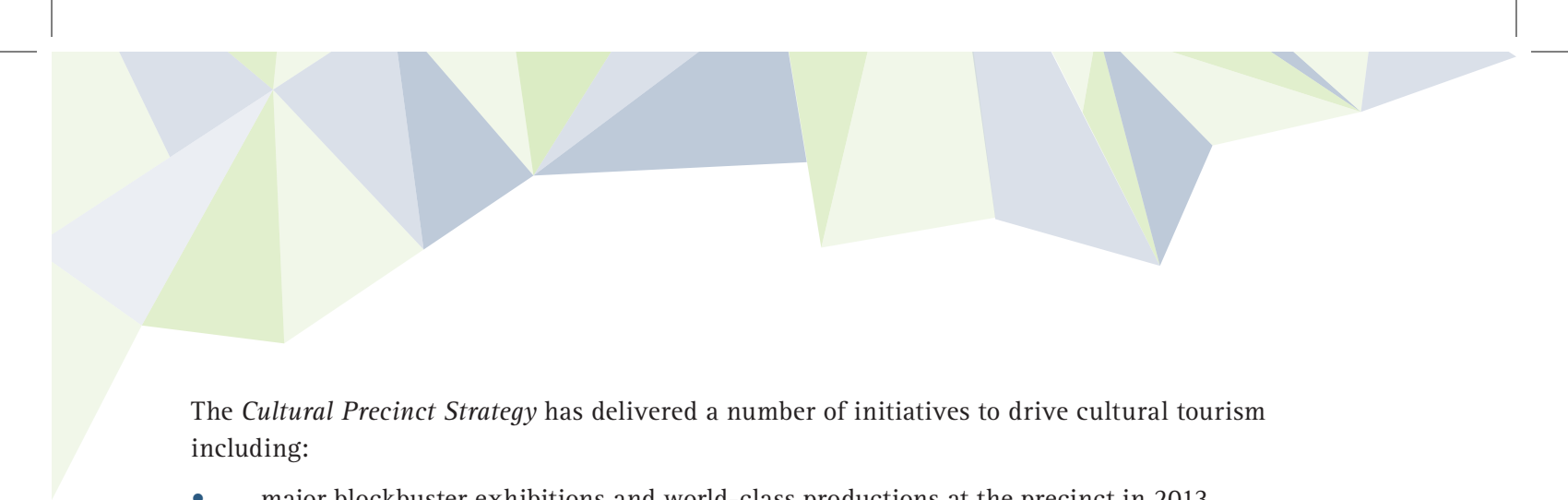
- increased customer focus with new client management model for funded organisations and local government engagement
- supported the 2013 Brisbane Festival which delivered over 85 productions and 467 performances including 11 Australian and six world premieres and attracted over 1.1 million people generating record box office takings in excess of \$1.4 million
- supported the Queensland Music Festival which staged the largest number of events in its history and reached more communities than ever before with 148 performances and 600 workshops in Brisbane and across 44 regional centres
- in partnership with Brisbane City Council and the Australia Council for the Arts, supported delivery of the first of three biennial Australian Performing Arts Market events in Queensland
- supported CIAF Presents in August 2013 and transitioned the Cairns Indigenous Art Fair to a new governance model
- completed a lighting upgrade to the Judith Wright Centre of Contemporary Arts street presence to assist in broadening its market appeal and ensure patron safety and its identification as an arts centre
- completed the construction of a new artist workshop at the Aurukun Indigenous Art Centre
- extended the Artist in Residence funding program to include early childhood sector.

Other whole-of-government plans/specific initiatives

During 2013–14, Arts Queensland was responsible for the following whole-of-government programs/plans/initiatives:

DestinationQ

Cultural tourism has the potential to play a key role in meeting the government's target of increasing visitor expenditure to \$30 billion by 2020. Australian Bureau of Statistics data tells us that domestic cultural tourists spend on average 78 per cent more than non-cultural tourists and international tourists spend 64 per cent more. The *Arts for all Queenslanders strategy 2014–18* highlights the role that the arts play in Queensland's cultural and economic development and seeks to grow our state's reputation as a destination to experience innovative, exciting and inspiring arts activities. The *Cultural Precinct Strategy*, launched in June 2013, is a key mechanism for driving local, interstate and international visitation to this invaluable Queensland cultural asset.



The *Cultural Precinct Strategy* has delivered a number of initiatives to drive cultural tourism including:

- major blockbuster exhibitions and world-class productions at the precinct in 2013–14, such as: Queensland Art Gallery/Gallery of Modern Art *Cai Guo-Qiang: Falling Back to Earth*, the Queensland Museum’s *Afghanistan: Hidden Treasures* from the National Museum, Kabul, the State Library’s *Our Dreaming—animating country*, and the Queensland Performing Arts Centre’s presentation of The Netherlands Royal Concertgebouw Orchestra and the National Theatre Great Britain’s production of *Warhorse*
- commencing collaborative programming across the Cultural Precinct, including in December 2013 *A Very Cultural Christmas*, an extension of Brisbane’s Christmas events which included Christmas lighting, carollers and a special pre-Christmas shopping event.

Arts Queensland has directly invested in several events in 2013–14 that are driving cultural tourists to regional Queensland. These include:

- Queensland Music Festival—\$3.2 million per festival
- Australian Festival of Chamber Music in Townsville—\$311,650 over three years (2014–16)
- Cairns Indigenous Art Fair—\$1.568 million over two years
- Woodford Folk Festival—\$406,500 over three years
- Studios and Cultural Trails of the Scenic Rim—\$18,351.

In collaboration with Tourism and Events Queensland and regional tourism organisations Arts Queensland is working with key triennially-funded organisations to build capability and capacity to develop and deliver cultural tourism products. Specific activities include Connector events designed to bring together artists and tourism services and operators to identify opportunities for collaboratively developing uniquely Queensland cultural tourist experiences for tourists to enjoy. Arts Queensland is also working closely with the Department of Tourism, Major Events, Small Business and the Commonwealth Games to ensure the cultural tourism potential is reflected in major initiatives.

Visual arts and craft strategy

The *Visual Arts and Craft Strategy 2011–12 to 2014–15* is a joint initiative between Arts Queensland and the federal government through the Australia Council for the Arts (Australia Council). Under the strategy, Arts Queensland and the Australia Council provide matched funding to Queensland’s contemporary visual arts and craft sector.

The objectives of the strategy are to build a strong and dynamic contemporary visual arts sector, characterised by a stable base of organisations, which in turn support the production and appreciation of works of artistic excellence. Key outcomes for the funding are enhanced creativity and excellence, linked with public appreciation and informed critical debate.

Meeting of Cultural Ministers

Arts Queensland supports the Minister's attendance at the Meeting of Cultural Ministers (MCM). MCM brings together federal, state and territory ministers with responsibility for arts and culture.


In 2013–14, the ministers:

- completed the first triennial work plan under the National Arts and Culture Accord between the Australian, state and local governments which articulates respective and shared roles and responsibilities and commenced work under the work plan
- continued to develop *Vital Signs—Cultural Indicators framework for Australia* by undertaking a national consultation on the purpose, usefulness and efficacy of the framework in measuring economic, social and cultural value created by arts and cultural sectors in Australia
- welcomed the release of the Australian Bureau of Statistics cultural and creative activities satellite account feasibility study which the MCM had commissioned
- undertook a review of the *National Arts and Disability Strategy*.

Looking forward

During 2014–15, Arts Queensland will:

- continue to implement the *Arts for all Queenslanders strategy 2014–18* to achieve growth of the arts sector and a strong community of arts
- implement a refreshed *Arts and Cultural Investment Framework* to grow economic, social, cultural and artistic returns on government investment in Queensland arts and culture
- implement the Arts Business Innovation Fund which is targeted at strengthening commercial and entrepreneurial capability of arts and cultural businesses in Queensland to increase their viability into the future
- continue to administer the government's investment in arts statutory bodies, major performing arts organisations and government-owned arts companies
- complete the *Cultural Precinct Master Plan* which will balance arts and culture with new infrastructure opportunities that will drive visitation and patron experience
- in partnership with Queensland Museum, plan for the development of a significant new Anzac legacy gallery commemorating World War One, with one of the highlights to be a permanent home for the German tank *Mephisto*
- increase the number and reach of touring projects around regional Queensland through the Playing Queensland Fund

- 
- support local arts companies to engage internationally renowned artists and build local capacity through the Super Star Fund—projects approved include: Queensland Ballet’s Sir Kenneth Macmillan’s *Romeo and Juliet* and the Queensland Symphony Orchestra’s *Journey through the Cosmos* featuring internationally renowned physicist Brian Cox
 - support recipients of triennial organisation funding 2014–16 to deliver on priority areas of the *Arts for all Queenslanders strategy* and achieve increased artistic, social, cultural and economic returns
 - deliver a renewed business model for the Regional Arts Development Fund to better align with locally determined priorities and community demand
 - support Queensland’s major performing arts organisations in the generation of quality seasons, regional engagement and cultural tourism outcomes
 - support Brisbane Festival and the Queensland Music Festival in the delivery of their 2014–15 programs
 - continue to invest in high quality arts education programs in partnership with Education Queensland and Australia Council for the Arts through the Artist in Residence program
 - co-invest in the international arts and education conference in Brisbane.

Strategic Information and Communication Technology (ICT)

The Strategic ICT Division strives to ensure quality ICT outcomes are achieved across government and is a key area in supporting front-line service delivery. The division is responsible for whole-of-government programs, such as the Government Wireless Network, and plays an integral role in implementing the government's ICT reforms as outlined in the *Queensland Government ICT Strategy 2013–17 Action Plan*.

In addition, as the mega category lead for ICT procurement, the division prepares, negotiates and manages contracts to establish whole-of-government procurement arrangements. Some of the services the division provides include: strategic advice on ICT programs and projects; facilitation of engagement between the ICT industry and government; and management of whole-of-government infrastructure (including data centres and networks).

CITEC

CITEC ICT'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 Information Brokerage is a trusted provider of leading market information solutions that streamline the business processes for commercial clients. CITEC Information Brokerage delivers more than three million transactions annually, through 30 database applications, and services over 7000 active clients in a variety of vertical markets including legal, insurance, local government authorities, commercial agents, credit management, banking and finance.

In preparation for the divestment of CITEC, CITEC ICT and Information Brokerage have been created as two separate entities as of 2 June 2014. Full financial reporting separation will be achieved as from 1 July 2014.

ICT Renewal

ICT Renewal was established to execute the *Queensland Government ICT Strategy 2013–17 Action Plan*.

ICT Renewal is focused on working with agencies to ensure the Queensland Government achieves ICT renewal and transformation as envisaged in the ICT strategy. ICT Renewal aims to transform the way ICT is delivered and the way it supports the business of government.

ICT Strategic Sourcing

Strategic Sourcing is the Queensland Government centre of excellence in ICT sourcing matters. The group is responsible for the preparation and management of contracts and other procurement arrangements that support the implementation of ICT strategies and ICT renewal.

Our operating environment

The Commission of Audit's recommendations to deliver ICT as-a-service presents both opportunities and challenges.

The Strategic ICT Division continues to work with government agencies and industry to drive the ICT reform agenda aligned with the Queensland Government ICT action plan. The Strategic ICT Division has undertaken the ICT category lead and procurement reform in partnership with the Queensland Government Procurement Transformation Program.

The Government Wireless Network is one of the most significant ICT projects being delivered in Queensland.

The new network will deliver a number of benefits including improvements in radio communication, coverage and transmission, interoperability between public safety agencies, increased safety for front-line officers and end-to-end encryption providing information privacy and protection.

The Government Wireless Network will be implemented to support the immediate priority of the Cairns Finance Officials' meeting in September 2014 and the Brisbane G20 Leaders' Summit in November 2014. This will be followed by widespread deployment across South East Queensland by June 2016.

Performance review

The following service standards in the department's *Service delivery statement 2013-14* were used by the department and the government to assess the division's overall performance.

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 target/est.	2013-14 actual
Service area: CITEC			
Service standards			
Client satisfaction	1	≥65%	93%
CITEC Information Brokerage	2		
CITEC ICT			
EBITDA (EBIT less depreciation and amortisation \$'000)	3	10,734	15,030
Other measures			
Service availability		99.9%	99.983%
Whole-of-government programs percentage complete	4	nil	nil
Number of information technology graduates, trainees and cooperative students employed each year	5	nil	nil

Notes

- Client satisfaction measurement for CITEC is on hold during the divestment process.
- CITEC Information Brokerage measures client satisfaction of CITEC Confirm, the retail information broker on an annual basis.

3. The 2013–14 actual results is higher than the 2013–14 target/estimate due to better than expected project revenue and cost reduction efficiencies implemented by CITEC.
4. Due to the divestment of CITEC ICT no whole-of-government programs commenced during 2013–14.
5. Due to the divestment of CITEC ICT and CITEC Information Brokerage employment within these business areas are on hold during the divestment process.

Achievements

2013–14 achievements for Strategic ICT have been reported on in each of the service business areas.

ICT Renewal:

- launched the *ICT Strategy Action Plan* in August 2013
- enabled agencies to produce departmental as-a-service roadmaps and identify ICT assets in preparation for transitioning to an ICT as-a-service environment
- developed tools to support the practical application of the contestability framework to ensure the best value for money and ICT service delivery models for agencies
- prepared a concept brief One Government One Network and a business case.

ICT Strategic Sourcing:

- released the ICT Small to Medium Enterprise (SME) policy in January 2014, providing SMEs with greater opportunities to participate in the government market
- established the following ICT as-a-service arrangements:
 - Microsoft off-shore communications and collaboration
 - Microsoft email on-shore
 - software asset management.

CITEC:

- prepared a business case and approach for the divestment of CITEC and CITEC Information Brokerage
- supported the upgrades of Queensland Health and the Department of Transport and Main Roads payroll
- developed an infrastructure as-a-service product for government use
- completed the Queensland Government Customer Identity Management Release 1 and 2 of Level 1 Authentication project for the One-Stop Shop initiative on time and under budget.



Other whole-of-government plans/specific initiatives

During 2013–14, Strategic ICT was responsible for the following whole-of-government programs/plans/initiatives:

- Established several whole-of-government panel arrangements including:
 - Electronic Communication and Collaboration
 - ICT Services
 - Microsoft (CoreCAL, Premier Support Services and Custom Support).
- Initiation of the ICT Renewal Program, a whole-of-government initiative, to execute the ICT strategy and associated action plan released by the Minister for Science, Information Technology, Innovation and the Arts on 29 August 2013. The program has set the foundation for future success through the progress of the following areas:
 - clearer accountability and processes to ensure successful ICT investment decision-making and appropriate risk management (through a Director-General Council governance body)
 - mechanisms for small to medium enterprises to actively participate in contracting government business
 - improvements in government-wide information sharing, including an enterprise social network that can be leveraged for collaborative and idea sharing among government communities
 - an ICT contestability framework that provides an approach for the achievement of good cost outcomes for government.

ICT Strategic Sourcing has enabled the government to use cloud and other as-a-service offerings through:

- policies for ICT as-a-service and offshoring data
- new commercial terms and conditions for as-a-service contracts
- streamlined procurement arrangements
- reviewed Queensland legislation and law.

DSITIA is responsible for the management and implementation of the Government Wireless Network program. The Government Wireless Network will improve communications, safety and security for Queensland's public safety agencies and front-line police and emergency services.

The network will deliver a range of important benefits including:

- improvements in radio coverage and transmission
- interoperability between agencies
- increased safety for front-line police, firefighters and paramedics
- end-to-end encryption providing information privacy and protection.

During 2013–14, the program:

- built and commissioned 70 Government Wireless Network radio sites to support the G20
- installed 430 mobile radios in police, fire and ambulance vehicles by June 2014
- delivered comprehensive training for Government Wireless Network radios and consoles to more than 140 agency trainers and users for G20.

The Government Wireless Network will bring our public safety agencies' radio communications capabilities into the digital age.

Looking forward

In 2014–15, **ICT Renewal** will:

- work with agencies to assist the implementation of the ICT Strategy and support ongoing ICT renewal implementation
- lead the implementation of the ICT procurement for 1 William Street
- lead the development of One Network for the Queensland Government.

In 2014–15, **ICT Strategic Sourcing** will:

- implement the mega category lead role for ICT procurement
- establish more arrangements to support the government's as-a-service agenda
- establish the following ICT as-a-service arrangements:
 - Print Imaging as-a-service
 - Infrastructure as-a-service.

In 2014–15, **CITEC** will:

- upgrade key ICT infrastructure to support client needs and provide more effective solutions
- significantly improve its online eConveyancing services to clients
- extend its court eFiling capabilities nationally
- continue to progress divestment.

In 2014–15, the **Government Wireless Network** will:

- deliver the required infrastructure and secure digital radio network to meet the radio communications requirements of the G20 events
- progress implementation of the Government Wireless Network in South East Queensland, using a staged approach.



Shared Corporate Services

The Shared Corporate Services Division helps other government agencies to get on with their business by ensuring they have access to modern, value-for-money corporate services and trusted advice. By providing quality back-office support systems, agencies are able to focus on the important work they do delivering services directly to Queenslanders. Combining the capabilities of Queensland Shared Services and the Corporate Administration Agency, the division facilitates a range of corporate services to the rest-of-government cluster of departments and an additional 27 public sector entities. This includes financial transaction services, human resources services, payroll and recruitment services.

Corporate Administration Agency

The Corporate Administration Agency provides corporate services to 23 Queensland public sector entities which are principally small to medium statutory bodies. Services include human resource management and consulting; payroll and recruitment services; financial transaction services; and information management services, including information technology and business systems.

Queensland Shared Services

Queensland Shared Services provides a range of corporate services to the rest-of-government cluster of departments including financial transaction services; facilities management; procurement; human resource, payroll and recruitment services and consulting; and mail support services. Queensland Shared Services also provides core finance and human resource systems application support to the rest-of-government cluster.

Our operating environment

A key factor impacting the operating environment for Shared Corporate Services is implementing the renewal agenda outlined in the recommendations of the Queensland Commission of Audit relating to lifting the previous mandate on agencies to utilise the services of Queensland Shared Services. This, along with the overall contestability agenda, is requiring a re-positioning of shared services within Queensland Government and development of new business models for the future.

A detailed implementation plan and agency customer roadmap is under development to ensure transition to any new arrangements are achieved without service disruption.

Maintaining systems performance to support human resource, payroll and financial management services including managing risks associated with legacy systems no longer covered by mainstream vendor support. Projects are underway to mitigate the systems risks for out of support payroll systems and planning has commenced to define and consult on the future pathway for financial systems.

Performance review

The following service standards in the department's *Service delivery statement 2013–14* were used by the department and the government to assess the division's overall performance.

Department of Science, Information Technology, Innovation and the Arts	Notes	2013–14 target/est.	2013–14 actual
Service area: Shared Corporate Services			
Service standards			
Client satisfaction	1	≥75%	60%
Labour as a percentage of total costs		56%	54%
Overheads as a percentage of total costs		<10%	8.5%
Corporate Administration Agency service standards			
Operating surplus/deficit (\$)	2	Break even position	(218K)
Percentage of client services delivered within budget and within agreed timeframes	3	95%	95%
Client satisfaction	4	New measure	80%

Notes:

1. The methodology used for capturing customer satisfaction data was changed in 2013–14 to align with international best practice, increase transparency, and focus on repeatability for future comparison of results to baselines. This survey was aligned to the Institute for Citizen Centre Service Common Measurements Tool providing repeatability, comparisons and consistent reporting over time. In 2012–13 Queensland Shared Services achieved a customer satisfaction rating of 74.2%. While the satisfaction rating may be interpreted as lower than previous years, it is not directly comparable given the changed methodology which has been introduced to provide an independent approach and reflect international best practice. The overall satisfaction ratings reported for 2013–14 should not be directly compared with past results because: QSS has previously undertaken customer satisfaction surveys or soundings internally – an external research company was engaged to administer the 2013–14 survey and validate results, and the survey sample groups were significantly larger.
2. The Corporate Administration Agency obtained approval to incur a deficit for 2013–14. This was calculated in a range that depended on the exit of customers due to machinery-of-government changes and unbudgeted expenditure. The estimated final position incorporates the exit of customers and implementation of new customers.
3. The performance for 2013–14 is based on quantitative data in the Corporate Administration Agency's reporting to customers.
4. Client satisfaction was a new measure for Corporate Administration Agency in 2013–14.



Achievements

In 2013–14, Queensland Shared Services:

- managed the fortnightly payroll for 67,000 staff across 23 agencies; that's over 1.7 million pays delivered this year with over 99 per cent accuracy
- supported financial transactions and advisory services supporting agency budgets of approximately \$30 billion, including processing 500,000 accounts payable annually at an accuracy rate of over 99.9 per cent
- commenced streamlining of existing mail practices and planning for a future of digital mail delivery
- developed and deployed e-forms for accounts payable and telecommunication services; the e-form for accounts payable is now being utilised by nine agencies, with over 13,000 e-forms delivering savings of over \$120,000
- implemented the whole-of-government late payment policy, supporting the government's election commitment to ensure that all bills from small businesses involving contracts up to \$1 million are paid within 30 days
- finalised the upgrade of the Aurion Version 9 human resource/payroll systems to a fully vendor supported Aurion Version 10 and transitioned four agencies onto the upgraded Aurion platform.

In 2013–14, the Corporate Administration Agency:

- managed payroll for approximately 2900 employees and up to 3500 casuals across 23 statutory authorities; that's over 80,000 pays a year at an accuracy rate of 99.83 per cent
- processed financial transactions and provided advisory services, supporting agency budgets of approximately \$559.6 million, including processing over 40,000 accounts payable at 95.56 per cent accuracy rate
- expanded the content of customer extranets to enhance communication with clients and provide them with access to templates, information, systems and reports
- attracted and implemented two new government clients (Trade and Investment Queensland and Office of Health Ombudsman) and assisted three more (Skills Queensland, Health Quality and Complaints Commission and Commission for Children and Young People and Child Guardian) in transition arrangements due to machinery-of-government changes.

Other whole-of-government plans/specific initiatives

During 2013–14, Shared Corporate Services was responsible for implementing a vendor payment monitoring capability for departments in support of the government's election commitment to ensure that all bills from suppliers involving contracts up to \$1 million are paid within 30 days.

The year ahead

In 2014–15, Queensland Shared Services will:

- plan for transition from being a mandated service provider to a provider of choice
- extend e-form technology to improve the efficiency and effectiveness of accounts receivable services
- undertake business transformation strategies to incorporate contestability principles and benchmarks, and improve efficiency and reduce costs both from a government and departmental perspective
- transform services for rest of government utilising opportunities to work across all agencies to implement changes
- move a further nine agencies off legacy unsupported payroll systems onto the Aurion platform
- substantially enhance the current self service functionality of the Aurion payroll platform
- continue to develop a customer-focused workforce with detailed planning for future capabilities
- establish a roadmap to deliver on government's ICT as-a-service policy.

In 2014–15, the Corporate Administration Agency will:

- implement and establish support arrangements for Queensland TAFE's electronic document and records management system (TRIM)
- investigate and implement opportunities to automate current manual business processes to improve efficiency and reduce costs
- undertake business transformation strategies to incorporate contestability principles and benchmarks, and improve efficiency and reduce costs both from a government and departmental perspective
- continue to develop the capability of its people to provide innovative and flexible delivery of services to our customers
- architect a future state cloud delivery model through platform as-a-service and infrastructure as-a-service.



Strategic Policy and Innovation

The Strategic Policy and Innovation Division undertakes customer analysis to understand needs, identify challenges and opportunities, connect the different areas of DSITIA, and tell the story about how collectively our department makes a difference to Queensland now and into the future.

The division also leads the innovation agenda in DSITIA, and influences Queensland Government agencies, Queensland businesses and research organisations to enable and facilitate increased levels of innovation and commercialisation to re-energise the Queensland economy.

Commercialisation

Improving commercialisation rates is a significant opportunity for Queensland. The Commercialisation team supports this by helping create the right environment to enable businesses, researchers and government to commercialise their products and services. It does this by facilitating collaboration and partnerships between entrepreneurs, investors, research institutes, government, and business sectors.

Customer and Market Insights

The Customer and Market Insights team has a strategic cross-agency focus. Its role is to coordinate customer and market analysis for the department, and disseminate meaningful insights on policy impact and service delivery. It also influences the department's performance metrics, helps define DSITIA customer needs and undertakes visioning to ensure customers' future needs are met.

Another key function is facilitating DSITIA's interface with stakeholders, and managing the whole-of-department engagement processes.

Innovation Policy and Programs

The Innovation Policy and Programs team leads the innovation agenda in DSITIA, and influences both Queensland Government agencies and Queensland businesses, ensuring innovation is part of every day, through:

- coordinating innovation initiatives throughout DSITIA, and across the Queensland Government to deliver more productive government services
- provision of services and referrals through third party providers to deliver specialist advice on innovation, commercialisation and intellectual property
- collaboration and partnerships with government agencies, the business community, research organisations, industry associations and third party providers to enable and facilitate increased levels of innovation.

Strategic Policy

The Strategic Policy team develops and delivers the department's policy narrative—driving consistency and connections across the department, coordinating collaboration on policy issues, and delivering a cohesive message about how our department supports Queensland. Its key functions are to:

- ensure DSITIA strategies and policies are cohesive and align with whole-of-government priorities
- lead engagement with government agencies and key stakeholders regarding policy matters and whole-of-government strategies and submissions
- undertake research on key trends and emerging issues.

Our operating environment

Strategic Policy and Innovation is driving the innovation agenda across government—leading an alternative way of problem-solving, including an open-innovation approach, and facilitating innovative solutions for government services and challenges.

Performance review

The following service standards in the department's *Service delivery statement 2013–14* were used by the department and the government to assess the division's overall performance.

Department of Science, Information Technology, Innovation and the Arts	Notes	2013–14 target/est.	2013–14 actual
Service area: Strategic Policy and Innovation	1		
Service standards			
Proportion of stakeholders who are satisfied with innovation and commercialisation, consultative and engagement processes	2	85%	91%

Notes:

1. Following an internal realignment of services, the new Strategic Policy and Innovation Division includes part of the service area previously presented under Innovation and Science Development Services.
2. A number of events with a high number of stakeholder participants who rated their satisfaction level very high contributed to an increased 2013–14 actual as follows: Innovation Clinics, Start-up Summit and the Germinate Program (conducted through iLab).



Achievements

In 2013–14, Strategic Policy and Innovation:

- delivered a range of stakeholder activities to support commercialisation within the Queensland Startup Community, including:
 - Minister’s Startup Summit
 - Business Angels in Parliament
 - establishment of the startup working group
- supported the visiting Entrepreneurs Program
- formalised contractual arrangements to deliver a suite of incubator services to regional Queensland businesses through iLab
- commenced round one of the Queensland Innovation Hub Pilot Project to tackle four complex Queensland Government service delivery issues through open innovation, involving experts from the public and private sectors
- launched the PhD Employment Experience program to encourage PhD students to consider a range of potential employment options by working on projects of interest and building broad work skills to enable them to become work ready; the pilot round focused on placements within the Queensland Government
- facilitated delivery of 30 innovation events and webinars to over 800 people throughout Queensland including inventors, entrepreneurs, small business and key stakeholders from research, industry and government—the events addressed barriers to innovation, facilitated networking and the formation of new collaborations to capitalise on new opportunities; the services were delivered under a third-party service agreement
- established the new Commercialisation Panel, to provide Queensland Government agencies with easy access to advice on commercialising Crown intellectual property.

Other whole-of-government plans/specific initiatives

During 2013–14, Strategic Policy and Innovation was responsible for the following whole-of-government programs/plans/initiatives:

- finalised the Intellectual Property Audit for Queensland Government agencies to better identify and manage government’s Intellectual Property
- managed the whole-of-government statutory obligations in relation to government use of third-party copyright material under the *Copyright Act* (not including educational use)
- provided capability development to Queensland Government staff regarding intellectual property through the provision of online training modules and face-to-face workshops
- commenced a pilot to deliver an alternative model to address government service delivery and challenges, using an open innovation approach and demonstrating innovation in procurement.

Looking forward

During 2014–15, Strategic Policy and Innovation will:

- deliver round two of the Queensland Innovation Hub Pilot Project
- provide early-stage, high-growth potential businesses across the Queensland Startup Ecosystem, including regional Queensland, with access to high-quality incubator services
- implement actions to support commercialisation led by the Queensland Startup Summit Working Group and support engagement with Early Stage Venture Capital specialists
- facilitate a series of Thought Labs—a whole-of-department engagement tool to provide opportunities to co-design solutions to challenges with external stakeholders
- expand the PhD Employment Experience program to industry-based projects for PhD students
- implement customer-focused projects across the department to improve performance, support better customer satisfaction, achieve efficiencies and value for money
- develop a case study library showcasing Queensland’s innovation and commercialisation success stories
- provision of specialist third-party services delivering events, workshops and advice to facilitate collaborations, development of new ideas, and translation of innovation into commercial outcomes
- develop and communicate the strategic narrative for DSITIA supported by relevant research and data analysis
- develop and deliver a DSITIA policy capability program for the department, including an online repository of policy development tools, policy information sessions, and other initiatives enabling transfer of knowledge and skills development
- develop and implement an evaluation framework and approach for DSITIA’s policies and strategies
- deliver the Director-General’s Innovation Challenge to develop departmental capacity in creative problem solving to address challenges and deliver innovative solutions and services.



Queensland Government Chief Information Office

The Queensland Government Chief Information Office (QGCI0) provides unbiased, independent quality advice to the Director-General and Minister for Science, Information Technology, Innovation and the Arts on ICT issues from a whole-of-government perspective.

Advice is informed by research on emerging technologies, determining business drivers for decisions and risk-based analysis on the performance of information technology and information systems across government.

The QGCI0 also develops ICT strategy, policy and standards to support consistency of application across the Queensland Government.

The QGCI0 provides:

- governance processes to support investment review and assurance of ICT-enabled initiatives
- architectures and long-term strategy for information technology and information systems (transformation)
- advice, analysis and intervention on emerging day-to-day issues
- cross-government program support through project assurance and supporting agency initiatives, for example usage of cloud computing platforms and platforms to support cross-government collaboration and cooperation
- ICT profiling to afford evidence for future initiatives and assist in monitoring of government's ICT including at-risk systems
- enhanced workforce capability through the ICT Graduate Program a conduit for positive relationships with other jurisdictions, industry and academic institutions.

Our operating environment

Queensland Government ICT is in a phase of change which will affect how all government business is conducted particularly during the public sector renewal period. This is supported by ICT renewal and government is taking advantage of modern ICT initiatives such as ICT as-a-service and cloud computing as key tools for the future. This will have a significant impact on the delivery of ICT within government and the internal-to-government shared service providers. The approach will transform ICT delivery within agencies.

The 2012 ICT Audit and the 2013 Queensland Commission of Audit recommendations were the basis for the *ICT Strategy 2013-17*. In line with the strategy, agencies are considering how to transition away from owning and operating ICT assets. QGCI0 is assisting agencies and central government with the implementation of these ICT reforms, and the implementation of the ICT strategy and supporting action plan.

Specific actions underway include:

- using cloud computing as an approach to achieve transformation to sourcing ICT services from private providers where this is feasible and represents value for money
- adopting ICT as-a-service: QGCIO has developed a set of integrated policies to support agencies in the transition toward commodity ICT and a pay-for-what-you-use model
- refocusing skills and resources to support the transformation.

It is important that QGCIO can support government in identifying the business reasons for ICT transformation. Flexibility, agility and transparency should be key drivers of technology push.

QGCIO will continue to work with agencies, other jurisdictions and the ICT industry to drive the change needed to better support service delivery.

Achievements

In 2013–14, QGCIO:

- implemented improved ICT governance and accountability arrangements which has increased visibility of government ICT investment
- worked with agencies and industry to drive renewal, in particular, the move to the delivery of ICT as-a-service which is a major focus of the ICT strategy
- maintained the Queensland Government Enterprise Architecture so agencies have a policy framework for ICT investment and business decision-making
- worked across government and with other jurisdictions to support initiatives such as telecommunications black spots across the state (mobile and broadband) and 1 William Street.

Other whole-of-government plans/specific initiatives

During 2013–14, QGCIO was responsible for the following whole-of-government programs/plans/initiatives:

- the development of key policy and guidelines for ICT as-a-service which will support agencies initiatives progress from traditional government-owned ICT to sourcing ICT as a commodity
- progression of implementation of the Queensland Government Client Identity management system as part of the One-Stop Shop initiative—new authentication levels have been gradually released to support the whole-of-government client identity account for citizen and business online transactions across all Queensland Government agencies
- the ICT architectural lead in the development of the specification for the 1 William Street ICT blueprint; the role included the development of content and coordination of participation from representatives
- developed a *Tactical Cyber Security Plan* to improve whole-of-government ICT security in preparation for G20
- One Government Network business case developed for consideration.



Looking forward

During 2014–15, QGCIO will:

- assist agencies in progressing from traditional government-owned ICT to sourcing ICT as-a-service
- maintain improved governance over ICT investment in government to minimise or prevent risk
- update the ICT Strategy to drive innovation and transformation initiatives
- review the Queensland Government Enterprise Architecture to ensure it supports government policy and direction
- continue to analyse existing and planned ICT investments to increase visibility, accessibility and transparency of information, and reduce complexity and risk.

Queensland Chief Scientist

The Chief Scientist has four major areas of focus:

- **Strategic leadership**—through a commitment to policy that will help meet our economic challenges, and rebuilding our state’s science and technology capability through key roles in the development and implementation of the *Science and Innovation Action Plan*, and chairing the Science and Innovation Advisory Council.
- **Analysis and review**—by providing advice on maximising opportunities from the government’s investment in research and development (R&D), informed by the Queensland Government R&D Expenditure Report, produced annually by the Office of the Queensland Chief Scientist.

To guide the development of science policy, the Chief Scientist has: overseen the completion of a series of science capability audits across government; formulated Decision Rules to guide government investment in R&D and redefined Queensland’s Science and Research priorities.

- **Advice to government**—since 2011 the Chief Scientist has been involved with or led a number of reviews and inquiries, including the science of floods, uranium mining, Hendra Virus, underground coal gasification, innovation in government and innovation through procurement.
- **Communication**—through the delivery of speeches at 78 events in 2013–14. As part of this role, the Chief Scientist has an ambassadorial role for science, fostering collaboration and cooperation among government, research, industry and community sectors and raising the profile of Queensland as a state characterised by world-class research and investment opportunities; as well as engaging the community in better understanding the importance of science, research and innovation in the state’s future economic, social and environmental wellbeing.

The Chief Scientist also provides advice in organisational transformation to government departments and the Public Service Commission.

Our operating environment

The Office of the Queensland Chief Scientist’s *Health of Queensland Science* report made a number of key observations and recommendations regarding the importance of:

- continuing to build and leverage on the substantial investment of the Queensland Government in R&D making the appropriate investment in R&D and increasing our leveraging of available Commonwealth funding
- maintaining and nurturing collaborations, especially with China and India
- ensuring that quality research is actually applied to improve Queensland’s economy
- focusing the state’s research efforts in niches across a range of areas of relevance to Queensland.



Achievements

In 2013–14, the Queensland Chief Scientist:

- oversaw completion of the ‘Assessment of Health/Biomedical Research’ in Queensland
- oversaw the completion of the whole-of-government audit of applied science and research in the water sector to enable the provision of high-level strategic advice to the directors-general of the core water departments
- published the *Queensland Government R&D expenditure report for 2012–13*
- chaired Science and Innovation Advisory Council meetings which, inter alia, reviewed applications to the Queensland Government Accelerate funding programs
- completed science capability audits of the Departments of Transport and Main Roads (applied science, engineering and R&D) and Natural Resources and Mines (Geological Survey of Queensland and Safety in Mines Testing and Research Station).

Other whole-of-government plans/specific initiatives

During 2013–14, the Queensland Chief Scientist:

- developed a set of 10 Science and Research Priorities to guide longer-term investment decisions in R&D across government
- published the *Queensland Government’s R&D expenditure report 2012–13*
- partnered with DSITIA in the implementation of the *Science and Innovation Action Plan*, which outlines key actions across government needed to support the delivery of science to meet government needs, and to remove impediments to business driving innovation.

Looking forward

During 2014–15, the Queensland Chief Scientist will:

- implement recommendations of phase one of the assessment of the state’s investment in health and biomedical research
- complete phase two of the assessment of the state’s investment in health and biomedical research—considering a strategy to ensure the continued advancement of excellence productivity and innovation in health sciences and health services across Queensland, with a particular emphasis on collaboration
- implement recommendations of the whole-of-government water audit
- chair the Science and Innovation Advisory Council.

3 Our corporate governance

Our leaders

On 14 October 2013, the Public Sector Renewal Board supported DSITIA's approach to service renewal through the delivery of the OneDSITIA renewal program. As a result the department undertook a restructure to implement a new operating model and subsequent new leadership team.

Business areas such as CITEC, ICT Renewal and ICT Strategic Sourcing were moved to Strategic ICT, and Digital Economy and Productivity was moved from Innovation and Science Development to form the new structure.

Sue Rickerby, Director-General (25 November 2013 to present)

Sue Rickerby was appointed Director-General of DSITIA on 25 November 2013.

Since February 2013, she was the Deputy Director-General of the Priority Projects Division in the Department of the Premier and Cabinet. Sue has an extensive background in local government and the private sector in Australia and New Zealand.

In her role at the Department of the Premier and Cabinet, she was responsible for a number of whole-of-government and multi-agency projects, including:

- *The Queensland Plan: a 30-year vision for the state*
- the one-stop shop
- open data and social services investment reform projects.

Previously, Sue held several executive roles with Brisbane City Council. She was responsible for marketing, customer services, shared services and a wide range of front-line services.

Her achievements included the development of Brisbane City Council's first brand strategy and customer focus strategy. She also established council's shared services centre providing human resource, finance and procurement services to all parts of council.

Sue represented council on several external bodies and boards and, as a trained incident controller, was closely involved in council's disaster response work, including for the 2011 floods. She also served on key governance bodies including financial risk management, corporate risk management and audit committees.

Her private sector career ranges from roles in multi-national companies, to consulting and corporate roles in both goods and services, as well as running her own business.

Sue was the first woman president and is a life member of the Public Relations Institute of New Zealand.



Andrew Mills, Queensland Government Chief Information Officer (6 January 2014 to present)

Andrew Mills was appointed Queensland Government Chief Information Officer on 6 January 2014 to provide strategic advice to the Minister for Science, Information Technology, Innovation and the Arts and agencies on the best way for the government to use ICT to deliver improved services to Queenslanders and drive efficiencies through ICT as-a-service.

Before this role, Andrew was Chief Information Officer for the South Australian Government where he led development and implementation of across-government ICT strategy and policy and improvement initiatives to build online service capability.

Andrew has worked in the public sector for 37 years, and has held senior positions in both the Australian and South Australian governments, predominantly in information management, information technology and telecommunications.

Andrew has a Bachelor of Science from the University of New South Wales and a Masters of Science (Electronic Systems) from the Cranfield University in the United Kingdom.

Dr Geoff Garrett AO, Queensland Chief Scientist FTSE PrEng

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.

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.

Dr Christine Williams, Assistant Director-General, Science Division

Dr Christine Williams leads the Science Division, which provides scientific and technical advice and services to government agencies, to underpin their decision-making and legislative responsibilities.

The division, in close collaboration with the Chief Scientist, also developed the Queensland Government's science policy and provides strategic leadership for the government's investment in science.

Christine's (and her team's) recent achievements include developing a new business model and framework that provides a mechanism for the provision of scientific services, information and advice to partner agencies and delivering the Accelerate program to support Queensland Science.

Christine is a trained economist, with a Doctor of Philosophy from the University of Queensland and a Master of Philosophy from Oxford University. She has been a senior executive in the Queensland public service for almost fifteen years. Christine has managed science across a number of government agencies, for the past seven years. Previously she worked in Queensland Treasury as Director of Economic Policy and Assistant Government Statistician (Economics).

Christine came to the Queensland Government from academia, where she taught statistics and econometrics, at both the Queensland University of Technology and the University of Queensland.

Andrew Spina, Assistant Director-General, Digital Productivity and Services BSc (Comp.)

Andrew Spina transitioned to the role of Assistant Director-General of Digital Productivity and Services in April 2012. He performed a similar role from April 2011 in the former Department of Public Works.

In this role, Andrew is focused on using digital services to support improved customer service delivery, government efficiency and industry productivity. He is responsible for the areas of Digital Economy and Productivity, the One-Stop Shop Strategy and Implementation Office, Queensland State Archives and Smart Service Queensland.

Andrew has held assistant and deputy director-general roles in DSITIA and the former Department of Public Works.

In his former role as Deputy Director-General, Government ICT in DSITIA, Andrew was responsible for ICT service delivery within the Queensland Government and provided strategic leadership to CITEC, Smart Service Queensland, Queensland State Archives, ICT Strategic Sourcing and ICT Renewal.


Andrew has previously led the delivery of ICT services for various government departments, most recently, as Chief Information Officer, Department of Communities.

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 more than 30 years of experience in ICT service delivery.

Kirsten Herring, Deputy Director-General, Arts Queensland (12 August 2013 to present)

Kirsten Herring was appointed as Deputy Director-General, Arts Queensland in 2013. In this role Kirsten oversees the activities of Arts Queensland, including the Queensland Government's investments in the South Bank Cultural Precinct, the funding of the major arts companies and the delivery of the arts investment funding programs.

Currently her division is leading the *Arts for all Queenslanders strategy*, which is a blueprint for the government's approach to growing the arts and culture sector throughout the state. Kirsten is also working with the state's statutory bodies on delivering the *Cultural Precinct Strategy*, which will work to reinforce Queensland's position as an outstanding cultural tourism destination within Australia and offshore.



Before joining Arts Queensland, Kirsten held a number of executive positions with Events Queensland. These roles included Interim Chief Executive Officer (from 1 August 2012 until the merger with Tourism Queensland in early 2013); and General Manager—Event Acquisition and Development.

Kirsten has also worked as the Commercialisation Manager for The University of Queensland's Arts Faculty; and as the Director of Investment for the Department of State Development.

Dallas Stower, Assistant Director-General, Strategic ICT (12 May 2014 to present)

Dallas Stower has significant senior ICT leadership experience across a range of roles and organisations and will ensure that CITEC, ICT Renewal and Strategic Sourcing and the Government Wireless Network Program deliver the agreed outcomes for government.

Prior to his current role, Dallas was asked to take up the position of General Manager, CITEC and to transform CITEC into a more sustainable business, which he did through a range of cost reduction and efficiency measures.

Previously, as Executive Director Telecommunications and Digital Economy Coordination Office, Dallas was responsible for leading the government's telecommunications and broadband strategy including coordinating the state's response to the National Broadband Network and managing the relationship with NBNCo and relevant federal agencies.

Dallas has more than 30 years experience in the ICT industry and was the Chief Information Officer at Queensland Rail from 2001 until early 2009. He previously undertook a number of senior IT management roles within Queensland Rail and state government agencies, particularly in the areas of information technology strategy development, ICT planning, enterprise architecture and technology implementation.

Prior to Dallas' appointment, Jennifer Beresford was the Assistant Director-General from 14 April 2014 to 5 May 2014.

Dianne Jeans, Assistant Director-General, Shared Corporate Services (3 February 2014 to present)

Dianne Jeans was appointed Assistant Director-General, Shared Corporate Services, which includes responsibility for Queensland Shared Services and the Corporate Administration Agency.

Before taking up this role, Dianne had been the General Manager of Smart Service Queensland since December 2006. Dianne has worked across a number of government agencies covering criminal justice policy, human services policy and service delivery, economic development issues, community engagement and integrated service delivery.

Dianne has qualifications in law, commerce, policy, management and corporate governance and has had a public service career spanning more than 30 years in both Queensland and Victoria.

Dianne maintains strong community connections, and is a member of a number of business, networking, and community organisations. She is a member of Zonta, involved in local

activities to benefit women, and involvement in the organisation of an annual dinner dance for people with disabilities. A key community role is chairing the Board of Directors for Australia's CEO Challenge, a not-for-profit company whose vision is to create a world without violence against women and children.

Leigh Roach, Chief Strategic Policy and Innovation Officer (3 February 2014 to present)

Leigh Roach was appointed to the role of Chief Strategic Policy and Innovation Officer in February 2014. Her responsibilities span strategic policy, customer and market insights, innovation and commercialisation policies and programs.

Leigh has worked in senior positions in both Australian and state governments and developed expertise in trade, industry, innovation, employment and consumer policy and programs. Leigh has led state-wide networks of service delivery to industry and business.

Leigh has expertise in managing organisational change and has facilitated major change processes in service delivery activity to business and across the public sector.

She has qualifications in Economics and Japanese from the University of Queensland and a post graduate diploma with the Securities Institute of Australia.

Evan Hill, Chief Change and Operations Officer (3 February 2014 to present)

Prior to Evan Hill's appointment to Chief Change and Operations Officer, he led the 'service delivery through one department' renewal program within DSITIA. This program developed the strategic thinking for the future roadmap of the department's operating model in alignment with the government renewal priorities including The Queensland Plan and delivering better services for Queensland.

Evan was Acting Deputy Director-General of Arts Queensland, which saw him successfully develop and deliver the *Cultural Precinct Strategy* and establish and implement the Arts Investment Advisory Board. He also oversaw the consultation process for the *Arts for all Queenslanders strategy*.

Prior to this, Evan was the Executive Director of Arts Corporate, Property and Services, responsible for:

- strategic arts policy planning and development
- financial management and reporting
- managing the \$1 billion building owner responsibilities to the state owned arts and cultural infrastructure
- managing the shared corporate service operations to 25 government agencies through the Corporate Administration Agency.

Overall he has 25 years experience in the public sector. Evan recently completed his Executive Masters of Public Administration through the Australia and New Zealand School of Government.



Danny Short, Chief Finance Officer (10 March 2014 to present)

Danny Short was appointed to the role of Chief Finance Officer in March 2014. He is responsible for financial strategy and resource management, statutory financial reporting and policy as well as property and business management functions for the department.

Danny has over 20 years experience in senior and executive management roles across a variety of corporate and strategic governance, financial management, performance and risk management positions. Danny is a Certified Practising Accountant and holds a Bachelor of Commerce degree.

Danny has undertaken roles across various Queensland Government organisations in public works, housing and communities. His most recent positions have been as Chief Finance Officer at the Department of Energy and Water Supply and before that as General Manager, Strategic Governance and Risk with the Queensland Water Commission.

Throughout his career, Danny has worked collaboratively with colleagues from across the public sector and has implemented a range of governance measures, built frameworks to assist in assessing risk and has had significant involvement with many stakeholder committees and key central agencies.

Prior to Danny's appointment, Rita McLucas was the Chief Finance Officer from 1 July 2012 to 31 December 2013 (with relieving provided by Scott Walker for three months).

Previous leaders

Andrew Garner, Director-General and acting Queensland Government Chief Information Officer (15 April 2013 to 24 November 2013)

Andrew Garner was appointed Director-General of DSITIA in April 2013 and concluded this role on 24 November 2013.

Andrew has more than 24 years professional advisory experience in assisting and leading major reform programs within the public and private sector. He has a Bachelor of Business from the University of Southern Queensland and is a Member of the Institute of Chartered Accountants and the Institute of Internal Auditors. Andrew most recently worked at Ernst and Young as its Lead Queensland Government Partner, as well as leading the Queensland Advisory Practice.

Andrew also acted as Queensland Government Chief Information Officer and was responsible for ICT governance, investment assurance, information systems and information technology strategy, policy and standards and the Queensland Government Enterprise Architecture.

Darren Crombie, Deputy Director-General, Innovation and Science Development (3 April 2012 to 2 February 2014)

Darren Crombie was Deputy Director-General until 2 February 2014, where he was responsible for a group that connects business, innovation, science and technology to improve Queensland's productivity growth and create jobs. The group focused on removing barriers to innovation, commercialisation and business growth, profiling Queensland's science, research and innovation capability, creating networks, and leveraging existing investments and infrastructure.

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 and strategic planning and regionalisation work.

He was formerly a senior executive with the federal government and represented Australia on United Nations and Asia-Pacific Economic Cooperation bodies, and was the Australian Capital Territory president of his professional association. Darren holds degrees in regional and town planning and public administration. He is a member of the Australian Institute of Company Directors.

Mike Burnheim, Assistant Director-General, Shared Services BA, MSocSC (Australian Government) (1 January 2013 to 14 February 2014)

Mike Burnheim was Assistant Director-General of the Shared Services Division in DSITIA until 14 February 2014. Since 2003, Mike played a leading role in the whole-of-government Shared Service Initiative that 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.

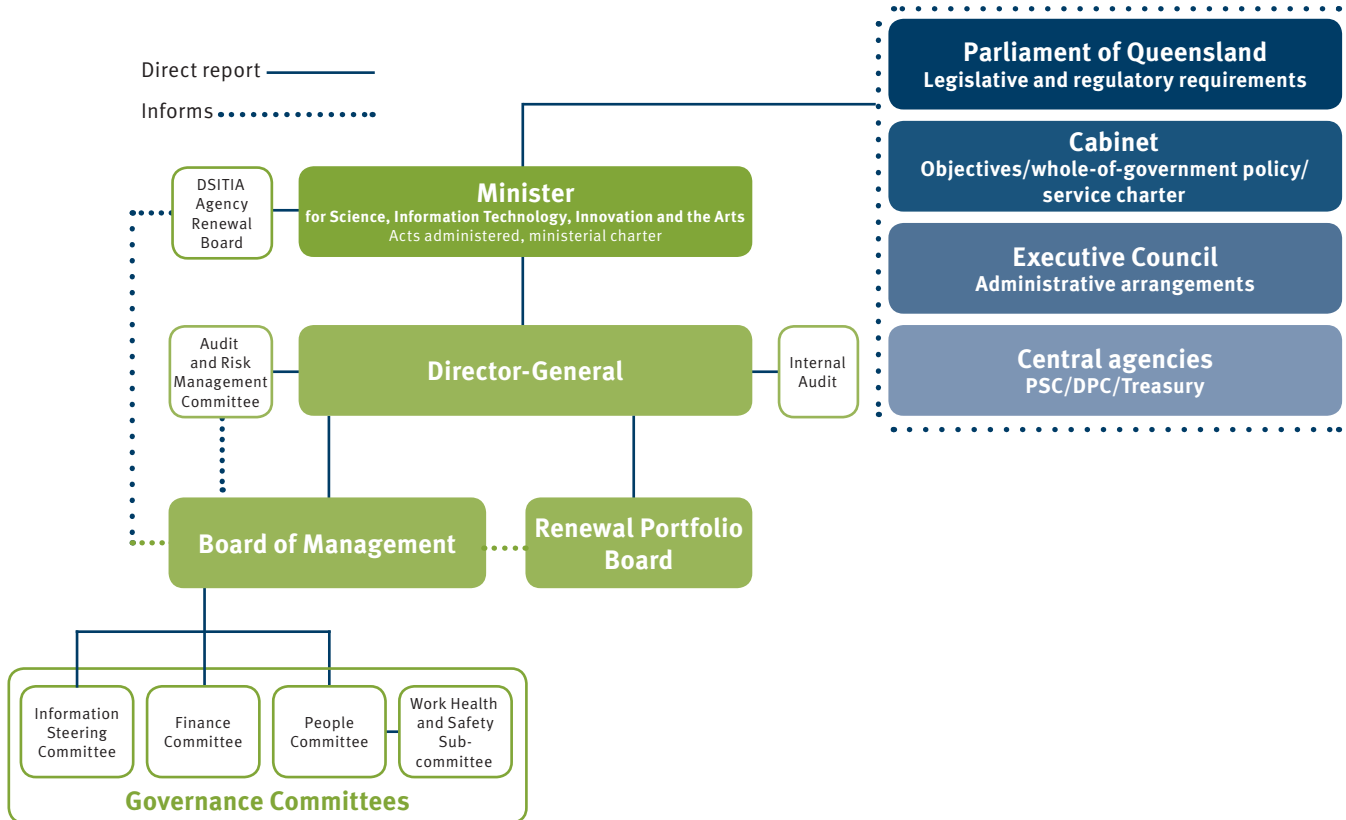
Mike has five years private sector experience and 30 years experience in the public sector (with 22 of these in a corporate services environment). Previously heading the successful Corporate Administration Agency within Arts Queensland, he has also worked for Queensland Treasury, the Public Sector Management 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.

Evan Hill, Acting Deputy Director-General, Arts Queensland (6 May 2013 to 9 August 2013)

As acting Deputy Director-General, Evan Hill was responsible for providing advice to the Director-General and Minister on arts and cultural policy, managing arts funding and capital programs. He works collaboratively with statutory bodies and companies in the arts portfolio and the wider arts community to support quality arts and culture.

Throughout his 24-year career as a public servant, Evan has undertaken a number of senior leadership roles with his most recent career highlight being the development and release of the Cultural Precinct Strategy. Evan also completed his Executive Masters of Public Administration in June 2013.

Governance framework



The Chief Change and Operations Officer is the champion of the department's corporate governance arrangements.

The Board of Management (BOM) is the department's principal policy-setting and decision-making authority and supports the Director-General as the department's accountable officer for ensuring the department implements an appropriate governance framework.

Corporate governance arrangements are based on principles of best practice public sector governance as outlined in the *Public Sector Governance Better Practice Guide*, Australian Audit Office and the Australian Public Service Commission *Building Better Governance Guide*.

Corporate governance arrangements are the principles, elements and mechanism used by the department to support a focus on effective governance through strong leadership, responsible and ethical decision-making, management and accountability, and performance improvement.

Governance committees and boards

The leadership and accountability model forms part of the department's corporate governance framework and illustrates the accountability mechanisms in place to effectively control business activities.

BOM supports decision-making to:

- oversee the implementation of programs and policies
- monitor performance and reporting requirements
- review risk mitigation strategies
- review the implementation of recommendations from management and audit reports to improve business processes and work practices.

BOM is supported by three governance committees and one sub-committee established to support the Director-General in the effective discharge of legislative accountabilities. The governance committees also support opportunities for developing leaders to promote a performance culture and facilitate relationship building and communication.

The DSITIA Renewal Portfolio Board was established in June 2013 to govern the implementation of the renewal programs across the department at a strategic level. Board membership is comprised of divisional heads and an external expert.

Committee name	Members and purpose statement
Board of Management (BOM)	<ul style="list-style-type: none"> • Director-General (Chair) • Chief Change and Operations Officer • Chief Strategic Policy and Innovation Officer • Queensland Government Chief Information Officer • Deputy Director-General, Arts Queensland • Assistant Director-General, Science • Assistant Director-General, Digital Productivity and Services • Assistant Director-General, Strategic ICT • Assistant Director-General, Shared Corporate Services • Chief Information Officer (CIO) • Chief Finance Officer (CFO) • Director, Office of the Director-General <p>BOM meets weekly and is the primary governance body for DSITIA.</p> <p>As well as the decision-making responsibilities, BOM is informed about sub-committee outcomes in order to facilitate effective corporate governance.</p> <p>For one meeting of the month, the agenda was expanded to include corporate compliance reporting. The Chief Change and Operations Officer chaired the meeting and additional attendees included:</p> <ul style="list-style-type: none"> • Executive Director, Performance, Planning and People • Director, Communications and Engagement • Director, Internal Audit
Audit and Risk Management Committee (independent of Board of Management)	<ul style="list-style-type: none"> • Director-General • Chief Change and Operations Officer • Chief Strategic Policy and Innovation Officer • Assistant Director-General, Digital Productivity and Services • Assistant Director-General, Shared Corporate Services <p>External members:</p> <ul style="list-style-type: none"> • Marita Corbett, Partner, Risk Advisory Services, BDO (Qld) Pty Ltd (chair)—paid as per agreed rates • Deputy Director-General, Corporate Services, Department of Communities Child Safety and Disability Services <p>The Audit and Risk Management Committee is directly responsible to, and supports the Director-General in the effective discharge of legislative accountabilities.</p> <p>The role of the committee is to provide independent assurance and assistance to the Director-General on:</p> <ul style="list-style-type: none"> • the risk, control and compliance frameworks • the agency’s external accountability responsibilities as prescribed in the <i>Financial Accountability Act 2009</i> and the <i>Financial and Performance Management Standard 2009</i>. <p>The committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within DSITIA, or the reporting lines and responsibilities of either internal audit or external audit functions.</p> <p>The committee meets a minimum of four times a year to provide advice about audit and risk management matters.</p>

Committee name	Members and purpose statement
Information Steering Committee (ISC)	<ul style="list-style-type: none"> • Chief Change and Operations Officer (Chair) • Chief Strategic Policy and Innovation Officer • Deputy Director-General, Arts Queensland • Assistant Director-General, Science • Assistant Director-General, Strategic ICT • Chief Information Officer • General Manager, Smart Service Queensland • Executive Director, Shared Corporate Services • Queensland Government Chief Technology Officer, QGCIO <p>The committee meets every six weeks as a sub-committee of BOM. The primary functions of the ISC include:</p> <ul style="list-style-type: none"> • managing the performance of the DSITIA ICT Assets Portfolio to ensure business service delivery agreements are met • endorsing departmental ICT and information management policies, standards and guidelines including DSITIA’s Enterprise Architecture Positioning Statements • endorsing the technical quality and business value of ICT solutions selected to enable DSITIA’s project portfolio • endorsing all DSITIA ICT investments prior to approval by the BOM.
Finance Committee	<ul style="list-style-type: none"> • Chief Change and Operations Officer (Chair) • Chief Strategic Policy and Innovation Officer • Deputy Director-General, Arts Queensland • Assistant Director-General, Science • Assistant Director-General, Digital Productivity and Services • Assistant Director-General, Strategic ICT • Assistant Director-General, Shared Corporate Services • Chief Finance Officer <p>The committee meets monthly to provide assurance regarding the effective financial management of the department which includes consideration of financial performance, financial policy development, savings initiatives, funding pressures and strategic procurement issues.</p>
People Committee	<ul style="list-style-type: none"> • Assistant Director-General, Shared Corporate Services (Chair) • Chief Change and Operations Officer • Director-General (ex officio member) • Chief Strategic Policy and Innovation Officer • Queensland Government Chief Information Officer • Deputy Director-General, Arts Queensland • Assistant Director-General, Science • Assistant Director-General, Digital Productivity and Services • Assistant Director-General, Strategic ICT • Executive Director, Performance, Planning and People • Director, Office of the Director-General

Committee name	Members and purpose statement
People Committee cont'd	<p>The People Committee meets every two months to advise the Director-General on human resources and work 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>
Work Health and Safety (WHS) Sub-Committee	<ul style="list-style-type: none"> • Assistant Director-General, Shared Services (Chair) • Deputy Director-General, Innovation and Science Development • Deputy Director-General, Government ICT • Assistant Director-General, Science Division • Executive Director, Science Policy and Investment • General Manager, Smart Service Queensland • General Manager, Queensland Shared Services • General Manager, Centre for Information Technology and Communication (CITEC) • Director, Human Resources <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). The committee also monitors performance and risk management and proposes improvements for workplace health and safety issues.</p> <p>On 19 December 2013, activities of the WHS Sub-Committee were absorbed into the People Committee.</p>
DSITIA Renewal Portfolio Board	<ul style="list-style-type: none"> • Director-General (Chair) • Queensland Government Chief Information Officer • Chief Strategic Policy and Innovation Officer • Chief Change and Operations Officer • Deputy Director-General, Arts Queensland • Assistant Director-General, Science • Assistant Director-General, Digital Productivity and Services • Assistant Director-General, Strategic ICT • Assistant Director-General, Shared Corporate Services • Chief Finance Officer • External representative, Gartner <p>The DSITIA Renewal Portfolio Board meets monthly. Its primary role is to maintain oversight of the Renewal Portfolio, make investment and key resourcing allocation decisions and determine which initiatives and activities are to be included in the Renewal Portfolio.</p>

Audit arrangements

Internal Audit is an integral part of the *Corporate governance framework* by which the department maintains effective systems of accountability and control.

The focus of Internal Audit is to continually assist the department in accomplishing its objectives. Internal Audit brings a systematic and disciplined approach to evaluate and improve the effectiveness of the department's risk management, control and governance processes.

Internal Audit operates in accordance with its charter, under the powers pursuant to section 61 of the *Financial Accountability Act 2009* and part two division five of the *Financial and Performance Management Standard 2009* and with regard to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The department has established a co-sourced audit model of service delivery with an external provider. This arrangement provides the department with access to extensive expertise and specialist skills.

Internal Audit works in accordance with a strategic and annual audit plan approved by the Director-General. The annual audit plan is developed with regard to the risk assessment for each area of operations and provides an effective and regular risk-based review of all facets of the department's operations, having regard to the functions and duties imposed upon the Director-General.

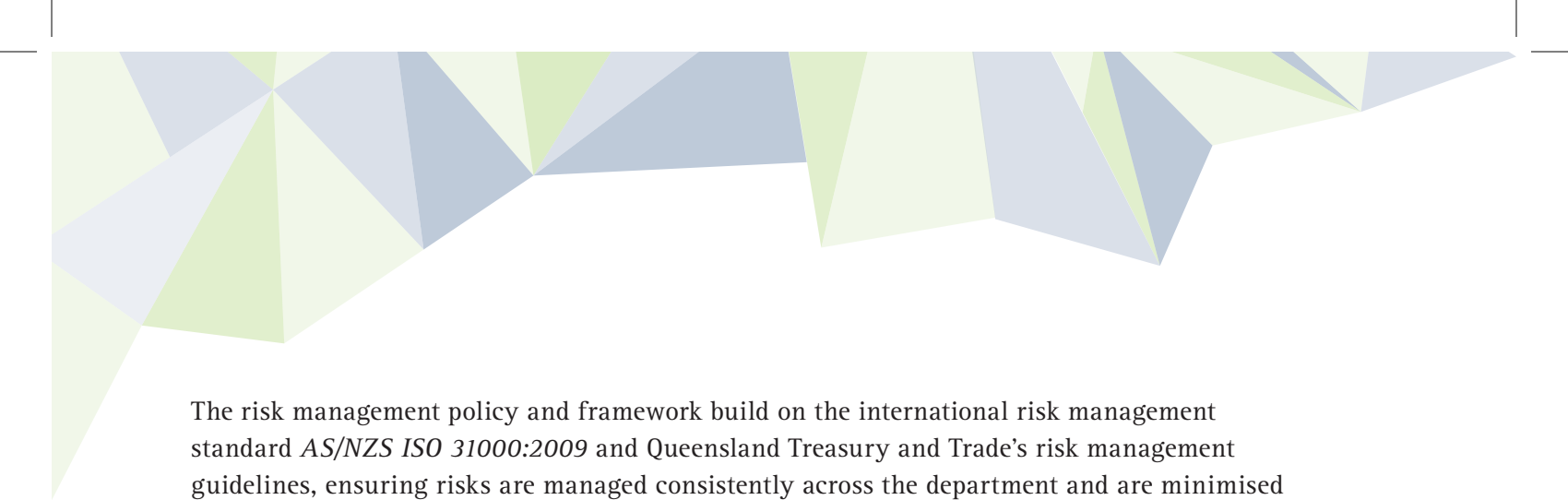
Internal Audit has independent status and to ensure this independence the Head of Internal Audit is responsible to and has direct access to the Director-General and the Audit and Risk Management Committee. The Audit and Risk Management Committee meets on a quarterly basis and operates with due regard to Queensland Treasury and Trade's best practice *Audit Committee Guidelines*.

During 2013–14, Internal Audit:

- prepared a comprehensive, risk-based annual audit plan and strategic audit plan
- delivered risk-based assurance audits and advisory reviews in accordance with the 2013–14 annual audit plan
- monitored the timely implementation of internal audit and the Queensland Audit Office (external audit) audit recommendations
- provided professional and timely advice to management.

Risk management

As the department delivers the government's renewal agenda and progresses with its renewal and transformation the risk management system continues to be strengthened under the guidance of the Audit and Risk Management Committee.



The risk management policy and framework build on the international risk management standard *AS/NZS ISO 31000:2009* and Queensland Treasury and Trade's risk management guidelines, ensuring risks are managed consistently across the department and are minimised through a robust system of internal controls. Management also recognise the importance of being a risk capable organisation and embrace the new government values, which place emphasis on taking calculated risks to encourage a culture of innovation and creativity within the public service.

The department has developed a *DSITIA Assurance Framework* and mapped sources of control assurance against key risk functions. This has enhanced the governance arrangements by better understanding the control assurance landscape and also supplements the work of Internal Audit. It also provides opportunities to strengthen controls or otherwise reduce red tape through the removal of inefficient and costly controls.

This year both Internal Audit and the Queensland Audit Office have reviewed the department's risk management processes and practices, and conveyed independent assurance around the efficiency, effectiveness and economical operation of the department's risk management system.

Audit and Risk Management Committee

The DSITIA Audit and Risk Management Committee acts as a forum for risk management and oversees its planning, monitoring and reporting processes.

The committee met five times and paid \$4063 remuneration to external board members in the 2013–14 financial year. Achievements for the committee include:

- establishment of the *Audit and Risk Management Committee charter*
- endorsement of the *2014–17 Strategic Audit Plan* and *2014–15 Annual Audit Plan*
- the continuation of a stringent approach to the follow-up of audit recommendations
- consideration of all audit recommendations by the Queensland Audit Office, including performance audit recommendations
- the review of the 2012–13 financial statements and recommended signing by the Chief Finance Officer and Director-General.

Ethics and code of conduct

The *Code of Conduct for the Queensland Public Service* (the code) is approved under the *Public Sector Ethics Act 1994* and came into effect on 1 January 2011.

The code sets out the standards of behaviour and expressly applies to all departmental employees and any volunteers, students, contractors, or consultants who perform work in any capacity for the department.

In 2013, the department implemented a code of conduct and ethics section on the intranet providing information on ethical decision making and links to an online code of conduct training package and relevant legislation. Further information includes:

- recording contact with lobbyists
- prevention and reporting of fraud and corruption
- complaints management.

A series of training programs are delivered face-to-face and online to educate managers and staff on how they can implement the code of conduct into their everyday practices. The programs provide education and training in public sector ethics, the code, professional obligations and ethical conduct, harassment and discrimination, and diversity matters.

The programs are delivered as:

- management training—cultivating positive workplaces
- employee training—supporting positive workplaces.

The positive workplaces training, provides managers and employees with skills and confidence to ensure workplace negativity is eliminated and promote a positive, healthy, safe and productive workplace for their staff.

Administrative procedures and management practices within the department are consistent with the Act, the ethics principles, values, and the standards of conduct expected of employees as set out in the code.

Information systems and recordkeeping

The Information Steering Committee (ISC) forms part of the governance framework within DSITIA. ISC is the information governing body for authorising information management (IM) strategy, policy, framework and other governance artefacts in DSITIA. The ISC provides direction and endorsement, evaluates performance, manages risks and measures compliance.

The DSITIA Chief Information Officer is responsible to the ISC for whole-of-department IM policy; IM direction; IM performance monitoring; IM capability development; and IM induction excluding Right to Information and Information Privacy and Intellectual Property. The DSITIA Executive, Legal and Integrity Services Unit is responsible to the ISC for whole-of-department Right to Information, Information Privacy and Intellectual Property policy, performance monitoring, capability development and induction.

The ISC has endorsed a DSITIA information management framework that formally assigns information owner and custodianship roles and responsibilities, including recordkeeping.

Recordkeeping policies highlight the responsibilities of the department and assign specific responsibilities to positions in order to ensure that records, in all formats, are managed throughout their lifecycle. The department only disposes of its records formally under the General Retention and Disposal Schedule or other approved core business retention and disposal schedules.

The department is investigating the implementation of eDRMS as-a-service through its ICT as-a-Service roadmap.

4 Our people

Workforce profile*

* Active and paid FTE/head count as at fortnight ending 27 June 2014.

Staff numbers

Division	Permanent	Temporary	Casual	SO	S.122	SES	Total	%
Office of D-G	1.00	0.00	0.00	1.00	0.00	1.00	3.00	0.10%
Arts Queensland	73.02	25.00	0.00	8.00	0.00	2.00	108.02	3.70%
Change and Operations	194.00	39.25	0.00	13.00	1.00	4.00	251.25	8.60%
Digital Productivity and Services	490.35	44.76	2.96	10.00	7.00	3.00	558.07	19.10%
Internal Audit	2.00	0.00	0.00	2.00	0.00	0.00	4.00	0.14%
Office of Chief Scientist	5.34	1.00	0.00	0.00	0.66	0.00	7.00	0.24%
QGCIO	18.65	1.00	0.00	4.00	10.00	0.00	33.65	1.15%
Science	305.11	55.30	6.47	11.00	0.00	3.00	380.88	13.04%
Shared Corporate Services	964.23	127.10	1.13	15.90	3.00	3.00	1114.36	38.14%
Strategic ICT	322.15	63.28	0.00	11.00	33.64	0.00	430.07	14.72%
Strategic Policy and Innovation	26.20	1.00	0.00	2.00	0.00	2.00	31.20	1.07%
DSITIA	2402.05	357.69	10.56	77.90	55.30	18.00	2921.50	

Gender as at 27 June 2014

Female	%	Male	%	Total
1664.12	56.96%	1257.38	43.04%	2921.50

Permanent retention rate

Permanent 28.06.13	Permanent retained 27.06.14	%	Permanent 28.06.13	Permanent retained 27.06.14	%
2632.42	2471.95	93.90%	2794	2618	93.70%

Permanent separation rate

FTE			HC		
Permanent 27.06	Permanent separated	%	Permanent 27.06	Permanent separated	%
2471.95	308.70	12.49%	2618	335	12.80%

Early retirement, redundancy and retrenchment

Redundancies were offered during 2013–14 as a result of business unit restructures to facilitate business efficiencies. During the period, 44 employees received redundancy packages at a cost of \$2,924,001.28. Employees who did not accept an offer of a redundancy were offered case management for a set period of time, where reasonable attempts were made to find alternative employment placements.

At the conclusion of this period, and where it was deemed that continued attempts of ongoing placement were no longer appropriate, employees yet to be placed were terminated and paid a retrenchment package. During the period, two employees received a retrenchment package at a cost of \$101,807.47.

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 27 June 2014, the department employed 29.29 full-time equivalent staff whose functions relate to media, public affairs or communications.

Workforce planning, attraction and retention

With a workforce reduction of 4.3 per cent and a public service employee reduction of 4.67 per cent the focus for DSITIA has been the retention and development of staff.

The People Committee endorsed the DSITIA *People Strategy 2013–17*.

In 2013–14, parts of the department implemented strategies 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.

Strategies included:

- service excellence training
- formal and informal recognition programs
- performance and development planning
- development of *ICT Workforce Transformation Plan 2014–16* and *DSITIA Strategic Workforce Plan 2014–18*
- mobility of staff to manage the changing workloads in business areas
- investing in capability development.



Workforce planning framework and key strategies

In line with the public sector renewal agenda and the recommendations of the Commission of Audit report, the Workforce Planning Framework is being prepared by government to give guidance to specific agency plans.

DSITIA is regularly collecting data on workforce size and composition and the capability requirements to deliver on business outcomes.

A five-year strategic workforce plan was developed for 2014–18. Key strategies identified for the short term are:

- **Reshape**—assess the capacity and capability requirements of the workforce against the timeframes and milestones of the renewal and contestability agendas
- **Retain**—identify employees with skills, capabilities and experience that will be critical to the organisation’s future. The capabilities to be retained include:
 - strategic thinking linked with business change
 - leadership through change
 - understanding of business requirements and ability to consider and procure innovative methods of service provision
- **Retrain**—provide opportunities to retrain in areas of need. Key capabilities required that can be retrained include:
 - contract management
 - vendor management
 - procurement
 - project and program management
 - change management
 - service management
 - commercial acumen
 - process improvement
 - leadership
 - stakeholder relationships

Projects are already underway to build capability in:

- business change management
 - leadership development
 - project and program management
- **Recruit.**

During the past 12 months, DSITIA’s workforce reduced by 4.3 per cent. To ensure delivery of the recommendations in the Commission of Audit report, capability needs will significantly change in the business areas where renewal is occurring.

Employee performance management

The *DSITIA Employee Performance Management Framework* launched in 2012–13 continues to align performance with the Queensland Public Service Commission's values. The framework outlines six key components of employee performance management, including employee induction/onboarding, probation, performance and development planning, rewards and recognition, management of unsatisfactory performance and discipline.

Supporting this framework is the *DSITIA Performance and Development Planning Policy* which articulates the responsibility of managers and their employees to ensure that annual performance and development agreements are conducted.

The performance and development planning approach reflects the whole-of-government requirement to include the balanced scorecard approach to Senior Officers (SO) and staff at A08/PO6 classification levels to ensure there is alignment with the Senior Executive Officers and Chief Executive Officer performance and development frameworks.

The balanced scorecard approach analyses performance across four different perspectives:

- financial
- stakeholder and outcomes
- internal business
- learning and growth.

All permanent staff, new starters, staff on probation and temporary staff (excluding agency staff and contractors) who are employed with DSITIA for six months or greater participate in the performance and development planning processes.

DSITIA has published a code of conduct and ethics section on the DSITIA intranet to provide information on ethical decision making. This includes links to an online code of conduct training package and relevant legislation.

A series of training programs is available online to educate managers and staff on implementing the code of conduct in their everyday practices. The programs provide education and training in public sector ethics, the code, professional obligations and ethical conduct, harassment and discrimination, and diversity matters. The programs are delivered as:

- management training—cultivating positive workplaces
- employee training—supporting positive workplaces.



Industrial and employee relations framework

DSITIA's *Industrial and employee relations framework* is based on the framework established by the Public Service Commission.

Currently the Public Service Commission is coordinating the public sector wide Award Modernisation process. The process aims to consolidate the number of awards in the public sector as well as to standardise conditions of employment. DSITIA has been working closely with the Public Service Commission in relation to this matter.

The department maintains effective relationships with key stakeholders through a proactive approach to consultation and conflict management at both industrial and workplace levels. This has resulted in minimal disputation and no days lost to industrial action.

Work-life balance

The implementation of DSITIA human resource policies has included a number of policies that promote work-life balance and offer a variety of flexible working arrangements.

Arrangements available to assist in improving work-life balance include telecommuting, part-time work, job-share, compressed hours, cultural leave, staggered start and finish times, purchased leave, parental leave, accumulated time, aggregated/averaging ordinary hours of week, time off in lieu and leave for caring purposes.

The Flexible Work Centre trial commenced on 12 May 2014 as part of an investigation into the feasibility of Flexible Work Centres by the Queensland Government, the Smart Services CRC Foundry and the Queensland University of Technology (QUT) Urban Informatics Research Lab. DSITIA is one of six departments in the trial where staff work one to two days per week at the two co-working centres (Co-Spaces at Southport and The Hive at Redcliffe).

The trial aims to test the potential of Flexible Work Centres to:

- provide longer-term accommodation options for Queensland Government employees
- promote innovation through support for collaborative workspaces
- reduce congestion and traffic on Queensland roads and transport links
- improve the work-life balance and health of Queensland Government employees
- improve employee attraction and retention within the Queensland Government
- provide further support for local economies.

The department continues to offer employees and their immediate families access to confidential, professional counselling to assist with the resolution of issues that may impact on their work or quality of life.

DSITIA staff also have access to a variety of informative resources around maintaining good health and wellbeing.

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:

- Queensland University of Technology Emerging Leaders Program individual modules
- Leadership of Strategic Supplier Relationships
- Beyond Accounting
- Leading Public Sector Contestability
- Public Sector Management Program.

The *DSITIA Management and Leadership Framework* was developed in 2014 and brings together packages of management and leadership competencies, skills and training for distinct classification groups.

To reinforce a committed and coherent approach across our leaders DSITIA has established Senior Leaders Forums. The forums enable DSITIA to ensure leaders have clarity on the business direction, discuss and provide input on a range of strategic issues and collaborate and share ideas in the interest of improving our business and practices.

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 program has been recently revamped to focus more strongly on building a performance culture across the sector and within DSITIA.

During 2013–14, a number of programs have been and will continue to be provided to managers both face-to-face and through e-learning to refresh and or to build capability in:

- service excellence
- leading and coping with change
- leading and delivering service excellence
- supporting and cultivating positive workplaces
- conversations for high performance
- managing stress and building resilience
- active career management
- developing a highly-engaged workforce
- performance and development planning for staff.



Workplace health and safety

Workplace health and safety is a high priority for the department.

In 2013–14, DSITIA:

- developed and published the *Workplace Health and Safety Action Plan July 2013–June 2014*
- implemented a range of health and wellbeing initiatives including:
 - flu vaccination program
 - DSITIA Steps Out—a monthly three kilometre walk/run
 - information to support World No Tobacco Day—World Health Organisation
 - corporate private health insurance memberships and on-site visits
 - corporate rates for gym membership with Fitness First and Goodlife Gyms
 - participation in the 2012 Corporate Games
- completed the roll-out of the Safety Health and Environment (SHE) software program across DSITIA—this program provides an online reporting system for injuries and hazards across the department
- through the Early Intervention Centre (EIC), continued to provide early assistance and support to workers who are ill or injured, and to managers in dealing with such workers
- continued to offer 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.

Other whole-of-government plans/specific initiatives

DSITIA has developed a three-year people strategy that provides a vision of how the department will ensure effective delivery of the department's and government's goals through the capability, professionalism and performance of our people.

The *DSITIA People Strategy* is aligned to the Public Service Commission cultural renewal priorities and the recommendations from the Commission of Audit report.

5 Other reporting

Related entities

Division	Name and type of board or committee	Functions and responsibilities	Achievements during 2013–14	Cost	Membership
Science Division	Board of Directors of Bio-Pharmaceuticals Australia (Network) Pty Ltd	<ul style="list-style-type: none"> 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, Princess Alexandra Hospital. Provide strategic advice, input into and assist with obtaining additional investment in the BPA facility. 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. 	<ul style="list-style-type: none"> The company's efforts have resulted in the development of the \$65M BPA facility. The facility was officially opened in October 2013. Commercial partner, Patheon Biologics (formerly known as DSM Biologics) commenced operations on 1 July 2013. Effective management of key stakeholder relationships with partners. Support the Patheon Biologics facility-start-up phase (continuing into 2014–15). Launched the Biopharmaceuticals Development Fund (BDF) that will provide financial support for access to the facility using a grant system to part-fund the costs of Patheon Biologics' services. 	\$40,000	3

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

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.

Name of body as described in the constituting Act	Constituting Act
Board of the Queensland Museum	<i>Queensland Museum Act 1970</i>
Library Board of Queensland	<i>Libraries Act 1988</i>
Queensland Art Gallery Board of Trustees	<i>Queensland Art Gallery Act 1987</i>
Queensland Performing Arts Trust	<i>Queensland Performing Arts Trust Act 1977</i>
Queensland Theatre Company	<i>Queensland Theatre Company Act 1970</i>

External scrutiny

Audits

In 2013–14, the department responded to the recommendations of four cross-sector audits reported to Queensland Parliament:

- *Auditor-General Report No 3 for 2013–14: Follow up of selected 2011 audits—Report to Parliament 9 for 2011: Acquisition and public access to the Museum, Art Gallery and Library collections*—Of the nine recommendations made in the original report, six have been implemented and three have been progressed or partially implemented. Arts Queensland and the arts statutory bodies are continuing to implement the remaining recommendations.
- *Auditor-General Report No 6 for 2013–14: Results of audit: Internal control systems*—The department is addressing the recommendations from this report
- *Auditor-General Report No 11: Results of audit: State public sector entities for 2012–13*—No issues were raised for the department. Eleven unmodified audit opinions were issued; all financial statements were certified within their legislated timeframe and the department’s financial statement process was found to be satisfactory.
- *Auditor-General Report No 12: Results of audit: Queensland state government financial statements 2012–13*—No issues were raised for the department. Unqualified audit opinion was issued; all financial statements were certified within their legislated timeframe and the statements and supporting work papers were of a high standard.

Auditor-General reports to Queensland Parliament are available at www.qao.qld.gov.au.

During 2013–14, the department responded to recommendations of three area-of-emphasis reviews conducted across the sector: risk assessment, financial delegation authorities and monitoring and reporting performance.

The department is also addressing the *2013–14 interim audit report* recommendations.

The Queensland Audit Office has conducted routine audits of the financial statements.

Audit of CITEC Managed Services—Annual review of the operational and network security controls that underpin the whole of government financial statements.

- The overall assessment by the Queensland Audit Office was that designed controls were generally operating effectively, except for one key weakness relating to system software vulnerability management. The issue was raised as a medium risk issue and is being addressed by CITEC to ensure that best practices are applied consistently across areas that administer whole of government financial information.



Reviews

Commission of Inquiry into the implementation of the Queensland Health Payroll System

The Commission of Inquiry into the implementation of the Queensland Health payroll system commenced on 1 February 2013. Following submissions and extensive public hearings the Commissioner's report was provided to the Queensland Premier on 31 July 2013. Government's response to the report was tabled in Parliament on 20 August 2013 by the Minister for Science, Information Technology, Innovation and the Arts.

Report recommendations included:

- There be forward planning for all legacy systems. The State should, to the extent its 2012 ICT Audit has not already done so, undertake risk assessments, contingency and succession planning for such systems to ensure they do not present the same level of risk and urgency that LATTICE was thought to present, and that decisions concerning them are not made in haste.
- Before the initiation by the Queensland Government of major ICT projects, specific attention be given to what lessons may be learned from this Project for the particular project under consideration.
- The Queensland Government apply an appropriate structure to oversee large ICT projects. The particular form of that structure is a matter for the Government, but it ought to ensure that the relevant individuals have skills in project management and the power to make inquiries and to report to senior public officials.

DSITIA has implemented the following strategies to satisfy these report recommendations:

- A Directors-General Council (DG Council) was established to provide additional review of ICT initiatives to guide investment. One of the key focus areas of the DG Council is to continue to scrutinise the remediation of identified at-risk systems, as reported by agencies. To support this, QGCIO continues to work with agencies to regularly re-assess the profile of all at-risk systems across government, including the status of related remediation activities and business continuity plans/disaster recovery plans. DSITIA has a structured system in place for reporting at-risk systems to the Minister for Science, Information Technology, Innovation and the Arts and DG Council.
- A 'lessons learnt' synopsis was distributed to agencies to succinctly document the key learnings across project phases from the Queensland Health Payroll System project. The ICT Program and Project Assurance Policy and Framework was approved and formally published in March 2014.

- A range of governance and assurance mechanisms were developed to improve accountability, transparency and go/no-go reviews in authorising ICT investments. The DG Council plays a significant part in the process by providing senior government review of initiatives. In preparation for consideration by the DG Council, QGCIO assesses the appropriateness of the project's governance aspects. The DG Council has been addressing ICT issues since September 2013 and considered 16 initiatives to the value of \$783 million. In addition to endorsement from DG Council, agency submissions also require dual signature from the Minister for Science, Information Technology, Innovation and the Arts before proceeding for approval.

The Department of Health has also supported implementation of the report's recommendations, with the establishment of a Queensland Health Payroll Planning Group to oversee detailed planning for the replacement of the Queensland Health payroll system.

Review of Gene Technology Act 2001 (Qld)

In 2011, the Commonwealth government reviewed the federal gene technology legislation. As a subsequence of this review, Science Division engaged Foursight Associates to review the effectiveness of the *Gene Technology Act*. The review report was delivered in November 2013.

Based on the key findings of the review, the preferred approach for amendment of Queensland's legislations is a lock-step opt out approach whereby the Commonwealth gene technology laws are automatically applied as a law to Queensland, with provision to 'opt out' of particular amendments to the Commonwealth law by regulation. Cabinet considered the government response in April 2014 and supported the findings of the review.

Divestment Review conducted by Ernst and Young

Commission of Audit recommendation 149 called for the divestment of CITEC within two years. Ernst and Young was engaged to provide advice and a strategic assessment of the CITEC divestment options. A report will be provided to the government in late June 2014.

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 and the Arts	<p>Administration of Crown Copyright and Intellectual Property</p> <p>CITEC</p> <p>Coastal management relating to the Tweed River Entrance Sand Bypassing Project</p> <p>Digital economy</p> <p>Environment, climate and natural resource sciences—research, development and advice</p> <p>Government ICT services and delivery including:</p> <ul style="list-style-type: none"> • portfolio, program and project assurance services • public sector development • capability development • government-industry liaison • telecommunications, broadband and digital economy <p>Innovation policy, strategy and programs</p> <p>International collaborations</p> <p>Research and development coordination and planning</p> <p>Science policy, strategy and investment</p> <p>Shared services provision (other than Queensland Health and the Department of Education, Training and Employment)</p> <p>Shared services systems</p> <p>Smart Service Queensland</p>	<p><i>Biodiscovery Act 2004</i></p> <p><i>Gene Technology Act 2001</i></p> <p><i>Tweed River Entrance Sand Bypassing Project Agreement Act 1998</i></p>	Department of Science, Information Technology, Innovation and the Arts	Director-General

Minister	Principal ministerial responsibilities	Acts administered	Administrative units	Responsible heads
	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>		

Boards and committees

Government boards and committees administered by the department.

Name and type of board or committee	Functions and responsibilities	Achievements during 2013–14	Cost	Membership
<p>Public Records Review Committee is a statutory body established in March 2003 under the <i>Public Records Act 2002</i></p>	<ul style="list-style-type: none"> • The aim of the committee is to further strengthen the management of public records in Queensland • The nine-member committee was established to ensure a consistent approach to administering and enforcing the Act across some 500 public authorities • The statutory functions of the Public Records Review Committee include: <ul style="list-style-type: none"> – advising both the Minister for Science, Information Technology, Innovation and the Arts, and the State Archivist on the administration and enforcement of the Act – reviewing the decisions of the State Archivist not to authorise the disposal of particular public records resolving disputes between the State Archivist and a public authority about how a public record is classified with respect to setting a restricted access period for that record. 	<ul style="list-style-type: none"> • The committee held three meetings in 2013–14. • The committee provided advice on trends in public administration which required the development of recordkeeping advice. • The committee supported the planning and implementation of a Digital Archiving Program. • The committee provide feedback and advice on a wide range of important matters including the development of the Born Digital, Stay Digital Policy and Roadmap and Queensland State Archives' proposed commemoration of the First World War. 	<p>\$4691</p>	<p>Mr Donald MacKenzie (chair), Dr Anne Tiernan, Dr Grace Sarra, Ms Linda O'Brien, Ms Julie Steel, Mr Jeff Loof, Dr Jennifer Harrison, Mr Chris Gorry and Councillor Jenny Lane</p>

Name and type of board or committee	Functions and responsibilities	Achievements during 2013–14	Cost	Membership
Science and Innovation Advisory Council (SIAC)	<ul style="list-style-type: none"> • The Science and Innovation Advisory Council is a key outcome from the government's Science and Innovation Action Plan (SIAP), launched on 20 October 2013. • The council provides independent guidance and investment advice to the Queensland Chief Scientist (the Chair) and reviews progress against Queensland Government priorities for science and innovation development • The council provides advice on emerging trends and mechanisms for improving research and development coordination, planning and innovation across sectors involving government agencies, universities and industry including international collaborations; and assess and make recommendations on grant applications. 	<ul style="list-style-type: none"> • The council meets quarterly. • The first meeting on 7 April 2014 considered the SIAP terms of reference, goals and priorities. 	Participation is voluntary. Members reimbursed for out-of-pocket expenses—\$1123.50 in 2013–14	Chair plus 12 members selected for their expertise and knowledge in science and innovation fields

Name and type of board or committee	Functions and responsibilities	Achievements during 2013–14	Cost	Membership
Tweed River Entrance Sand Bypassing Project (TRESBP) Advisory Committee	<ul style="list-style-type: none"> • TRESBP is a joint agreement with New South Wales Government and is also coordinated by the New South Wales Government. • The advisory committee provides advice to the ministers relating to this project about: <ul style="list-style-type: none"> – preparation of environmental impact assessment and tender documents for the bypass – calling tenders – acceptance of tenders – preparation of a plan of management – management and implementation of works – issues of relevance to the local community – other matters referred to it by the ministers • The advisory committee is comprised of: <ul style="list-style-type: none"> • four state representatives (two from each state) • one member from the Tweed Shire Council • one member from the City of Gold Coast Council • four community representatives (two from each state). 	<ul style="list-style-type: none"> • The advisory committee held three formal meetings in 2013–14 on 28 August 2013; 13 February 2014; and 19 May 2014 at Tweed Heads New South Wales. • Regular agenda item briefings were provided on: <ul style="list-style-type: none"> • sand bypassing operations • beach and entrance conditions • sand delivery and placement strategies • environmental monitoring results • The briefings were followed by discussion and feedback from advisory committee members and community stakeholder group observers. <ul style="list-style-type: none"> – Advisory committee members also provided valuable feedback 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. 	Approximately \$200 for travel costs to attend meetings at Tweed Heads	10 members—Qld: 1 female, 4 men; NSW: 1 female, 2 men, 2 vacant)

Name and type of board or committee	Functions and responsibilities	Achievements during 2013–14	Cost	Membership
Arts Investment Advisory Board	<ul style="list-style-type: none"> The board provides the Minister for Science, Information Technology, Innovation and the Arts with expert advice in relation to arts and cultural policy and investment in Queensland. Key functions of the board include advising on funding and grants administration processes to achieve efficiencies; advising on the development and implementation of the Arts and Cultural Investment Framework; and making recommendations to the Minister on allocation of funding. 	<ul style="list-style-type: none"> Oversaw implementation of the Arts and Cultural Investment Framework 2013–14, including making recommendations about investment under the Super Star Fund, Organisations Fund, Projects and Programs Fund and Individuals Fund. Advised development of a refreshed Arts and Cultural Investment Framework based on a review of 2013–14 outcomes. Contributed to development of the new Arts Business Innovation Fund. Contributed to development of the Arts for all Queenslanders strategy. 	\$19,744 (excluding GST)	6 members— 3 men, 3 women

Name and type of board or committee	Functions and responsibilities	Achievements during 2013–14	Cost	Membership
ICT Renewal Program Board	<ul style="list-style-type: none"> The Board has responsibility to ensure the ICT Renewal Program delivers to agreed outcomes and benefits. Members will provide resources and specific commitment to support the Senior Responsible Owner who is accountable for the successful delivery of the ICT Renewal Program. 	<ul style="list-style-type: none"> Oversight of the governance arrangements supporting the program delivery. 	Nil	Assistant Director-General Strategic ICT as Senior Responsible Owner; Executive Director, ICT Renewal (DSITIA) as Program Director; Assistant Director-General, Digital Productivity and Services (DSITIA); Queensland Government Chief Information Officer, Queensland Government Chief Information Office (DSITIA); representatives external to DSITIA
Government Wireless Network Executive Steering Committee	<ul style="list-style-type: none"> Committee members are responsible for setting strategic and policy direction of the Government Wireless Network and providing executive-level decision-making and support. 	<ul style="list-style-type: none"> Championed the Government Wireless Network implementation within each public safety agency. Promoted cross-agency collaboration. Oversight of effective governance arrangements underpinning program delivery. 	Nil	Commissioner, Queensland Police Service; Commissioner, Queensland Fire and Emergency Services; Commissioner, Queensland Ambulance Service; Chief Executive Officer, Public Safety Business Agency; Director-General, Department of the Premier and Cabinet

Name and type of board or committee	Functions and responsibilities	Achievements during 2013–14	Cost	Membership
Government Wireless Network Implementation Board	<ul style="list-style-type: none"> The board provides direction and leadership oversees the design, construction, rollout, testing and commissioning of the Government Wireless Network. 	<ul style="list-style-type: none"> Ensured the network meets agency requirements. 	Nil	Deputy Commissioner, Queensland Ambulance Service; Assistant Commissioner, Queensland Fire and Emergency Services; Assistant Commissioner, Queensland Police Service; Chief Information Officer, Public Safety Business Agency
CITEC Divestment Board (up to February 2015)	<ul style="list-style-type: none"> The purpose of the board is to provide ongoing leadership in relation to CITEC's business as usual operations during the divestment process, the divestment process itself and post divestment to ensure that an effective and efficient transition occurs. 	<ul style="list-style-type: none"> Ensured appropriate governance arrangements were in place for the divestment program of work. Ensured promotion of communication with CITEC staff. 	Nil	Director-General, DSITIA; Assistant Director-General, Strategic ICT, DSITIA; Director-General, Department of the Premier and Cabinet; Under Treasurer, Queensland Treasury and Trade; Director-General, Department of Transport and Main Roads; Chief Executive, Public Service Commission; General Manager, CITEC

6 Our locations

The department's head office is located at 100 George Street, Brisbane. Service areas are located in a number of sites in the Brisbane CBD and greater Brisbane area, and in major regional centres across Queensland, including Cairns, Townsville, Rockhampton, Maroochydore, Robina and Toowoomba. CITEC has two locations interstate.

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.

Division	Address
Brisbane	
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	Brisbane, 111 George Street
CITEC	Brisbane, Edward Street Railway 1C
	Brisbane, Edward Street Railway 1D
	Ipswich, Springfield DATA Centre I (Polaris)
Queensland State Archives	Runcorn, 435 Compton Road
Queensland Shared Services	Brisbane, 160 Mary Street
	Brisbane, 61 Mary Street
	Woolloongabba, 411 Vulture Street
	Woolloongabba, 897 Main Street
	Milton, 67 Castlemaine Street
Smart Service Queensland (Call Centres)	Mt Gravatt, Garden Square Block B Kessels Road
	Zillmere, Pineapple Street
Smart Service Queensland	Brisbane, 127 Creek Street
Science Division	Dutton Park, Ecosciences Precinct, 41 Boggo Road
	Toowong, Queensland Herbarium, Mount Coot-tha Road
	Deagon, Coastal Sciences, 27 Quinlan Street
	Brisbane, 111 George Street
Strategic Policy and Innovation	Brisbane, Level 5, 100 George Street
	Brisbane, Level 10, 111 George Street
Queensland Government Service Centre	Brisbane, 111 George Street

Division	Address
Strategic ICT	Brisbane, Level 25, 111 George Street
Office of the Queensland Chief Scientist	Brisbane, 111 George Street
Queensland Government Chief Information Office	Brisbane, 111 George Street
Office of the Director-General	Brisbane, 100 George Street
Regions	
Queensland Shared Services	Cairns, 65–67 Spence Street
	Gympie, corner Louisa Street and Cartwright Street
	Maroochydore, 12 First Avenue
	Robina, corner Christine Avenue and Scottsdale Drive
	Rockhampton, 80 Denham Street
	Toowoomba, 145 Herries Street
	Townsville, 143 Walker Street
Arts Queensland	Cairns, 94–96 Abbott Street
Cairns Centre of Contemporary Arts	Cairns, 94–96 Abbotts Street
Smart Service Queensland	Cairns, 5B Sheridan Street
	Maroochydore, 12 First Avenue
Science Division	Toowoomba, Tor Street Centre, 203 Tor Street
	Smithfield, Australian Tropical Herbarium, James Cook University, McGregor Road
Digital Economy and Productivity	Townsville, 445 Flinders Street
Interstate	
CITEC	Melbourne, 256 Queen Street
	Sydney, 60 Margaret Street



Queensland Government Agent Program (QGAP) offices

Smart Service QGAP offices are located in regional centres:

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

7 Our financial performance

Statement by Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the 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 *Finance Accountability Act 2009*.

Summary of financial performance

This financial summary provides an overview of the department's financial performance for the period 1 July 2013 to 30 June 2014. A more detailed view of the department's financial performance is provided in the Financial Statements included in Part B of the Annual Report.

As at 30 June 2014, the economic entity consists of seven major departmental services, a commercialised business unit and two shared service providers. Refer to Note 1 (b) within the Financial Statements for further information in relation to the department's economic entity.

The financial amounts summarised below include the operations of the department (excluding administered activities).

Financial overview	2014	2013
Income from continuing operations	\$757 million	\$783 million
Expenses from continuing operations and income tax	\$747 million	\$812 million
Operating surplus/(deficit)	\$9 million	(\$28 million)
Total assets	\$1.020 billion	\$1.041 billion
Total liabilities	\$120 million	\$134 million
Equity	\$901 million	\$907 million

The department has reported an operating surplus of \$9.1 million for the year ended 30 June 2014 mainly relating to its shared service provider (QSS) and commercialised business unit (CITEC).

Total appropriated services revenue for the period was \$342.3 million and the department operated within its appropriated budget during this period. Total user charges received for the period was \$380.9 million, primarily derived through Information, Communication and Technology services by CITEC, services by Smart Service Queensland and Corporate Services (including Finance and Payroll support) by the Department's two shared services providers, Queensland Shared Services and the Corporate Administration Agency.

The department maintained a strong financial position as at 30 June 2014 with net assets of \$901 million. As at 30 June 2014, the department controlled property, plant and equipment of \$793.2 million with the majority relating to the land and building holdings of Arts Queensland.

All liabilities recognised by the department are funded and no significant contingent liabilities exist as at 30 June 2014 in respect to the department's activities.

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

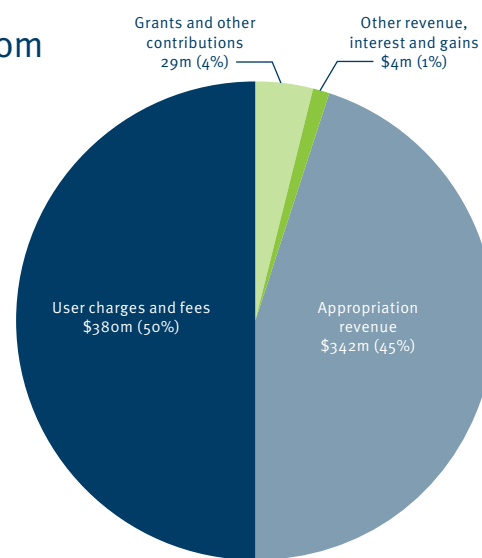
The department's statement of comprehensive income and statement of financial position for the 2013–14 financial year are provided with explanations of significant variances from the original published budget and previous year's results.

Our income—where the funds come from

Income for the department totalled \$757 million for 2013–14, a decrease of \$26 million on the prior financial year.

User charges and fees is the main source of income for the department at 50% and are generated from a variety of activities with the main client being other Queensland Government departments.

Appropriation revenue accounted for 45% of the department's income in 2013–14.

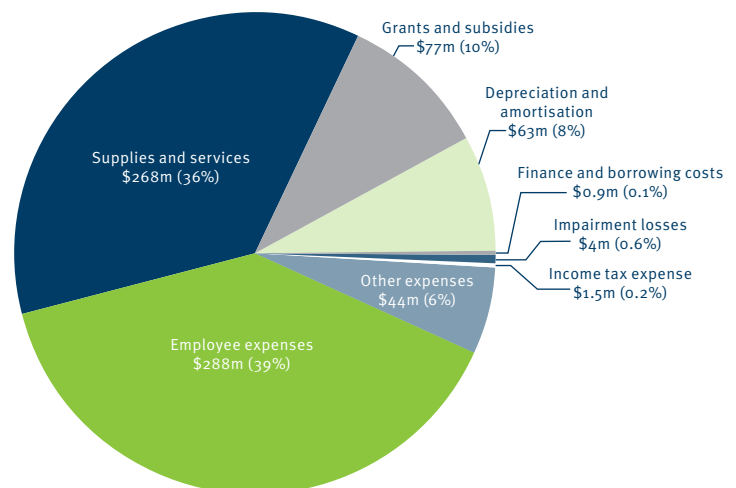


Our expenses—how funds are spent

Expenses for the department totalled \$747 million for 2013–14, a decrease of \$64 million on the prior financial year.

Employee expenses are the department's major expense component at 39% closely followed by supplies and services at 36%.

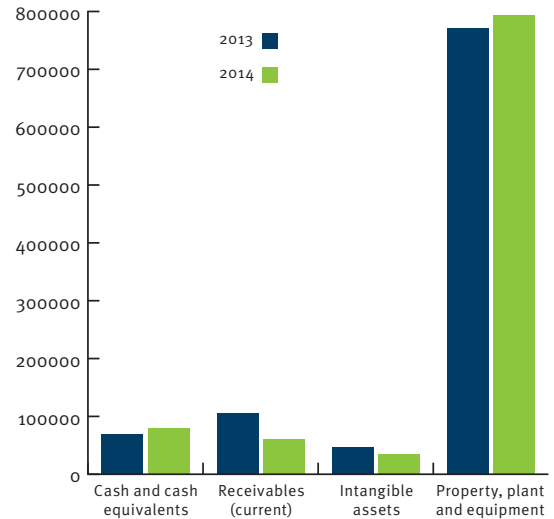
Supplies and services include service delivery expenses relating to ICT, shared service provider and Arts Queensland.



Our assets—what we own

As at 30 June 2014, the department held assets totalling \$1.020 billion with \$827 million relating to property, plant and equipment and intangible assets.

Current receivables reduced by \$44.8 million or 43% in comparison with last financial year mainly due to reduced appropriation receivable as well as a reduction in QSS trade debtors.

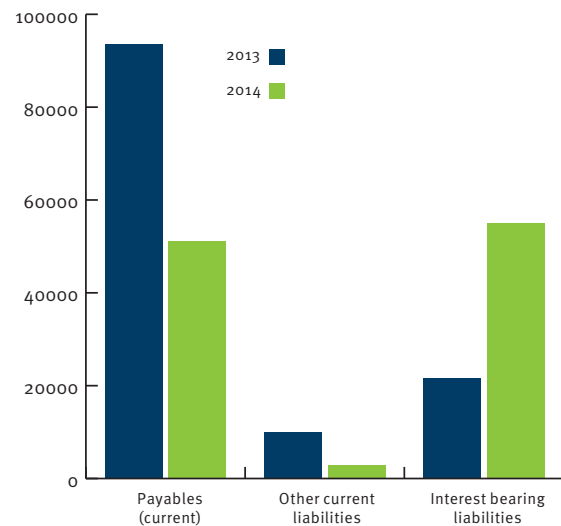


Our liabilities—what we owe

As at 30 June 2014, the department held liabilities totalling \$120 million with \$51 million relating to payables.

Interest bearing liabilities have increased by \$33 million or 154% in comparison to last financial year mainly due to the capitalised lease asset relating to the GWN initiative.

Payables have reduced by \$42 million or 45% in comparison to last financial year mainly due to the consolidation of finance and payroll systems from former departments.



Statement of comprehensive income for the year ended 30 June 2014

	Notes	Actual 2014	Adjusted published budget 2014	Actual 2013
Income from continuing operations				
Departmental services revenue	9	342,338	277,881	322,385
User charges		380,926	370,199	416,866
Grants and other contributions	10	29,030	26,178	29,115
Interest	11	2,272	334	2,086
Other revenue	1, 12	1,931	4,672	12,723
Total revenue		756,497	679,264	783,175
Gains on disposal of assets		23	—	191
Total income from continuing operations		756,520	679,264	783,366
Expenses from continuing operations				
Employee expenses	2	288,464	290,903	326,367
Supplies and services	13	268,137	225,506	258,673
Grants and subsidies	3, 14	77,237	89,005	118,809
Depreciation and amortisation		63,097	67,595	67,851
Impairment losses	4	4,252	—	23,810
Finance/borrowing costs	5	899	858	1,528
Other expenses	6, 15	43,791	4,498	5,211
Total expenses from continuing operations		745,877	678,365	802,249
Operating result from continuing operations before income tax		10,643	899	(18,883)
Income tax benefit/(expense)	7, 16	(1,537)	(31)	(9,526)
Operating result from continuing operations after income tax		9,106	868	(28,409)
Other comprehensive income/(loss)				
Increase in asset revaluation surplus	8, 17	26,852	—	—
Total other comprehensive income/(loss)		26,852	—	—
Total comprehensive income/(loss)		35,958	868	(28,409)

Statement of financial position for the year ended 30 June 2014

	Notes	Actual 2014	Adjusted published budget 2014	Actual 2013
Current assets				
Cash and cash equivalents	18, 29	79,175	65,947	68,877
Receivables	19	60,487	60,157	105,308
Inventories		6	9	40
Current tax assets		8	—	—
Other current assets	20, 30	16,292	6,506	12,646
Total current assets		155,968	132,619	186,871
Non-current assets				
Receivables		35,716	33,863	34,643
Deferred tax assets	21, 31	—	12,640	683
Intangible assets	22, 32	34,031	65,533	45,853
Property, plant and equipment		793,172	745,094	771,623
Other non-current assets		1,599	1,648	1,123
Total non-current assets		864,518	858,778	853,925
Total assets		1,020,486	991,397	1,040,796
Current liabilities				
Payables	23	51,184	47,395	93,555
Interest bearing liabilities		14,840	14,960	12,274
Accrued employee benefits		8,559	7,591	8,247
Other current liabilities	24, 33	3,015	3,981	10,079
Total current liabilities		77,598	73,927	124,155
Non current liabilities				
Interest bearing liabilities	25, 34	40,095	2,441	9,357
Deferred tax liabilities	26, 35	934	73	73
Other non-current liabilities		901	—	—
Total non-current liabilities		41,930	2,514	9,430
Total liabilities		119,528	76,441	133,585
Net assets		900,958	914,956	907,211
Equity				
Contributed equity		917,108	991,025	959,319
Accumulated surplus/(deficit)	27, 36	(53,152)	(114,880)	(62,258)
Asset revaluation surplus	28	37,002	38,811	10,150
Total equity		900,958	914,956	907,211



Notes

The original Published Budget figures are as per the department's 2014–15 *Service delivery statements* for the reporting entity, adjusted for payroll tax which was excluded in the published income statement.

Statement of comprehensive income

Major variations between 2012–13 actuals and 2013–14 actuals include:

1. The decrease is due to a lower level of funding received for Voluntary Redundancy (VR) related payments.
2. The decrease reflects the lower number of FTEs.
3. The decrease is mainly due to a lower level of funding for Innovation and Science grants.
4. The decrease reflects lower impairment of finance and payroll systems assets within QSS.
5. The decrease is due to lower borrowing requirements.
6. The increase relates to whole-of-government ICT arrangements.
7. The decrease is due a reduction in the value of CITEC's tax assets in 2012–13.
8. The increase relates to land, buildings and infrastructure controlled by Arts Queensland and Science.

Major variations between 2013–14 Published Budget and 2013–14 actuals include:

9. The increase relates to funding provided for whole-of-government ICT arrangements, Government Wireless Network (GWN), One-Stop Shop and Tactical Cyber Security Plan.
10. The increase is mainly due to additional grants and contributions received in relation to science activities and funding received through the Natural Disaster Relief and Recovery Arrangements (NDRRA) for the 2011 Brisbane floods offset by reduced grants relating to QSS's business capability and capacity projects.
11. The increase is due to the original budget for capitalised interest relating to Innovation Building Fund loans being held against Other Revenue.
12. The decrease is due to the actuals for capitalised interest relating to Innovation Building Fund loans being recorded against Interest and the original budget against Other Revenue.
13. The increase is mainly due to whole-ofgovernment ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop, Tactical Cyber Security Plan and the transfer of internal ICT support arrangements from the Department of Housing and Public Works.
14. The decrease is due to the deferral of grants reflecting revised contract commitments.
15. The increase relates to whole-of-government ICT arrangements.
16. The increase reflects higher than anticipated CITEC operating result.
17. The increase relates to land, buildings and infrastructure controlled by Arts Queensland and Science.

Statement of financial position

Major variations between 2012–13 actuals and 2013–14 actuals include:

18. The increase mainly reflects better than expected operating results within QSS and CITEC.
19. The decrease is mainly due to reduced appropriation receivable and lower level of QSS trade debtors.
20. The increase is due to the prepayment of whole-of-government ICT agreements covering the 2014 calendar year.
21. The reduction is due to the deferred tax asset being extinguished during 2013–14.
22. Intangible assets have reduced mainly due to amortisation and the impairment of software due to client system transitions from QSS.
23. The decrease is due to costs no longer being incurred on former department's payroll and finance systems.
24. The decrease is mainly due to a reduction in unearned revenue within CITEC.
25. The increase is mainly due to the capitalised lease asset relating to the GWN initiative.
26. The increase is due to a higher than anticipated operating surplus in CITEC.
27. The decrease mainly relates to the operating results generated by the department's shared service provider (QSS) and commercialised business unit (CITEC).
28. The increase relates to land, buildings and infrastructure controlled by Arts Queensland and Science.

Major variations between 2013–14 Published Budget and 2013–14 actuals include:

29. The increase mainly reflects better than expected operating results within QSS and CITEC.
30. The increase is due to the prepayment of whole-of-government ICT agreements covering the 2014 calendar year.
31. The reduction is mainly due to the unanticipated write off of CITEC's related deferred tax asset.
32. Intangible assets have reduced mainly due to amortisation and the impairment of software due to client system transitions from QSS.
33. The decrease is mainly due to a reduction in unearned revenue within CITEC.
34. The increase is mainly due to the capitalised lease asset relating to the GWN initiative.
35. The increase is due to a higher than anticipated operating surplus in CITEC.
36. The decrease relates to ongoing impact of 2012 machinery-of-government transactions.

Annual report compliance checklist

Summary of requirement		Basis for requirement	Annual report ref.
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant minister	ARRs – section 8	1
Accessibility	Table of contents	ARRs – section 10.1	2–4
	Glossary		
	Public availability	ARRs – section 10.2	5
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	i
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 10.4	i
	Information licensing	<i>Queensland Government Enterprise Architecture – Information licensing</i> ARRs – section 10.5	i
General information	Introductory information	ARRs – section 11.1	6
	Agency role and main functions	ARRs – section 11.2	12
	Operating environment	ARRs – section 11.3	14
	Machinery-of-government changes	ARRs – section 11.4	N/A
Non-financial performance	Government objectives for the community	ARRs – section 12.1	7–10
	Other whole-of-government plans/specific initiatives	ARRs – section 12.2	23 28 35 39 45 49 52 55 77
	Agency objectives and performance indicators	ARRs – section 12.3	11 16 17
	Agency service areas and service standards	ARRs – section 12.4	22 27 33 38 44 48
Financial performance	Summary of financial performance	ARRs – section 13.1	94–101
Governance – management and structure	Organisational structure	ARRs – section 14.1	13
	Executive management	ARRs – section 14.2	56–69
	Related entities	ARRs – section 14.3	78
	Government bodies	ARRs – section 14.4	79
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule) ARRs – section 14.5	69
Governance – risk management and accountability	Risk management	ARRs – section 15.1	68
	External scrutiny	ARRs – section 15.2	80–82
	Audit committee	ARRs – section 15.3	69
	Internal Audit	ARRs – section 15.4	68
	Public Sector Renewal	ARRs – section 15.5	6–11
	Information systems and recordkeeping	ARRs – section 15.6	70
Governance – human resources	Workforce planning, attraction and retention and performance	ARRs – section 16.1	71–77
	Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	72
Open Data	Open Data	ARRs – section 17	5

Summary of requirement		Basis for requirement	Annual report ref.
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Part B
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Part B
	Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	Part B

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*



Annual Report 2013–2014

Part B - Financial Statements

For the period 1 July 2013 to 30 June 2014



PART B

Department of Science, Information Technology, Innovation and the Arts

The Department of Science, Information Technology, Innovation and the Arts Financial Statements for the financial year ended 30 June 2014

Contents	Page No
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs	7
Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs	11
Notes to and forming part of the financial statements	15
Management Certificate	74
Independent Auditor's Report	75

General Information

These financial statements cover the Department of Science, Information Technology, Innovation and the Arts and its controlled and other 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:

Level 5
Executive Building
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 statements, please call 13 QGOV (13 74 68), email webfeedback@dsitia.qld.gov.au or visit the departmental website www.qld.gov.au/dsitia.

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

Statement of Comprehensive Income

for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Income from continuing operations			
Appropriation revenue for services	2	342,338	322,385
User charges and fees	3	380,926	416,866
Grants and other contributions	4	29,030	29,115
Interest	5	2,272	2,086
Other revenue	5	1,931	12,723
Total revenue		756,497	783,175
Gains on disposal of assets	6	23	191
Total income from continuing operations		756,520	783,366
Expenses from continuing operations			
Employee expenses	7	288,464	326,367
Supplies and services	9	268,137	258,673
Grants and subsidies	10	77,237	118,809
Depreciation and amortisation	11	63,097	67,851
Impairment losses	12	4,252	23,810
Finance/borrowing costs	13	899	1,528
Other expenses	14	43,791	5,211
Total expenses from continuing operations		745,877	802,249
Operating result from continuing operations before income tax		10,643	(18,883)
Income tax benefit/(expense)	34	(1,537)	(9,526)
Operating result from continuing operations after income tax		9,106	(28,409)
Other comprehensive income			
Items that will not be reclassified subsequently to operating result:			
Increase in asset revaluation surplus	27	26,852	-
Total other comprehensive income		26,852	-
Total comprehensive income		35,958	(28,409)

The accompanying notes form part of these statements.

PART B

Department of Science, Information Technology, Innovation and the Arts

Statement of Financial Position

as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	15	79,175	68,877
Loans and receivables	16	60,487	105,308
Inventories	17	6	40
Current tax assets	18	8	-
Other current assets	19	16,292	12,646
Total current assets		155,968	186,871
Non-current assets			
Loans and receivables	16	35,716	34,643
Deferred tax assets	18	-	683
Intangible assets	20	34,031	45,853
Property, plant and equipment	21	793,172	771,623
Other non-current assets	19	1,599	1,123
Total non-current assets		864,518	853,925
Total assets		1,020,486	1,040,796
Current liabilities			
Payables	22	51,184	93,555
Interest bearing liabilities	23	14,840	12,274
Accrued employee benefits	24	8,559	8,247
Other current liabilities	26	3,015	10,079
Total current liabilities		77,598	124,155
Non-current liabilities			
Interest bearing liabilities	23	40,095	9,357
Deferred tax liabilities	25	934	73
Other non-current liabilities	26	901	-
Total non-current liabilities		41,930	9,430
Total liabilities		119,528	133,585
Net assets		900,958	907,211
Equity			
Contributed equity		917,108	959,319
Accumulated surplus/(deficit)		(53,152)	(62,258)
Asset revaluation surplus	27	37,002	10,150
Total equity		900,958	907,211

The accompanying notes form part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Contributed equity			
Balance as at 1 July		959,319	1,062,211
<i>Transactions with owners as owners:</i>			
Appropriated equity injections	2	2,653	26,516
Appropriated equity withdrawals	2	(43,567)	(84,541)
Non-appropriated equity injections		5,149	4,938
Non-appropriated equity withdrawals		(6,650)	(7,962)
Assets assumed		-	273
Net transfers in/(out) from other Queensland Government entities	1(ab)	204	(42,116)
Balance as at 30 June		917,108	959,319
Accumulated surplus/(deficit)			
Balance as at 1 July		(62,258)	(33,849)
Operating result from continuing operations after income tax		9,106	(28,409)
Balance as at 30 June		(53,152)	(62,258)
Asset revaluation surplus			
Balance as at 1 July		10,150	10,150
<i>Other comprehensive income</i>			
Increase on revaluation of:			
Land	27	19,719	-
Buildings	27	6,192	-
Infrastructure	27	904	-
Heritage and cultural	27	37	-
Balance as at 30 June		37,002	10,150
Total equity as at 30 June		900,958	907,211

The accompanying notes form part of these statements.

PART B

Department of Science, Information Technology, Innovation and the Arts

Statement of Cash Flows

for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Service appropriation receipts	2	369,085	290,789
User charges and fees		392,705	410,558
Grants and other contributions		27,029	28,445
GST collected from customers		33,525	38,684
GST input tax credits from ATO		36,555	27,961
Interest receipts		453	636
Other		1,917	17,187
<i>Outflows:</i>			
Employee expenses		(287,957)	(327,585)
Supplies and services		(314,321)	(253,702)
Grants and subsidies		(77,136)	(88,711)
Finance/borrowing costs		(764)	(1,545)
Insurance premiums		(615)	(700)
GST paid to suppliers		(31,822)	(26,338)
GST remitted to ATO		(39,179)	(43,485)
Other		(43,762)	(3,919)
Net cash provided by/(used in) operating activities	28	65,713	68,275
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		179	1,663
Loans and advances redeemed		7,873	12,627
<i>Outflows:</i>			
Payments for property, plant and equipment		(6,021)	(7,107)
Loans and advances made		(8,837)	(49,540)
Payments for intangibles		(2,739)	(7,188)
Net cash provided by/(used in) investing activities		(9,545)	(49,545)
Cash flows from financing activities			
<i>Inflows:</i>			
Borrowings		7,837	11,000
Equity injections		8,625	27,465
<i>Outflows:</i>			
Borrowing redemptions		(14,621)	(23,310)
Equity withdrawals		(47,711)	(105,807)
Net cash provided by/(used in) financing activities		(45,870)	(90,652)
Net increase/(decrease) in cash and cash equivalents		10,298	(71,922)
Cash and cash equivalents at beginning of financial year		68,877	140,799
Cash and cash equivalents at end of financial year	15	79,175	68,877

The accompanying notes form part of these statements.

Statement of Comprehensive Income by Major Departmental Services, CBU's and SSPs

for the year ended 30 June 2014

	Corporate Administration Agency		Arts Queensland		CITEC	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations						
Appropriation revenue for services	-	-	98,813	100,637	-	-
User charges and fees	10,295	9,607	20,158	19,415	178,420	170,014
Grants and other contributions	83	183	3,460	2,556	-	-
Interest	-	-	180	222	287	334
Other revenue	3	65	177	1,936	233	6,414
Total revenue	10,381	9,855	122,788	124,766	178,940	176,762
Gains on disposal of assets	-	-	-	-	4	182
Total income from continuing operations	10,381	9,855	122,788	124,766	178,944	176,944
Expenses from continuing operations						
Employee expenses	7,061	6,678	13,092	13,407	44,720	64,567
Supplies and services	3,081	2,678	36,551	33,982	117,605	106,168
Grants and subsidies	-	-	35,150	39,899	-	-
Depreciation and amortisation	183	242	35,292	36,583	11,449	11,459
Impairment losses	-	-	8	-	464	140
Finance/borrowing costs	-	-	181	331	584	1,158
Other expenses	265	257	501	530	636	1,324
Total expenses from continuing operations	10,590	9,855	120,775	124,732	175,458	184,816
Operating result from continuing operations before tax	(209)	-	2,013	34	3,486	(7,872)
Income tax benefit/(expense)	-	-	-	-	(1,537)	(9,526)
Operating result from continuing operations after tax	(209)	-	2,013	34	1,949	(17,398)
Other comprehensive income						
<u>Items that will not be reclassified subsequently to operating result:</u>						
Increase in asset revaluation surplus	-	-	34,337	-	-	-
Total other comprehensive income	-	-	34,337	-	-	-
Total comprehensive income	(209)	-	36,350	34	1,949	(17,398)

PART B

Department of Science, Information Technology, Innovation and the Arts

Statement of Comprehensive Income by Major Departmental Services, CBU's and SSPs (continued)

for the year ended 30 June 2014

	Queensland Government Chief Information Office		Queensland Chief Scientist		Science/ Strategic Policy and Innovation	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations						
Appropriation revenue for services	8,652	21,202	1,288	1,256	95,150	140,200
User charges and fees	-	(1)	-	-	1,844	6,415
Grants and other contributions	-	-	80	-	17,661	13,444
Interest	-	-	-	-	1,805	1,530
Other revenue	55	91	2	-	206	467
Total revenue	8,707	21,292	1,370	1,256	116,666	162,056
Gains on disposal of assets	-	-	-	-	19	-
Total income from continuing operations	8,707	21,292	1,370	1,256	116,685	162,056
Expenses from continuing operations						
Employee expenses	5,884	9,262	1,096	1,020	43,302	51,484
Supplies and services	2,210	11,229	319	179	23,740	22,437
Grants and subsidies	57	-	-	-	40,331	77,144
Depreciation and amortisation	157	142	2	2	5,507	5,858
Impairment losses	-	-	-	-	17	(32)
Finance/borrowing costs	-	-	-	-	-	39
Other expenses	399	82	-	-	893	389
Total expenses from continuing operations	8,707	20,715	1,417	1,201	113,790	157,319
Operating result from continuing operations before tax	-	577	(47)	55	2,895	4,737
Income tax benefit/(expense)	-	-	-	-	-	-
Operating result from continuing operations after tax	-	577	(47)	55	2,895	4,737
Other comprehensive income						
Items that will not be reclassified subsequently to operating result:						
Increase in asset revaluation surplus	-	-	-	-	(7,484)	-
Total other comprehensive income	-	-	-	-	(7,484)	-
Total comprehensive income	-	577	(47)	55	(4,589)	4,737

Statement of Comprehensive Income by Major Departmental Services, CBU's and SSPs (continued)

for the year ended 30 June 2014

	Digital Productivity and Services		Queensland Shared Services		Strategic ICT	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations						
Appropriation revenue for services	57,458	53,260	-	-	76,860	5,377
User charges and fees	25,662	28,717	170,936	211,136	1,532	-
Grants and other contributions	-	207	7,911	12,825	-	77
Interest	-	-	-	-	-	-
Other revenue	5	42	886	3,356	368	-
Total revenue	83,125	82,226	179,733	227,317	78,760	5,454
Gains on disposal of assets	-	2	-	7	-	-
Total income from continuing operations	83,125	82,228	179,733	227,324	78,760	5,454
Expenses from continuing operations						
Employee expenses	46,393	49,243	94,415	127,081	6,226	657
Supplies and services	32,993	27,968	70,331	80,306	31,269	5,759
Grants and subsidies	1,338	1,357	-	-	-	-
Depreciation and amortisation	4,921	4,516	4,905	9,035	648	12
Impairment losses	(2)	(12)	3,739	23,714	-	-
Finance/borrowing costs	-	-	-	-	134	-
Other expenses	85	350	428	2,863	40,979	4
Total expenses from continuing operations	85,728	83,422	173,818	242,999	79,256	6,432
Operating result from continuing operations before tax	(2,603)	(1,194)	5,915	(15,675)	(496)	(978)
Income tax benefit/(expense)	-	-	-	-	-	-
Operating result from continuing operations after tax	(2,603)	(1,194)	5,915	(15,675)	(496)	(978)
Other comprehensive income						
Items that will not be reclassified subsequently to operating result:						
Increase in asset revaluation surplus	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-

PART B

Department of Science, Information Technology, Innovation and the Arts

Total comprehensive income	(2,603)	(1,194)	5,915	(15,675)	(496)	(978)
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Statement of Comprehensive Income by Major Departmental Services, CBU's and SSPs (continued)

for the year ended 30 June 2014

	General – Not attributed		Inter-departmental service eliminations		TOTAL	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations						
Appropriation revenue for services	4,117	453	-	-	342,338	322,385
User charges and fees	15,179	-	(43,100)	(28,437)	380,926	416,866
Grants and other contributions	18	6	(183)	(183)	29,030	29,115
Interest	-	-	-	-	2,272	2,086
Other revenue	22,602	6,762	(22,606)	(6,410)	1,931	12,723
Total revenue	41,916	7,221	(65,889)	(35,030)	756,497	783,175
Gains on disposal of assets	-	-	-	-	23	191
Total income from continuing operations	41,916	7,221	(65,889)	(35,030)	756,520	783,366
Expenses from continuing operations						
Employee expenses	26,278	3,107	(3)	(139)	288,464	326,367
Supplies and services	15,468	2,000	(65,430)	(34,033)	268,137	258,673
Grants and subsidies	361	409	-	-	77,237	118,809
Depreciation and amortisation	33	2	-	-	63,097	67,851
Impairment losses	26	-	-	-	4,252	23,810
Finance/borrowing costs	-	-	-	-	899	1,528
Other expenses	61	270	(456)	(858)	43,791	5,211
Total expenses from continuing operations	42,227	5,788	(65,889)	(35,030)	745,877	802,249
Operating result from continuing operations before tax	(312)	1,433	-	-	10,643	(18,883)
Income tax benefit/(expense)	-	-	-	-	(1,537)	(9,526)
Operating result from continuing operations after tax	(312)	1,433	-	-	9,106	(28,409)
Other comprehensive income						
Items that will not be reclassified subsequently to operating result:						
Increase in asset revaluation surplus	-	-	-	-	26,852	-
Total other comprehensive income	-	-	-	-	26,852	-
Total comprehensive income	(312)	1,433	-	-	35,958	(28,409)

PART B

Department of Science, Information Technology, Innovation and the Arts

Statement of Assets and Liabilities by Major Departmental Services, CBU and SSPs

as at 30 June 2014

	Corporate Administration Agency		Arts Queensland		CITEC	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current assets						
Cash and cash equivalents	3,588	3,690	2,862	3,848	12,200	1,670
Loans and receivables	1,120	847	8,221	9,557	20,048	22,064
Inventories	-	-	6	28	-	12
Current tax assets	-	-	-	-	8	-
Other current assets	413	378	1,082	30	4,576	4,309
Total current assets	5,121	4,915	12,171	13,463	36,832	28,055
Non-current assets						
Loans and receivables	-	-	130	932	-	-
Deferred tax assets	-	-	-	-	-	683
Intangible assets	-	130	-	-	7,061	10,212
Property, plant and equipment	437	575	672,863	671,295	20,368	24,477
Other non-current assets	-	-	-	-	698	1,123
Total non-current assets	437	705	672,993	672,227	28,127	36,495
Total assets	5,558	5,620	685,164	685,690	64,959	64,550
Current liabilities						
Payables	681	787	1,951	4,265	10,678	9,596
Interest bearing liabilities	-	-	6,265	5,500	6,566	6,774
Accrued employee benefits	255	202	328	352	1,521	1,852
Other current liabilities	223	23	-	-	1,806	3,336
Total current liabilities	1,159	1,012	8,544	10,117	20,571	21,558
Non-current liabilities						
Interest bearing liabilities	-	-	105	882	1,910	8,475
Deferred tax liabilities	-	-	-	-	934	73
Other non-current liabilities	-	-	-	-	-	-
Total non-current liabilities	-	-	105	882	2,844	8,548
Total liabilities	1,159	1,012	8,649	10,999	23,415	30,106
Net assets	4,399	4,608	676,515	674,691	41,544	34,444

Please note that the department has systems in place to allocate assets and liabilities by departmental services, CBU and SSPs.

Statement of Assets and Liabilities by Major Departmental Services, CBU's and SSPs (continued)

as at 30 June 2014

	Queensland Government Chief Information Office		Queensland Chief Scientist		Science/Strategic Policy and Innovation	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current assets						
Cash and cash equivalents	1,608	439	96	493	1	3
Loans and receivables	375	2,064	48	24	11,609	7,797
Inventories	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-
Other current assets	96	419	-	-	-	42
Total current assets	2,079	2,922	144	517	11,610	7,842
Non-current assets						
Loans and receivables	-	-	-	-	35,586	33,711
Deferred tax assets	-	-	-	-	-	-
Intangible assets	147	692	-	-	1,454	1,873
Property, plant and equipment	11	14	-	2	51,756	64,785
Other non-current assets	-	-	-	-	-	-
Total non-current assets	158	706	-	2	88,796	100,369
Total assets	2,237	3,628	144	519	100,406	108,211
Current liabilities						
Payables	808	1,464	108	431	13,175	59,054
Interest bearing liabilities	-	-	-	-	-	-
Accrued employee benefits	86	262	24	28	1,213	1,183
Other current liabilities	-	17	-	-	28	2,340
Total current liabilities	894	1,743	132	459	14,416	62,577
Non-current liabilities						
Interest bearing liabilities	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
Total liabilities	894	1,743	132	459	14,416	62,577
Net assets	1,343	1,885	12	60	85,990	45,634

Please note that the department has systems in place to allocate assets and liabilities by departmental services, CBU's and SSPs.

PART B

Department of Science, Information Technology, Innovation and the Arts

Statement of Assets and Liabilities by Major Departmental Services, CBU's and SSPs (continued)

as at 30 June 2014

	Digital Productivity and Services		Queensland Shared Services		Strategic ICT	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current assets						
Cash and cash equivalents	297	330	56,332	46,394	-	-
Loans and receivables	6,245	6,116	15,865	25,085	1,742	100
Inventories	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-
Other current assets	1,334	782	1,249	961	7,424	5,475
Total current assets	7,876	7,228	73,446	72,440	9,166	5,575
Non-current assets						
Loans and receivables	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-
Intangible assets	8,061	8,577	17,308	24,369	-	-
Property, plant and equipment	5,502	6,692	2,504	3,702	39,682	76
Other non-current assets	901	-	-	-	-	-
Total non-current assets	14,464	15,269	19,812	28,071	39,682	76
Total assets	22,340	22,497	93,258	100,511	48,848	5,651
Current liabilities						
Payables	6,798	7,938	18,249	10,314	13,549	503
Interest bearing liabilities	-	-	-	-	2,009	-
Accrued employee benefits	1,425	1,267	2,761	3,101	156	-
Other current liabilities	294	66	184	4,297	480	-
Total current liabilities	8,517	9,271	21,194	17,712	16,194	503
Non-current liabilities						
Interest bearing liabilities	-	-	-	-	38,080	-
Deferred tax liabilities	-	-	-	-	-	-
Other non-current liabilities	901	-	-	-	-	-
Total non-current liabilities	901	-	-	-	38,080	-
Total liabilities	9,418	9,271	21,194	17,712	54,274	503
Net assets	12,922	13,226	72,064	82,799	(5,426)	5,148

Please note that the department has systems in place to allocate assets and liabilities by departmental services, CBU's and SSPs.

Statement of Assets and Liabilities by Major Departmental Services, CBU's and SSPs (continued)

as at 30 June 2014

	General – Not attributed		Inter-departmental service eliminations		TOTAL	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current assets						
Cash and cash equivalents	2,191	12,010	-	-	79,175	68,877
Loans and receivables	15,590	37,671	(20,376)	(6,017)	60,487	105,308
Inventories	-	-	-	-	6	40
Current tax assets	-	-	-	-	8	-
Other current assets	118	250	-	-	16,292	12,646
Total current assets	17,899	49,931	(20,376)	(6,017)	155,968	186,871
Non-current assets						
Loans and receivables	-	-	-	-	35,716	34,643
Deferred tax assets	-	-	-	-	-	683
Intangible assets	-	-	-	-	34,031	45,853
Property, plant and equipment	49	5	-	-	793,172	771,623
Other non-current assets	-	-	-	-	1,599	1,123
Total non-current assets	49	5	-	-	864,518	853,925
Total assets	17,948	49,936	(20,376)	(6,017)	1,020,486	1,040,796
Current liabilities						
Payables	5,563	4,371	(20,376)	(5,168)	51,184	93,555
Interest bearing liabilities	-	-	-	-	14,840	12,274
Accrued employee benefits	790	-	-	-	8,559	8,247
Other current liabilities	-	-	-	-	3,015	10,079
Total current liabilities	6,353	4,371	(20,376)	(5,168)	77,598	124,155
Non-current liabilities						
Interest bearing liabilities	-	-	-	-	40,095	9,357
Deferred tax liabilities	-	-	-	-	934	73
Other non-current liabilities	-	-	-	-	901	-
Total non-current liabilities	-	-	-	-	41,930	9,430
Total liabilities	6,353	4,371	(20,376)	(5,168)	119,528	133,585

PART B

Department of Science, Information Technology, Innovation and the Arts

Net assets	11,595	45,565	-	(849)	900,958	907,211
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Please note that the department has systems in place to allocate assets and liabilities by Departmental services, CBUs and SSPs.

Notes to and forming part of the financial statements 2013–14

Objectives and principal activities of the department

Note 1:	Summary of significant accounting policies
Note 2:	Reconciliation of payments from consolidated fund to appropriation revenue for services recognised in the Statement of Comprehensive Income Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
Note 3:	User charges and fees
Note 4:	Grants and other contributions
Note 5:	Other revenue
Note 6:	Gains on disposal of assets
Note 7:	Employee expenses
Note 8:	Key management personnel and remuneration expenses
Note 9:	Supplies and services
Note 10:	Grants and subsidies
Note 11:	Depreciation and amortisation
Note 12:	Impairment losses
Note 13:	Finance/borrowing costs
Note 14:	Other expenses
Note 15:	Cash and cash equivalents
Note 16:	Loans and receivables
Note 17:	Inventories
Note 18:	Tax assets
Note 19:	Other current and non-current assets
Note 20:	Intangible assets
Note 21:	Property, plant and equipment
Note 22:	Payables
Note 23:	Interest bearing liabilities
Note 24:	Accrued employee benefits
Note 25:	Tax liabilities
Note 26:	Other current and non-current liabilities
Note 27:	Asset revaluation surplus by class
Note 28:	Reconciliation of operating surplus to net cash from operating activities
Note 29:	Non-cash financing and investing activities
Note 30:	Commitments for expenditure
Note 31:	Contingencies
Note 32:	Interests in other entities
Note 33:	Financial instruments
Note 34:	Taxation equivalents
Note 35:	Schedule of administered items
Note 36:	Reconciliation of payments from consolidated fund to administered revenue
Note 37:	Agency transactions and balances
Note 38:	Events occurring after balance date

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

Objectives and principal activities of the department

The Department of Science, Information Technology, Innovation and the Arts (the “department”) brings together science, information technology, innovation and arts into one portfolio to support the government’s commitment to growing the four pillar economy, lower the cost of living, revitalise frontline services for Queensland families, deliver better infrastructure and planning and restore accountability in government.

The department’s vision is to enable a creative, connected and clever Queensland which is supported by developing and implementing strategies, plans and activities that deliver four main objectives:

- Customers first – meeting our customer’s expectations through innovative service delivery options, easy and convenient access and reducing red tape.
- Value for money – ensuring our service delivery is efficient and effective, providing optimal value for our customers.
- Innovation – develop innovative and connected services through partnerships, co-creation with the community, business and across government.
- Organisational transformation – create an engaged and agile organisation which focuses on building capability, capacity and an evidence base to achieve our outcomes.

The department is supported by the Queensland Chief Scientist, who provides strategic advice and services to the Minister, including 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 from the following services:

- 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 and other entities are set out in note 32.

1. Summary of significant accounting policies

a) Statement of compliance

The Department of Science, Information Technology, Innovation and the Arts 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 ended 30 June 2014, 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*.

Notes to and forming part of the financial statements 2013–14

b) The reporting entity

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 of Science, Information Technology, Innovation and the Arts as an economic entity consists of the parent entity together with major departmental services, a commercialised business unit (CBU), shared service providers (SSPs), controlled and associate entities.

In order to provide enhanced disclosure, the Department of Science, Information Technology, Innovation and the Arts 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 of Science, Information Technology, Innovation and the Arts core business activities and those of its commercialised business units and shared service providers. In the process of reporting on the Department of Science, Information Technology, Innovation and the Arts, as a single economic entity, all transactions and balances internal to the economic entity have been eliminated (where material).

Major departmental services:

- Science
- Strategic Policy and Innovation
- Queensland Government Chief Information Office
- Queensland Chief Scientist
- Arts Queensland
- Digital Productivity and Services
- Strategic ICT

Commercialised business unit:

- CITEC

Shared service providers:

- Corporate Administration Agency
- Queensland Shared Services

The major departmental services undertaken by the department and activities of the department's commercialised business unit and shared service providers are disclosed in paragraph 1(ag).

Controlled and associate entities:

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

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

b) The reporting entity (continued)

The transactions and balances in respect of the controlled and associate entities are not considered material and have not been consolidated into the financial statements. Each controlled and associate entity 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 interests in controlled and associate entities are disclosed in note 32.

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 35. 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) Trust and agency transactions and balances

The department, through the CITEC commercialised business unit and the Corporate Administration Agency shared service provider, has commercial arrangements with various Queensland Government agencies to perform certain transactions on their behalf.

The department, through Smart Service Queensland acts in an agency capacity by processing payments in respect to Queensland Government services and information.

The transactions and balances related to these agency arrangements are identified separately in note 37 and are not included in these financial statements because the department acts only in a custodial role. Applicable audit arrangements are also shown.

e) Departmental services appropriation/Administered appropriation

Appropriations provided under the *Appropriation Act 2013* are recognised as revenue or equity when received or when a service rendered is recognised after approval from Queensland Treasury and Trade.

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

f) User charges and fees

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 35.

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 (control is generally obtained at time of receipt). Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding agreements.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in note 1(aa).

Notes to and forming part of the financial statements 2013–14

h) Special payments

Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out the details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within other expenses (note 14). However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

i) 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.

j) Loans and 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 periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events as disclosed in note 12.

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 entered into a number of concessional loan arrangements for policy purposes. These loans are initially recognised at their fair value applying market interest rates. 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 grants and subsidies expense as this is more representative of the nature of the concessional element. Loans are subsequently measured at amortised cost using the effective interest rate method. Effective interest revenue 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 revenue recorded in the Statement of Comprehensive Income will, over time, exactly offset the accumulated fair value adjustment on loans.

The department's concessional loans have no exposure to interest rate risk.

k) Inventories

Inventories held for sale including third party re-sales are valued at the lower of cost and net realisable value and represent purchases made on behalf of clients for which full cost is recoverable from clients.

Inventories held relating to supplies and consumables are held at cost.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of the department's normal selling pattern.

Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

Inventories held for distribution are those inventories that the department distributes for no or nominal consideration. Inventories held for distribution are measured at cost and adjusted where applicable, for any loss of service potential.

l) 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

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

recorded using the invoice amount supplied by the contractor. The department does not capitalise finance and borrowing costs.

m) 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.

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*.

n) 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
Heritage and cultural	\$10,000
Plant and equipment	\$ 5,000
Leased assets	\$ 5,000
Land	\$1

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

Subsequent expenditure that increases the originally assessed service potential of an asset is capitalised to the value of that asset. Land improvements undertaken by the department are included with buildings.

o) 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*, AASB 13 *Fair Value Measurement* and Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*. Leased assets are measured at fair value in accordance with AASB117 *Leases*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

In respect of the abovementioned 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.

Plant and equipment (that is not classified as major plant and equipment) is measured at cost in accordance with Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

Intangible assets are measured at their historical cost, unless there is an active market for the assets concerned (in which case they are measured at fair value).

Property, plant and equipment classes measured at fair value (refer above) are revalued on an annual basis either by valuations undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the department's Corporate Finance and Property Management branch, who determine the specific revaluation practices and procedures. The department undertakes annual reviews of the revaluation practices (after each year's revaluation process), and reports to the department's Finance Committee (of which the department's Chief Finance Officer is a member) regarding the outcomes of, and recommendations arising from, each annual review.

Notes to and forming part of the financial statements 2013–14

o) Revaluations of non-current physical and intangible assets (continued)

Revaluations using an independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This is arranged by the Corporate Finance and Property Management branch after consultation with the Finance Committee.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to note 1(p)).

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

Early in the reporting period, the department reviewed all fair value methodologies in light of the new principles in AASB13. Some minor adjustments were made to methodologies to take into account the more exit-oriented approach to fair value under AASB 13, as well as the availability of more observable data for certain assets (e.g. land and buildings). Such adjustments – in themselves – did not result in a material impact on the values for the affected Property, Plant and Equipment classes.

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 remaining useful life.

Materiality concepts under AASB 101 *Presentation of Financial Statements* 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.

p) Fair value measurement

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

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

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

p) Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use.

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

Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices) included within level 1 that are observable, either directly or indirectly; and

Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. As 2013-14 is the first year of application of AASB 13 *Fair Value Measurement* by the department, there were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the department's Property, Plant and Equipment is outlined in note 21.

q) 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, less any anticipated residual value, is amortised over its estimated useful life to the department. 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 software has been capitalised and is 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.

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.

Notes to and forming part of the financial statements 2013–14

r) 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.

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

All heritage and cultural assets of the department are not depreciated as the service potential of the assets are not expected to diminish over time.

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	Rates
Buildings:	1.5% to 10%
Infrastructure assets:	2% to 15%
Plant and equipment:	
Computer equipment	5% to 33.3%
Leasehold improvement	2.5% to 26%
Scientific equipment	5% to 33.3%
Other equipment	4% to 33.3%
Leased assets:	13.3% to 20%
Intangible assets:	
Software purchased	6% to 27%
Software internally generated	6.7% to 25%

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

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

s) 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, depreciated replacement cost or net cash inflows generated through use of the asset.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also note 12.

t) 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.

Leases of non-current assets where the department, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The intangible assets acquired under finance leases are amortised over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the department will obtain ownership at the end of the lease term. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the department as lessee are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

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

Lease income from operating leases where the department is a lessor is recognised in income on a straight-line basis over the lease term.

The respective leased assets are included in the Statement of Financial Position based on their nature. Refer also notes 21,23 and 30.

u) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are initially measured at fair value, equating to 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.

On 24 June 2013, Cabinet approved implementation of the *Queensland Government - Late Payment Policy*, where the government, including the department will pay penalty interest to small business for all bills on

Notes to and forming part of the financial statements 2013–14

contracts up to \$1 million paid greater than 30 calendar days on a correctly rendered undisputed tax invoice. Suppliers will be required to provide notice of late payment, to date nil claims have been made against this policy.

v) 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

Loans and receivables – held at amortised cost

Payables – held at amortised cost

Borrowings – held at amortised cost

Finance leases – held at fair value

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 33.

w) 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.

As the department expected such liabilities to be wholly settled within 12 months after the relevant services have been provided, the liabilities are recognised at undiscounted amounts.

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.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

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.

w) Employee benefits (continued)

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 and other entities 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 of the relevant services being provided, 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 and other entities of the department 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 and other entities of the department 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 and other entities of the department 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 and other entities of the department do not participate in the whole-of-government arrangements for superannuation. Contributions are made on behalf of employees to several 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 and other entities of the department are not considered material and have not been consolidated into the financial statements.

Key management personnel and remuneration

Notes to and forming part of the financial statements 2013–14

Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury and Trade. Refer to note 8 for the disclosures on key management personnel and remuneration.

In respect to the department's controlled and other entities, no executives are employed under the *Public Service Act 2008*.

x) Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1997* and is 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. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised and accrued (refer note 22).

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 the forecasting budgets provided to Queensland Treasury and Trade.

The controlled and other entities of the department are exempt from income tax under Section 50 of the *Income Tax Assessment Act 1997*.

From 1 July 2014 Queensland government departments (excluding commercialised business units) will no longer be liable for Queensland payroll tax. Therefore from this date the department (excluding its commercialised business unit, CITEC and the department's controlled and other entities) will be exempt from Queensland payroll tax.

y) Finance/borrowing costs

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 finance/borrowing costs are capitalised into qualifying assets.

z) Insurance

With the exception of non-current physical assets held by CITEC and the department's controlled and other entities, which are commercially insured, the department's non-current physical assets and other risks including those relating to business interruption following natural disasters 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.

aa) 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.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

ab) 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.

ac) Issuance of financial statements

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

ad) Accounting estimates and judgements

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

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

- Valuation of property, plant and equipment - note 21
- Financial instruments - note 33
- Finance leases - notes 21, 30 and 33
- Contingencies - note 31
- Loans and receivables - note 33
- Impairment - notes 12, 20, 21 and 33

The Australian Government passed its *Clean Energy Act* in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

From 1 July 2014, the government abolished the carbon tax. The withdrawal of the carbon pricing mechanism is not expected to have a significant impact on the department's critical accounting estimates, assumptions and management judgements.

ae) 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.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. In particular, note 10 refers to Loan – Fair Value adjustments and note 12 includes bad debts written off (within the Impairment losses on trade receivables line item), both of which were previously categorised within other expenses. Accordingly, the comparatives have been restated.

af) New and revised accounting standards

The department did not voluntarily change any of its accounting policies during 2013-14. The only Australian Accounting Standard changes applicable for the first time as from 2013-14 that have had a significant impact on the department's financial statements are those arising from AASB 13 *Fair Value Measurement*, as explained below.

AASB 13 *Fair Value Measurement* became effective 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 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 impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

Notes to and forming part of the financial statements 2013–14

The department reviewed 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 assess whether those methodologies comply with AASB 13. To the extent that the methodologies didn't comply, changes were made and applied to the valuations. There were no changes to valuation methodologies which resulted in material differences from the previous methodologies.

af) New and revised accounting standards (continued)

AASB 13 has required an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. For those fair value measurements of assets or liabilities that substantially are based on data that is not 'observable' (i.e. accessible outside the department), the amount of information disclosed has significantly increased. Note 1(p) explains some of the principles underpinning the additional fair value information disclosed. Most of this additional information is set out in note 21 Property Plant and Equipment.

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. Given the department's circumstances, the only implications for the department were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. 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 need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the department is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the department's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The department makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Controlled and other entities of the department do not participate in the whole-of-government arrangements, such as Queensland Government central schemes, including QSuper. The balances and transactions of controlled and other entities of the department are not considered material and have not been consolidated into the financial statements. Therefore, those changes to AASB 119 will have no impact on the department.

AASB 1053 *Application of Tiers of Australian Accounting Standards* became effective for 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.

Pursuant to AASB 1053, public sector entities such as 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. Therefore, the release of AASB 1053 and associated amending standards has had no impact on the department.

The department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the department has not applied any Australian Accounting Standards and Interpretations that have been issued but

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

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.

Notes to and forming part of the financial statements 2013–14

af) New and revised accounting standards (continued)

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

- AASB 9 (revised) Financial Instruments
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 127 (revised) Separate Financial Statements
- AASB 128 (revised) Investments in Associates and Joint Ventures
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]
- AASB 2013-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities
- AASB 2014-1 Amendments to Australian Accounting Standards – Part E: Financial Instruments
- AASB 1055 Budgetary Reporting

AASB 9 Financial Instruments 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] will become effective for reporting periods beginning on or after 1 January 2017. AASB 2014-1 Amendments to Australian Accounting Standards – Part E: Financial Instruments has deferred the mandatory effective date of AASB 9 to reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement and disclosures associated with the department's 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 2018-19 financial statements, all of the department's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in notes 1(v). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The most significant impact of the new measurement requirements on the department is that the loans disclosed in receivables described in notes 1(j), 16 and 35 will need to be measured at fair value.

The department is not yet able to reliably estimate what the fair value of this investment will be at the date of initial application of AASB 9. The difference between the carrying amount of this investment and its initial fair value will be recognised as an adjustment to the balance of Accumulated Surplus on initial application of AASB 9. AASB 9 allows an entity to make an irrevocable election at the date of initial recognition to present in 'other comprehensive

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

income' subsequent changes in the fair value of such an asset. Queensland Treasury and Trade is currently considering mandating this accounting treatment when AASB 9 becomes effective.

af) New and revised accounting standards (continued)

The department will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the department enters into, the most significant ongoing disclosure impacts are expected to relate to loan receivables held at amortised cost (e.g. the loan receivables described in notes 16 and 35) and derecognition of these.

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. AASB 2013-8 applies the various principles in AASB 10 for determining whether a not-for-profit entity controls another entity. On the basis of those accounting standards, the department has reviewed the nature of its relationship with the entities that the department is connected with, including entities that are not currently consolidated, to determine the impact of AASB 2013-8. The department's conclusion is that it will continue to have control over its controlled entities and, based on existing circumstances, will not have any control over any additional entities.

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. The department has assessed its arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. Based on present arrangements, no joint arrangements exist. However, if a joint arrangement does arise in future, the department will need to follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement.

AASB 12 contains new disclosure requirements in respect of interests in other entities, including controlled entities of the department. As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements.

As a consequence of issuing AASB10, AASB 11 and AASB 12, a revised version of AASB 128 has also been issued. The department has assessed its relationship with the Major Brisbane Festivals Pty Ltd and based upon present arrangements continues to hold significant influence over this entity, but not control. The department will need to follow the relevant accounting treatment specified in the revised AASB 128, however there will be no impact on the financial statements because the revised standard introduces no new requirements.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. The department will need to include in its 2014-15 financial statements the original budgeted figures from the Income Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

In addition, the department will need to include the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

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

Notes to and forming part of the financial statements 2013–14

ag) Major departmental services, CBUs and SSPs of the department

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

Science

Science Division provides scientific and technical services and advice to government agencies that underpins decision making and legislative responsibilities. The division, in close collaboration with the Chief Scientist, also develops the Queensland Government's science policy and provides strategic leadership for the government's investment in science. The division works in partnership with government agencies, universities and other research groups, as well as natural resource management groups and industry.

Strategic Policy and Innovation

The Strategic Policy and Innovation Division aims to create the right environment to promote innovation and commercialisation of products and services that benefit Queensland and ensure departmental services and strategies align to customer needs and government priorities. In creating this environment, some of the key services provided include: facilitation of collaboration and partnerships between key stakeholders in areas such as policy development, commercialisation and innovation; helping to improve the environment for start-up businesses; facilitation of referrals to specialist advice on innovation and commercialisation; and coordination of research and analysis about our customers and emerging trends and issues that impact the department.

Strategic ICT (including CITEC)

Strategic ICT Division strives to ensure quality ICT outcomes are achieved across government and is a key area in supporting frontline service delivery. The division is responsible for whole-of-government programs, such as the Government Wireless Network (GWN) and the One Government Network, and plays an integral role in implementing the government's ICT reforms as outlined in the Queensland Government ICT Strategy 2013-17 Action Plan. In addition, as the mega category lead for ICT procurement, the division prepares, negotiates and manages contracts to establish whole-of-government procurement arrangements. Some of the services the division provides include: strategic advice on ICT programs and projects; facilitation of engagement between the ICT industry and government; and management of whole-of-government infrastructure (including data centres and networks).

Digital Productivity and Services

The Digital Productivity and Services Division promotes the successful adoption of digital technologies and digital content to revitalise Queensland Government services, boost productivity and innovation within Queensland businesses, and to connect and enable our communities. The division is comprised of the Digital Economy and Productivity Office, Queensland State Archives, One Stop Shop and Smart Service Queensland. This diverse division's key services include: provision, expansion and improvement of customer access to a wide range of government information and services; collaborative projects and events to promote the adoption of digitally enabled technologies and services across Queensland; and management, preservation and facilitation of access to Queensland's permanent archival public records.

Arts Queensland

Arts Queensland aims to strengthen cultural and economic outcomes for Queensland through facilitation of resilience and innovation in the arts and cultural sector. Arts Queensland will use demand-driven approaches to grow the arts and cultural sector and foster a community of arts. Services include: policy and strategy advice, investment management, partnership and network building, knowledge and development brokering, arts promotion, support for Queensland's arts statutory bodies and government-owned companies and provision of capital infrastructure and management of the Queensland Government's cultural assets.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

ag) Major departmental services, CBUs and SSPs of the department (continued)

Shared Corporate Services (including Queensland Shared Services and the Corporate Administration Agency)

The Shared Corporate Services division helps its customers get on with their business by ensuring they have access to modern, value-for-money corporate services and trusted advice. Combining the capabilities of Queensland Shared Services and the Corporate Administration Agency, the division facilitates a range of corporate services to the rest-of-government cluster of departments and an additional 27 public sector entities. Services provided include: financial transaction services; human resources services; payroll and recruitment services; and consulting.

The **Queensland Government Chief Information Office (QGCIO)** provides independent quality advice to government ministers, directors-general and agencies on ICT management and investment issues.

The **Office of the Queensland Chief Scientist** assists with the development and implementation of science policy, and provides high level strategic advice to the Queensland Government on the role of science, research and innovation in achieving the government's priorities.

The department undertook a restructure in February 2014. Comparative information has been restated where necessary to be consistent with the major departmental services disclosed in the current reporting period within the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs and Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs.

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
2. Reconciliation of payments from consolidated fund to appropriation revenue for services recognised in the Statement of Comprehensive Income		
Budgeted appropriation revenue for services	277,881	382,639
Unforeseen expenditure	84,400	-
Treasurer's transfers	6,804	-
Lapsed departmental services appropriations	-	(91,850)
Total appropriation revenue for services receipts (cash)	369,085	290,789
Less: Opening balance of appropriation revenue for services receivable	(34,576)	-
Plus: Closing balance of appropriation revenue for services receivable	7,829	34,576
Plus: Opening balance of appropriation revenue for services payable	-	(2,980)
Appropriation revenue for services recognised in Statement of Comprehensive Income	342,338	322,385
Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity		
Budgeted equity adjustment appropriation	(43,491)	(67,740)
Unforeseen expenditure	5,906	-
Lapsed equity adjustment	-	(7,261)
Equity adjustment receipts (payments)	(37,585)	(75,001)
Less: Opening balance of equity adjustment receivable	(646)	-
Plus: Closing balance of equity adjustment receivable	-	646
Plus: Opening balance of equity adjustment payable	-	16,330
Less: Closing balance of equity adjustment payable	(2,683)	-
Equity adjustment recognised in contributed equity	(40,914)	(58,025)

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

	2014	2013
	\$'000	\$'000
3. User charges and fees		
Information, communication and technology services	182,651	175,170
Services rendered by shared service providers	174,982	215,856
Other	23,293	25,840
Total	380,926	416,866

4. Grants and other contributions

Queensland Government grants and contributions*	20,821	21,443
Commonwealth grants and contributions*	4,083	2,355
Industry grants and contributions*	2,126	3,715
Assets received at below fair value	2,000	556
Services received at below fair value	-	200
Other	-	846
Total	29,030	29,115

*Included in the grants and contributions are non-reciprocal grants funded by the Commonwealth and State Governments, and other external bodies for a range of grant purposes. These monies have been recognised as revenue in their entirety upon receipt as the agreements do not specify sufficient conditions to qualify as reciprocal and the department has met the agreement's conditions entitling it to receipt of the funding. As at 30 June 2014, \$14.861 million (30 June 2013: \$16.849 million) of all grant and contribution funding received by the department in the current and prior financial years remained unspent, although the department expects to fully comply with the conditions of the grant or contribution agreement, and so does not expect to recognise a payable in the future.

5. Other revenue

Interest revenue	2,272	2,086
Funding for voluntary redundancy payments	-	8,240
Procurement commissions	205	605
Insurance compensation from loss of property	-	5
Reversal of impairment loss*	230	188
Recognition of prior period assets	68	9
Miscellaneous revenue	1,428	3,676
Total	4,203	14,809

*Refer also note 20 and 33.

6. Gains on disposal of assets

Net gains from disposal of property, plant and equipment	23	191
Total	23	191

Refer also note 21.

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
7. Employee expenses		
Employee benefits		
Wages and salaries	213,624	232,375
Annual leave levy*	21,854	22,838
Employer superannuation contributions*	28,583	31,109
Long service leave levy*	4,800	5,110
Termination benefits**	3,176	17,576
Other employee benefits	9	-
Total employee benefits	272,046	309,008
Employee related expenses		
Workers' compensation premium*	1,102	1,038
Payroll tax*	12,578	14,345
Other employee related expenses	2,738	1,976
Total employee related expenses	16,418	17,359
Total employee expenses	288,464	326,367

*Refer to note 1(w).

**A total of 44 employees received voluntary redundancy packages during 2013-14 and total severance and incentive payments made under these packages was \$2.924 million. The obligations in respect of these voluntary redundancy packages were settled during 2014-15 and all severance and incentive components of these voluntary redundancy packages were funded by the Queensland Government.

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

	2014	2013
Number of employees:	2,913	3,065

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

8. Key management personnel and remuneration expenses

a) Key management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2013-14. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Director-General	The Director-General is responsible for the efficient, effective and economic administration of the department.	CEO3.3 Common Law Contract (s94 <i>Public Service Act 2008</i>)	15 April 2013 to 24 November 2013
		CEO4.2 Chief Executive Contract (s92 <i>Public Service Act 2008</i>)	25 November 2013
Queensland Government Chief Information Officer	The Queensland Government Chief Information Officer is responsible for driving the Queensland Government ICT strategy, including the ongoing development and implementation of contemporary ICT policy to ensure best use of digital and other technologies to deliver improved services and information to government, Queensland businesses and the Queensland community.	CEO4.5 Section 122 Contract (s122 <i>Public Service Act 2008</i>)	6 January 2014
Queensland Chief Scientist	The Queensland Chief Scientist is responsible for providing high-level, strategic advice to the Queensland Government on the role of science, research and innovation in achieving the government's priorities.	CEO1 Section 122 Contract (s122 <i>Public Service Act 2008</i>)	3 April 2012 to 16 January 2014
		CEO2.3 Section 122 Contract (s122 <i>Public Service Act 2008</i>)	17 January 2014

Notes to and forming part of the financial statements 2013–14

a) Key management personnel (continued)

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Assistant Director-General, Digital Productivity and Services	The Assistant Director-General, Digital Productivity and Services is responsible for leading the whole-of-government frontline customer service experience by co-delivering government information and services through digital and non-digital channels, and to influence the emergence of digital innovation across the department, government and Queensland.	SES4.2 Section 122 Contract (s122 Public Service Act 2008)	3 April 2012
Assistant Director-General, Shared Services	The Assistant Director-General, Shared Services is responsible for ensuring high quality, integrated service delivery to government in corporate services and procurement.	SES4.1 (s112 Public Service Act 2008)	Acting from 1 January 2013 to 14 February 2014
Assistant Director-General, Shared Corporate Services	The Assistant Director-General, Shared Corporate Services is responsible for ensuring high quality, integrated service delivery to government for a range of services including transactional activities, consultancy and advice, service integration and coordination, knowledge brokerage and quality assurance.	SES3.3 Senior Executive Contract (s115 Public Service Act 2008)	3 February 2014
Assistant Director-General, Science	The Assistant Director-General, Science is responsible for developing the science sector in Queensland, and 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 Senior Executive Contract (s110 Public Service Act 2008)	3 April 2012 to 2 February 2014
		SES3.3 Senior Executive Contract (s110 Public Service Act 2008)	3 February 2014

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

a) Key management personnel (continued)

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Deputy Director-General, Innovation and Science Development	The Deputy Director-General, Innovation and Science Development Division 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 Senior Executive Contract (s110 Public Service Act 2008)	3 April 2012 to 2 February 2014
Chief Strategic Policy and Innovation Officer, Strategic Policy and Innovation	The Chief Strategic Policy and Innovation Officer, Strategic Policy and Innovation is responsible for leading the coordination of the department's strategic policy activity including cross-division, whole-of-government collaboration, monitoring the effectiveness of policy implementation and facilitating the development of corrective actions as well as performing customer and market analysis and disseminating meaningful insights to improve policy impact and service delivery.	SES3.3 Senior Executive Contract (s110 Public Service Act 2008)	3 February 2014
Deputy Director-General, Arts Queensland	The Deputy Director-General, Arts Queensland is responsible for maximising return on investment in great arts and culture, strengthening commercial and entrepreneurial capacity, growing public value of arts and culture, and strengthening cultural tourism.	SES3.5 (s112 Public Service Act 2008)	Acting from 6 May 2013 to 9 August 2013
		SES3.4 Senior Executive Contract (s110 Public Service Act 2008)	12 August 2013
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.	SES2.5 (s112 Public Service Act 2008)	Acting from 1 July 2012 to 31 December 2013
		SES2.5 (s112 Public Service Act 2008)	Acting from 7 January 2014 to 7 March 2014
		SES2.3 Senior Executive Contract (s110 Public Service Act 2008)	10 March 2014

Notes to and forming part of the financial statements 2013–14

a) Key management personnel (continued)

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Assistant Director-General, Strategic ICT	The Assistant Director-General, Strategic ICT is responsible for connecting government business needs with the best ICT solutions, managing third parties to deliver the required ICT infrastructure and assets, and to create and maintain a network of partners that collaborate to create value for customers.	SES3.3 Senior Executive Contract (s110 Public Service Act 2008)	14 April 2014 to 5 May 2014
		SES3.3 Senior Executive Contract (s110 Public Service Act 2008)	12 May 2014
Chief Change and Operations Officer, Change and Operations	The Chief Change and Operations Officer, Change and Operations is responsible for the delivery of corporate services across the department including finance and property management, information management and technology, communications and engagement, performance and planning, human resources, legal and integrity services, portfolio office and contestability.	SES4.1 (s112 Public Service Act 2008)	Acting from 3 February 2014

b) Remuneration expenses

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts may provide for other benefits including a motor vehicle allowance and, for chief executive officers (CEOs), may provide for the provision of "At Risk Component" payments.

For the 2013-14 year, remuneration packages of key management personnel increased by 2.2% in accordance with government policy.

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

Remuneration expenses for key management personnel comprise the following components:

- Short term employee expenses which include:
 - Salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
 - Performance payments recognised as an expense during the year.
 - Non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

b) Remuneration expenses (continued)

- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits 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.

1 July 2013 to 30 June 2014	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
Position (date resigned or appointed if applicable)	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Director-General (1) (resigned 24 November 2013)	168	-	3	18	-	189
Director-General (2) (appointed 25 November 2013)	206	-	4	24	-	234
Queensland Government Chief Information Officer (appointed 6 January 2014)	163	1	3	17	-	184
Queensland Chief Scientist	310	-	7	34	-	351
Assistant Director-General, Digital Productivity and Services	206	27	4	26	-	263
Assistant Director-General, Shared Services (acting 1 January 2013 to 14 February 2014)	137	17	3	15	203	375
Assistant Director-General, Shared Corporate Services (appointed 3 February 2014)	80	6	2	9	-	97

Notes to and forming part of the financial statements 2013–14

b) Remuneration expenses (continued)

1 July 2013 to 30 June 2014	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
Position (date resigned or appointed if applicable)	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Assistant Director-General, Science	181	-	4	19	-	204
Deputy Director-General Innovation and Science Development (resigned 2 February 2014)	127	-	3	14	-	144
Chief Strategic Policy and Innovation Officer, Strategic Policy and Innovation (appointed 3 February 2014)	83	-	2	9	-	94
Deputy Director-General, Arts Queensland (1) (acting 6 May 2013 to 9 August 2013)	26	5	-	2	-	33
Deputy Director-General, Arts Queensland (2) (appointed 12 August 2013)	196	-	4	20	-	220
Chief Finance Officer (1) (acting 1 July 2012 to 31 December 2013)	84	13	2	10	-	109
Chief Finance Officer (2) (acting 7 January 2014 to 7 March 2014)	31	-	-	3	-	34
Chief Finance Officer (3) (appointed 10 March 2014)	54	-	1	6	-	61

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

b) Remuneration expenses (continued)

1 July 2013 to 30 June 2014	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
Position (date resigned or appointed if applicable)	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Assistant Director-General, Strategic ICT (1) (resigned 5 May 2014)	15	-	-	1	15	31
Assistant Director-General, Strategic ICT (2) (appointed 12 May 2014)	32	11	1	3	-	47
Chief Change and Operations Officer, Change and Operations (acting 3 February 2014)	95	-	2	8	-	105
Total Remuneration	2,194	80	45	238	218	2,775

Notes to and forming part of the financial statements 2013–14

b) Remuneration expenses (continued)

1 July 2012 to 30 June 2013	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
Position (date resigned or appointed if applicable)	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Director-General (1) (resigned 12 April 2013)	282	29	7	37	-	355
Director-General (2) (appointed 15 April 2013)	81	-	2	9	-	92
Queensland Government Chief Information Officer (resigned 20 May 2013)	301	-	9	36	-	346
Queensland Government Chief Scientist	298	-	7	34	-	339
Deputy Director-General, Government ICT Division	201	34	8	25	-	268
Assistant Director-General, Shared Services Division	186	30	7	23	-	246
Assistant Director-General, Science Delivery Division	166	24	4	19	-	213
Deputy Director-General, Innovation and Science Development Division	218	-	5	24	-	247
Deputy Director-General, Arts Division (acting 21 January 2013 to 3 May 2013)	93	-	2	8	-	103
Chief Finance Officer	159	30	4	18	-	211
Portfolio Manager, One Network	40	-	-	5	-	45
Total Remuneration	2,025	147	55	238	-	2,465

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

c) Performance payments

The remuneration package for the Director-General includes a potential performance payment up to a maximum of \$34,825. Eligibility for such a performance payment is conditional on the achievement of objectives that are documented in that position's performance agreement.

Public service CEOs have part of their total remuneration package placed "at risk" and paid only if they meet or exceed the agreed performance standards. The chief executive performance evaluation process comprises:

- reporting on end of year achievement and self-assessment by each chief executive against their performance agreement/intended outcomes;
- analysis by the Commission Chief Executive (Public Service Commission), the Under Treasurer, (Queensland Treasury and Trade) and the Director-General (Department of the Premier and Cabinet) of relevant performance data;
- a rigorous, independent and objective assessment of CEOs performance at the end of each financial year using, amongst other things, information provided from above two steps. This performance assessment is undertaken by a Chief Executive Performance Evaluation Committee (CEPEC);
- recommendations from the CEPEC to the Premier; and
- the Premier's ultimate discretion regarding whether the CEO will be paid an "At Risk Component" payment and, if so, how much.

As at the date of management certification of these financial statements, the eligibility to a performance payment for the Director-General in respect of the 2013-14 financial year had not yet been confirmed. With respect to the process to determine eligibility for chief executive officers, recommendations are yet to be made by the Chief Executive Performance Evaluation Committee to the Premier. Therefore, any performance payment approved will be reported as an expense within 2014-15.

There were no performance payments expensed by the department during the 2013-14 financial year.

	2014	2013
	\$'000	\$'000

9. Supplies and services

Information, communication and technology service delivery expense	160,067	138,307
Arts and culture service delivery expense	33,673	31,892
Science and innovation related service delivery expense	22,492	22,616
Shared service provider delivery expense	31,093	57,477
Bank fees and charges	531	559
Other	20,281	7,822
Total	268,137	258,673

Notes to and forming part of the financial statements 2013–14

10. Grants and subsidies	2014 \$'000	2013 \$'000
Arts and culture	35,151	39,899
Science and innovation*	39,732	62,670
Information, communication and technology	1,395	1,357
Other grants	361	409
Loan – fair value adjustment **	598	14,474
Total	77,237	118,809

* The department provides concessional loans to universities and research institutions under the Innovation Building Fund. The department expects that the recipient will satisfy the conditions for part of the loan (namely 1/3 of the total loan raised) to be waived and has therefore included the waived component of the loan in grants expense during the 2013-2014 financial reporting period of \$0.333 million (2013: \$12.989 million).

** New loans and variations made under the Innovation Building Fund have been adjusted to fair value at inception as calculated by Queensland Treasury Corporation, refer note 1(j).

11. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:

Buildings	35,690	37,093
Infrastructure assets	292	270
Plant and equipment	16,182	16,827
Leased assets	622	-
Software purchased	488	798
Software internally generated	9,823	12,863
Total	63,097	67,851

The approximate increase/(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	(66)	(665)
Plant and equipment	72	(169)

12. Impairment losses

Intangible assets	3,857	23,851
Property, plant and equipment	341	14
Impairment losses on trade receivables	54	(55)
Total	4,252	23,810

Refer to notes 20, 21 and 33 for details of the recognised impairment losses.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
13. Finance/borrowing costs		
Interest expense	741	1,380
Finance charges relating to finance leases	134	11
Finance charges relating to promissory note	-	38
Administration charges	24	99
Total	899	1,528

The department does not capitalise finance/borrowing costs. Refer to note 1(y) for further information. Interest expense and finance charges relate to the department's borrowings and finance lease facilities, refer note 23.

14. Other expenses

Insurance premiums - QGIF	793	1,008
Insurance premiums - Other *	459	419
External audit fees **	497	2,465
Losses from disposal of non-current assets	620	1,317
Special payments - Gifts	3	1
Other***	41,419	1
Total	43,791	5,211

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

** Total audit fees paid to the Queensland Audit Office relating to the 2013-14 audit are estimated to be \$1,705,700 (2013: \$1,585,000). This balance is inclusive of \$1,197,700 relating to the engagement to provide assurance on controls for the department in its capacity as a service organisation for Queensland Government departments.

*** Includes a payment to an ICT service provider of \$40.968 million relating to settlement of contractual obligations with respect to expenditure committed under contract.

15. Cash and cash equivalents

Imprest accounts	38	40
Cash at bank	79,137	68,837
Total	79,175	68,877

The department, through the CITEC commercialised business unit, continues to earn interest on its deposits with the Commonwealth Bank. Interest earned on cash held with the Commonwealth Bank earned between 1.56% to 1.81% during 2013-14 (2.05% to 2.54% during 2012-13).

All other departmental bank accounts are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

Notes to and forming part of the financial statements 2013–14

16. Loans and receivables	2014 \$'000	2013 \$'000
<i>Current</i>		
Trade debtors	28,054	37,025
Less: Allowance for impairment loss*	(105)	(127)
Net trade debtors	27,949	36,898
Advances	207	229
Less: Allowance for impairment loss*	(200)	(200)
Net advances	7	29
GST receivable	5,363	4,058
GST payable	(3,955)	(2,981)
Net GST	1,408	1,077
Annual leave reimbursements	5,221	5,356
Long service leave reimbursements	1,222	2,034
Departmental services revenue receivable	7,829	34,576
Equity injection receivable	-	646
Accrued revenue	9,576	11,900
Interest receivable	89	76
Loans receivable	6,290	5,526
Other	896	7,190
Total	60,487	105,308
<i>Non-current</i>		
Loans receivable**	35,716	34,643
Total	35,716	34,643
*Refer to note 33 Financial instruments (Credit risk exposure) for an analysis of movements in the allowance for impairment loss.		
**This amount includes loans of \$35.586 million (2013: \$33.712 million) held at amortised cost provided under the Innovation Building Fund with a face value of \$115.975 million (\$114.975 million).		
17. Inventories		
Work in progress	-	13
Supplies and consumables – at cost	6	27
Total	6	40
18. Tax Assets		
<i>Current</i>		
Tax asset	8	-
Total	8	-
<i>Non-current</i>		
Deferred tax asset	-	683
Total	-	683

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
19. Other current and non-current assets		
<i>Current</i>		
Prepayments	15,998	12,646
Lease incentives	294	-
Total	16,292	12,646
<i>Non-current</i>		
Prepayments	698	1,123
Lease incentives	901	-
Total	1,599	1,123
20. Intangible assets		
Software purchased: At cost		
Gross	63,269	63,288
Less: Accumulated amortisation	(62,134)	(61,656)
Less: Accumulated impairment losses	(120)	(120)
Total	1,015	1,512
Software internally generated: At cost		
Gross	183,606	179,864
Less: Accumulated amortisation	(101,444)	(92,143)
Less: Accumulated impairment losses	(49,146)	(45,629)
Total	33,016	42,092
Intangible assets under development (work-in-progress)		
At cost	109	2,249
Less: Accumulated impairment losses	(109)	-
Total	-	2,249
Total	34,031	45,853

Notes to and forming part of the financial statements 2013–14

20. Intangible assets (continued)

Reconciliations

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

Intangible assets reconciliation	Software purchased		Software internally generated	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Carrying value at 1 July	1,512	2,309	42,092	113,545
Acquisitions	-	166	2,113	484
Transfers in from other Queensland Government entities	-	-	445	-
Disposals	(9)	(233)	(485)	(148)
Disposal through restructuring	-	-	-	(41,246)
Impairment losses recognised in operating surplus/(deficit)*	-	(120)	(3,748)	(23,731)
Impairment losses reversed in operating surplus/(deficit)*	-	187	230	-
Transfers between classes**	-	-	2,192	6,051
Amortisation	(488)	(797)	(9,823)	(12,863)
Carrying amount at 30 June	1,015	1,512	33,016	42,092

Intangible assets reconciliation	Intangible assets under development at cost		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Carrying value at 1 July	2,249	3,805	45,853	119,659
Acquisitions	-	-	2,113	650
Acquisitions through internal development	714	4,501	714	4,501
Transfers in from other Queensland Government entities	-	-	445	-
Disposals	-	-	(494)	(381)
Disposals through restructuring	-	-	-	(41,246)
Impairment losses recognised in operating surplus/(deficit)*	(109)	-	(3,857)	(23,851)
Impairment losses reversed in operating surplus/(deficit)*	-	-	230	187
Transfers between classes**	(2,416)	(6,057)	(224)	(6)
Amortisation	-	-	(10,311)	(13,660)
Other	(438)	-	(438)	-
Carrying amount at 30 June	-	2,249	34,031	45,853

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

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

**Balance of net transfers between classes relate to asset transfers to Property, Plant & Equipment (refer to note 21).

20. Intangible assets (continued)

Amortisation of intangibles is included in the line item "Depreciation and Amortisation" in the Statement of Comprehensive Income.

The original cost of fully amortised intangible assets still in use with a written down value of nil is \$64.1 million. The majority of these assets relate to legacy computer software held by Queensland Shared Services (QSS) pending review or replacement.

During the 2013-14 financial year, QSS recognised a further impairment loss of \$3.7 million on the QSS controlled whole-of-government ECC5 finance system, as a result of the Department of Transport and Main Road's decision to transfer from the whole-of-government environment and upgrade to a purpose built SAP ECC6 finance system. The carrying value of the ICT system assets has been reduced and an equal impairment loss recognised, to reflect declining demand associated with the use of these systems and reduction in future economic benefits expected to be recovered by the department through the continuing use of the systems over their remaining useful lives.

	2014 \$'000	2013 \$'000
21. Property, plant and equipment		
Land: At fair value		
Gross	234,614	212,895
Total	234,614	212,895
Buildings: At fair value		
Gross	933,744	917,398
Less: Accumulated depreciation	(491,235)	(445,642)
Total	442,509	471,756
Heritage and cultural assets: At fair value		
Gross	135	98
Total	135	98
Plant and equipment: At cost		
Gross	166,320	164,039
Less: Accumulated depreciation	(104,188)	(93,150)
Less: Accumulated impairment loss	(356)	(14)
Total	61,776	70,875
Infrastructure: At fair value		
Gross	14,821	13,295
Less: Accumulated depreciation	(4,771)	(3,856)
Total	10,050	9,439
Leased assets: At fair value		
Gross	40,253	-
Less: Accumulated depreciation	(622)	-
Total	39,631	-

Capital work-in-progress:

Notes to and forming part of the financial statements 2013–14

At cost	4,457	6,560
Total	793,172	771,623

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

21. Property, plant and equipment (continued)

Reconciliations

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

	Land		Buildings		Leased assets		Heritage and cultural assets	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Property, plant and equipment reconciliation								
Carrying amount at 1 July	212,895	212,891	471,756	503,603	-	-	98	98
Transfers in from other QLD Govt entities	2,000	-	-	-	-	-	-	-
Revaluation increments/(decrements)	19,719	-	6,191	-	-	-	37	-
Acquisitions	16,500	4	-	-	40,253	-	-	-
Disposals	(16,500)	-	-	-	-	-	-	-
Transfers between classes	-	-	252	5,245	-	-	-	-
Depreciation	-	-	(35,690)	(37,092)	(622)	-	-	-
Carrying amount at 30 June	234,614	212,895	442,509	471,756	39,631	-	135	98

	Infrastructure assets		Plant and equipment		Capital works in progress		TOTAL	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Property, plant and equipment reconciliation								
Carrying amount at 1 July	9,439	9,886	70,875	83,719	6,560	10,651	771,623	820,848
Transfers in from other QLD Govt entities	-	-	100	248	-	2,062	2,100	2,310
Donations received	-	-	-	552	-	-	-	552
Revaluation increments/(decrements)	904	-	-	-	-	-	26,851	-
Acquisitions	-	-	6,727	4,012	1,127	673	64,607	4,689
Disposals	-	-	(138)	(1,120)	-	(1,464)	(16,638)	(2,584)
Transfers out to other QLD Govt entities	-	-	-	-	(2,515)	-	(2,515)	-
Transfers between classes	-	(177)	687	300	(715)	(5,362)	224	6
Impairment losses recognised in operating surplus/(deficit)*	-	-	(342)	(14)	-	-	(342)	(14)
Depreciation	(293)	(270)	(16,181)	(16,827)	-	-	(52,786)	(54,189)
Other	-	-	48	5	-	-	48	5
Carrying amount at 30 June	10,050	9,439	61,776	70,875	4,457	6,560	793,172	771,623

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

Notes to and forming part of the financial statements 2013–14

21. Property, plant and equipment (continued)

Categorisation of fair values recognised as at 30 June 2014 (refer to note 1(p))

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	234,614	-	234,614
Buildings	-	442,509	442,509
Heritage and Cultural assets	-	135	135
Infrastructure	-	10,050	10,050

Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June 2014 \$'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Buildings	442,509	Depreciation rates	2% to 20%	Increase/decrease in depreciation rates would increase/decrease the fair value
Infrastructure	10,050	Depreciation rates	2% to 7%	Increase/decrease in depreciation rates would increase/decrease the fair value

Usage of alternative level 3 inputs (as per the above table) that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value. There are no significant inter-relationships between unobservable inputs that materially impact fair value.

Land

Arts Queensland controls land at the Cultural Precinct at South Brisbane and in Fortitude Valley with a total fair value as at 30 June 2014 of \$232.1 million and were subject to comprehensive independent valuation by the State Valuation Services (SVS) in the 2013-14 financial year.

The fair value of the land was based on publicly available data on land sales with similar attributes such as location, development potential, access to facilities and other community amenities, overall size and any significant restrictions.

As a result of the valuation exercise, a net revaluation increment of \$26.1 million was recorded against Arts Queensland controlled land.

During the 2013-14 financial year, Arts Queensland recognised an encroachment of 800 square metres over a portion of the river at the Cultural Precinct at Southbank as a reserve for cultural purposes. The fair value of this encroachment was assessed to be \$2 million and has been reflected as revenue in the Statement of Comprehensive Income. Additionally, the department finalised a land swap with the Department of Natural Resources and Mines to address land title issues at the Cultural Precinct at Southbank. The fair value of the land acquired and disposed of by the department was \$16.5 million as assessed by the Department of Natural Resources and Mines.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

21. Property, plant and equipment (continued)

Science controls land at Deagon and at Deception Bay with a total fair value as at 30 June 2014 of \$2.5 million. This land was subject to a comprehensive independent valuation by SVS in August 2013 and June 2014 respectively. Management has assessed that there was no significant change to the valuation of the Deagon land between August 2013 and June 2014.

The fair value of the land was based on publicly available data on sales of similar land in nearby localities. In determining the values, adjustment was made to the sales data to take into account the location of the land, its size, street/road frontage and access, the nature of the buildings on the land, development potential and any significant restrictions.

The previous valuation of the Deagon land in 2010 was based on the highest and best use of the land as having the potential for rezoning to a higher value use for residential development. In the recent valuation in 2013-14 financial year, SVS research indicated that due to environmental restrictions, the potential use of the land was restricted and the existing use of the land for government scientific purposes was the highest and best use of the land, resulting in no potential for rezoning the land to a higher value use for residential purpose. The SVS re-assessment of the highest and best use of the land was supported by a Town Planning Investigation Report undertaken by THG Town Planners in January 2014.

As a result of the revaluation, there was a revaluation decrement of \$6.4 million recorded in the value of the land at Deagon. The fair value of the land at Deception Bay, which is considerably smaller in size, remained unchanged.

Buildings

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

Buildings controlled by Arts Queensland were previously subject to a comprehensive independent valuation by the Australian Valuation Office in 2011-12 financial year. The fair value in 2011-12 financial year was determined using a depreciated replacement cost approach. During the 2013-14 financial year, Arts Queensland engaged Gray Robinson & Cottrell Quantity Surveyors (GRC) to provide indexation of the previously comprehensively valued building assets. Based on a 1.93% increase in the building price index, GRC recommended an increase in the building asset values of 1.93% from the previous reporting period.

As a result of the revaluation, a net revaluation increment of \$8.2 million was recorded against Arts Queensland controlled buildings.

Science controls buildings situated at Deagon and at the Brisbane Herbarium, Mt Coot-tha Road, Toowong. These buildings were subject to a comprehensive independent valuation by the SVS in August 2013 and June 2014 respectively. Due to the specialised nature of the buildings (i.e. largely used for scientific and research purposes), the fair value was determined using a depreciated replacement cost approach. The depreciated replacement cost was based on a combination of internal records of the original cost of the building and the specialised fit out, adjusted for more contemporary design/construction approaches, and published construction rates for various standard components of buildings. Significant judgement was also used to assess the remaining potential of the buildings, given local climatic and environmental conditions and records and inspection of the current condition of the buildings. Management has assessed that there was no significant change to the valuation of the Deagon building between August 2013 and June 2014.

As a result of the revaluation, a revaluation decrement of \$2 million was recorded on the various buildings at the Brisbane Herbarium. The fair value of the buildings at Deagon remained largely unchanged.

Infrastructure

Infrastructure assets in this asset class are controlled by Science and largely comprise the State of Queensland's proportionate share of the Tweed River Entrance Sand Bypassing Project (TRESBP) infrastructure assets.

Notes to and forming part of the financial statements 2013–14

21. Property, plant and equipment (continued)

These assets were subject to an independent valuation in June 2014 by New South Wales Public Works for the Crown Lands Division of the NSW Trade and Investment.

Due to the specialised nature of the TRESBP infrastructure assets, the fair value was determined using a depreciated replacement cost approach. The depreciated replacement cost was based on a combination of internal records of the original cost of the infrastructure, adjusted for contemporary technology and construction approaches. Significant judgement was also used to assess the remaining service potential of the infrastructure, given local climatic and environmental conditions, projected usage, and records of the current condition of the infrastructure. As a result of the revaluation, a revaluation increment of \$0.68 million was recorded against the TRESBP infrastructure asset.

Heritage and Cultural assets

Heritage and cultural assets include works of art controlled by Science and Arts Queensland.

The heritage and cultural assets controlled by Arts Queensland have not been subject to an official revaluation or indexation as values are considered to be immaterial.

Heritage and cultural assets controlled by Science were subject to specific appraisal in March 2014 by MacAulay Partners. The valuation methodology included inspection of artworks. The valuation was based on sales prices achieved for artworks of similar quality by the artist, or where there are no recent sales for a particular artist, by an artist of equivalent stature.

Plant and Equipment

The department has plant and equipment with an original cost of \$48.5 million and a written down value of nil still being used in the provision of services. The majority of these assets relate to computer hardware held by Queensland Shared Services and CITEC and scientific and related equipment held by Science.

During the 2013-14 financial year, an impairment loss of \$0.34 million was recognised by CITEC in respect of the Technology Transformation Project developed Security Information and Event Management (SIEM) solution, which was commissioned in early 2012. The current SIEM solution is no longer in productive use and will be replaced by a new solution during 2014-15.

Capital work-in-progress

During the 2013-14 financial year, the final fit out of the Ecoscience Precinct building at Dutton Park was completed by the department and the remaining capital work-in-progress balance of \$2.515 million was transferred to the Department of Housing and Public Works as an equity transfer to complete the Knowledge Based Research and Business (KBRB) project.

Leased assets

The State of Queensland (through the department) has entered into a service agreement with a telecommunication service provider in September 2013 to have provisioned, operated and maintained a digital radio network known as the Government Wireless Network (GWN). Under the agreement the State will gain control over infrastructure and equipment over which it will have exclusive right to use. The gross carrying value of the leased assets was determined using valuation techniques, specifically the present value of future payments under the service agreement attributable to these assets. This value was compared to the fair value of the assets in reference to representations made by the telecommunication service provider in June 2014, being date of commercial acceptance of the GWN facility, and the date from which the assets were available for use. The present value calculated was deemed to be less than the fair value representations, and therefore this amount was used to record the gross carrying cost of \$40.2 million in accordance with AASB 117 *Leases*. Refer also notes 23, 30 and 33.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
22. Payables		
Trade creditors and accruals	44,546	91,785
Equity withdrawal	2,683	-
Grants and subsidies payable	163	245
Payroll tax	1,261	805
Other	2,531	720
Total	51,184	93,555

23. Interest bearing liabilities

Current

Finance lease liability (see note 33)	2,009	-
Queensland Treasury Corporation borrowings	12,831	12,274
Total	14,840	12,274

Non-Current

Finance lease liability (see note 33)	38,080	-
Queensland Treasury Corporation borrowings	2,015	9,357
Total	40,095	9,357

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. No assets have been pledged as security for the borrowings.

All borrowings are in \$A denominated amounts and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period.

Expected final repayment dates vary between 15 August 2014 to 8 November 2016. The interest rate on borrowings ranges from 2.69% to 6.27%.

Interest on finance leases is recognised as an expense as it accrues. No interest has been capitalised during the current or comparative reporting period.

The department's finance lease term is 15 years and the implicit interest rate is 3.99%. Refer also note 21, 30 and 33.

CITEC has an overdraft facility with the Queensland Treasury Corporation with an approved credit limit of \$5 million. The facility remains undrawn as at 30 June 2014 and is available for use in the next reporting period. The current overdraft rate is 5.65% (2013: 6.05%).

24. Accrued employee benefits

Annual leave levy payable	6,205	6,591
Long service leave levy payable	1,357	1,264
Salaries, wages and other related expenses outstanding	958	252
Other	39	140
Total	8,559	8,247

Notes to and forming part of the financial statements 2013–14

25. Tax liabilities	2014 \$'000	2013 \$'000
Deferred tax liability	934	73
Total	934	73

26. Other current and non-current liabilities	2014 \$'000	2013 \$'000
<i>Current</i>		
Unearned revenue	2,075	7,041
Advances	-	2,130
Lease incentives	294	-
Prepaid deposits	646	908
Total	3,015	10,079
<i>Non-Current</i>		
Lease incentives	901	-
Total	901	-

27. Asset revaluation surplus by class

Balance at 1 July	10,150	10,150
Increment on revaluation of:		
Land	19,719	-
Buildings	6,192	-
Infrastructure	904	-
Heritage and cultural	37	-
Balance at 30 June *	37,002	10,150

*Closing balance of asset revaluation surplus by class:

Land	29,638	9,919
Buildings	6,297	105
Infrastructure	1,030	126
Heritage and cultural	37	-
Total	37,002	10,150

*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 department's asset revaluation process.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
28. Reconciliation of operating surplus to net cash from operating activities		
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	79,175	68,877
(b) Reconciliation of operating surplus to net cash from operating activities		
Operating result from continuing operations before income tax	10,643	(18,883)
Less: Income tax benefit/(expense)	(1,537)	(9,526)
	9,106	(28,409)
<i>Non-cash items:</i>		
Depreciation and amortisation expense	63,097	67,851
Contributed assets	-	(14)
Recognition of prior period assets	(68)	-
Doubtful debts written off or provided for	50	182
Loss on sale or disposal of non-current assets	620	1,317
Gain on sale or disposal of non-current assets	(23)	(187)
Debt forgiveness on loans	333	15,487
Market realisation charge on loan	-	(4)
Fair value and notional interest adjustment on loans	(1,207)	12,944
Assets and liabilities assumed/relinquished	(2,000)	(133)
Assets transferred to expense	438	-
Impairment losses	3,968	23,678
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in net receivables	43,746	(32,078)
(Increase)/decrease in inventory	33	(9)
(Increase)/decrease in interest receivable	(14)	80
(Increase)/decrease in prepayments	(2,927)	3,135
(Increase)/decrease in deferred tax assets	675	9,526
(Increase)/decrease in other assets	29	(1,259)
Increase/(decrease) in unearned revenue	(6,283)	3,798
Increase/(decrease) in accrued employee benefits	672	1,044
Increase/(decrease) in accounts payable	(43,745)	1,129
Increase/(decrease) in interest payable	-	(30)
Increase/(decrease) in other liabilities	(664)	(7,425)
Increase/(decrease) in tax liabilities	862	-
Increase/(decrease) in GST input tax credits receivable	(356)	(1,383)
Increase/(decrease) in GST payable	(629)	(965)
Net cash from operating activities	65,713	68,275

29. Non-cash financing and investing activities

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses as a result of non-reciprocal transfers are recognised in note 4.

Notes to and forming part of the financial statements 2013–14

30. Commitments for expenditure

	2014 \$'000	2013 \$'000
a) Finance lease liabilities		
Lease liabilities recognised in the Statement of Financial Position		
Current	2,009	-
Non-current	38,080	-
Total	40,089	-

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

Not later than one year	3,938	-
Later than one year and not later than five years	15,752	-
Later than five years	39,049	-
	58,739	-
Less: Anticipated input tax credits	(5,340)	-
Less: Future finance charges	(13,310)	-
Total	40,089	-

b) Non-cancellable operating lease commitments

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

Not later than one year	42,712	45,301
Later than one year and not later than five years	41,271	45,434
Later than five years	-	6,291
Total	83,983	97,026

The department has entered into a finance lease with a telecommunications service provider as a means of funding the acquisition of information and communications equipment in support of the establishment of a Government Wireless Network. Lease payments are fixed. The department has options to purchase this equipment at the expiry of the lease period. Capitalised leased assets are depreciated over the estimated useful life of the asset.

The department has used valuation techniques using data provided by the telecommunications service provider to dis-aggregate total payments made to the telecommunications service provider between those payments attributable to repayment of the finance lease and those payments relating to operational services which will be expensed. Refer also notes 21, 23 and 33.

Operating leases have been entered into primarily as a means of acquiring access to office accommodation and storage facilities. Rental payments are usually able to be varied based on CPI or conditions detailed in the lease on which contingent rentals are determined. Most leases contain renewal clauses but no purchase options exist in relation to operating leases and no leases contain restrictions on financing or other leasing activities. Where such renewal options exist, they are all exercisable at market prices. No leases have escalation clauses other than in the event of payment default.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
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c) Capital expenditure commitments

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

Buildings

Payable:

Not later than one year	18,598	18,338
Later than one year and not later than five years	6,566	12,643
Later than five years	-	20
Total	25,164	31,001

Plant and equipment

Payable:

Not later than one year	722	-
Total	722	-

d) Grants and subsidies commitments

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

Payable:

Not later than one year	28,533	49,245
Later than one year and not later than five years	34,684	44,208
Total	63,217	93,453

e) Other expenditure commitments

Other expenditure commitments inclusive of anticipated GST but not recognised in the accounts are as follows:

Payable:

Not later than one year	37,560	40,840
Later than one year and not later than five years	20,734	53,130
Later than five years	3	-
Total	58,297	93,970

Notes to and forming part of the financial statements 2013–14

31. Contingencies

a) Financial guarantees

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

Australian Securities and Investment Commission	550	550
State of Victoria	600	235
State of New South Wales	830	830
State of Western Australia	300	300
Sydney Water Corporation	-	100
Insolvency and Trustee Service Australia	127	127
Total	2,407	2,142

The State of Queensland acting through the department has provided a guarantee to Translational Research Institute Pty Ltd with respect to the performance of the tenant, Patheon Biologics (formerly DSM Biologics (Australia) Pty Ltd) under the sublease of the Biopharmaceutical Australia Research facility. The maximum liability under this guarantee is \$11.85 million over the remaining 14 year term of the sublease. The liability is mitigated by the guarantee that the parent company of Patheon Biologics, DPx Holdings B.V (formerly Konininklijke N.V) has provided to the State of Queensland guaranteeing the performance of Patheon Biologics as tenant of the facility.

No defaults have occurred and the department does not expect that the guarantees will be called upon. The guarantees are not recognised on the Statement of Financial Position as the probability of default is remote.

As financial guarantee contracts are measured in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the department has disclosed the details of the guarantee in this note, in addition to note 33, for full transparency purposes.

b) Litigation in progress

As at 30 June 2014 no claims against the department have been filed in the courts. The department has received notification of four other matters relating to claims for personal injuries that are not yet subject to court action. These matters may or may not result in subsequent litigation. It is not possible to make a reliable estimate of any costs that may or may not arise from these matters at this time.

The department on establishment, joined 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. This includes any cases that existed as at the date of the establishment of the department and cases that have arisen since that date.

CITEC has separate insurance arrangements. Under these arrangements, the department would be able to claim back, less a \$5,000 deductible, the amount paid to successful litigants up to \$50,000,000.

c) Indemnities

The department has provided an indemnity of \$750,000 to the directors of Major Brisbane Festivals Pty Ltd to protect the Brisbane Festival and therefore the directors from production losses arising from reasonable commercial risks. The department does not expect that the indemnity will be called upon.

d) Contingent assets

An amount of \$6 million is being held in trust with an Information, Communication and Technology (ICT) service provider for the Queensland Government (through the department) to purchase telecommunication products over the next 3 years. As the funds are held in trust by the provider, the department has no control over the assets, and as such, the assets have not been recognised in the financial statements as the assets do not meet the asset recognition criteria. As at 30 June 2014, the Queensland Government has not made a claim against this facility.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

32. Interests in other entities

The following entities were 100 per cent controlled by the department during 2013-14 financial year:

Name of Controlled Entity	Audit Arrangements
Aboriginal Centre for the Performing Arts Pty Ltd	Auditor-General of Queensland
Queensland Music Festival Pty Ltd	External Independent Auditor
Screen Queensland Pty Ltd	Auditor-General of Queensland
Biopharmaceuticals Australia (Network) Pty Ltd	Auditor-General of Queensland

The department had interests in the following associates during the 2013-14 financial year:

Name of Associate	Audit Arrangements
Major Brisbane Festival Pty Ltd	External Independent Auditor

a) Aboriginal Centre for Performing Arts Pty Ltd

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

The assets, liabilities, revenues 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 for the year ended 30 June 2014.

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, revenues 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 of QMF for the year ending 30 September 2014.

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, support and enhancement of the screen production industry, screen culture and the support of screen-related events in Queensland.

The assets, liabilities, revenues 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.

Audited financial statements are yet to be completed in respect of SQ for the year ended 30 June 2014.

Notes to and forming part of the financial statements 2013–14

d) Biopharmaceuticals Australia (Network) Pty Ltd

Biopharmaceuticals Australia (Network) Pty Ltd (BPA) was established and incorporated in the State of Queensland 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, revenues and expenses of BPA 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 BPA consists of one fully paid share to the value of \$1 and is held by the State of Queensland.

Audited financial statements are yet to be completed in respect of BPA for the year ended 30 June 2014.

e) Major Brisbane Festivals Pty Ltd

Major Brisbane Festivals Pty Ltd (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 State of Queensland, through the department, and the Brisbane City Council each hold 50% 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 for the year ending 31 December 2014.

f) Summary audited financial transactions and balances

	ACPA		QMF		SQ		BPA		MBF	
	30 June 2014* \$'000	30 June 2013 \$'000	30 September 2014* \$'000	30 September 2013 \$'000	30 June 2014* \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	31 December 2014* \$'000	31 December 2013 \$'000
Total revenues		1,870		6,368		12,158	1,821	1,065		17,370
Total expenses		2,285		7,391		11,833	1,865	940		17,440
Operating result		(415)		(1,023)		325	(44)	125		(70)
Total assets		1,940		475		14,734	4,136	4,465		4,268
Total liabilities		104		273		6,744	1,727	2,012		3,478
Net assets		1,836		202		7,990	2,409	2,453		790

*Audited financial statements are yet to be completed for this period.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

33. Financial instruments

	Notes	2014 \$'000	2013 \$'000
a) Categorisation of financial instruments			
The department has the following categories of financial assets and financial liabilities.			
Financial assets			
Cash and cash equivalents	15	79,175	68,877
Loans and receivables	16	96,203	139,953
Total		175,378	208,830
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	22	51,184	93,555
Interest bearing liabilities – Finance lease liability	23	40,089	-
Interest bearing liabilities – QTC borrowings	23	14,846	21,631
Total		106,119	115,186

b) Financial risk management

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

Financial risk management is implemented pursuant to 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 and the corporate and risk management unit 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.

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 maximum exposure to credit risk in relation to guarantees is disclosed in note 31.

The carrying amount of loans and receivables represents 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.

Notes to and forming part of the financial statements 2013–14

c) Credit risk exposure (continued)

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

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

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

No financial assets have had their terms re-negotiated 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:

	2014 \$'000	2013 \$'000
Financial assets past due but not impaired		
Receivables		
Less than 30 days	2,007	1,435
Overdue 30-60 days	873	4,850
Overdue 61-90 days	1,038	553
Overdue more than 90 days	508	408
Total	4,426	7,246

Individually impaired financial assets

Receivables (gross)		
Less than 30 days	-	-
Less: Allowance for impairment	-	-
Carrying amount	-	-
30-60 days	1	-
Less: Allowance for impairment	(1)	-
Carrying amount	-	-
61-90 days	1	-
Less: Allowance for impairment	(1)	-
Carrying amount	-	-
More than 90 days	304	327
Less: Allowance for impairment	(304)	(327)
Carrying amount	-	-
Total carrying amount	-	-

Movements in the allowance for impairment loss

Balance at 1 July	(327)	(1,002)
Amounts written off during the year	6	499
Amounts recovered during the year	13	13
(Increase)/decrease in allowance recognised in the operating result	2	163

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
Balance at 30 June	(306)	(327)

c) Credit risk exposure (continued)

Financial liabilities

The guarantee's given by the department referred to in note 31 meet the definition of a financial guarantee contract under AASB 139. The maximum credit risk exposure to the department in relation to these guarantees is \$14.257 million (2013: \$14.992 million).

The department assesses on an annual basis the fair value of the financial guarantees as at 30 June. It has been determined that the fair value is nil at 30 June due to the probability of default being remote with respect to the financial guarantee's held by the department. Accordingly, the fair value of the guarantees have not been recognised on the Statement of Financial Position.

d) Liquidity risk

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

The department is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation in relation to departmental service delivery. The borrowings are based on the Queensland Government's gazetted floating rate.

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.

		2014 \$'000	2013 \$'000
Financial Liabilities	Note		
Payables			
Less than 1 year		51,184	93,555
Total	22	51,184	93,555
Queensland Treasury Corporation Borrowings			
Less than 1 year		12,831	12,274
1 to 5 years		2,015	9,357
Total	23	14,846	21,631
Lease liability			
Less than 1 year		2,009	-
1 to 5 years		8,884	-
Later than 5 years		29,196	-
Total	23	40,089	-
Total financial liabilities			
Less than 1 year		66,024	105,829

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
1 to 5 years	10,899	-
Later than 5 years	29,196	9,357
Total	106,119	115,186

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. The department does not undertake any hedging in relation to risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/-1% from the year end rates applicable to the department's financial assets and liabilities. With all other variables held constant, the department would have a surplus and equity increase/decrease of \$37,239 (2013: \$135,784). This is attributable to the interest earned on cash deposits by CITEC exceeding the department's exposure to variable interest rates on its borrowings from Queensland Treasury Corporation.

The impact of interest rate movement on the department's profit and equity has reduced in the current period due to increased cash assets relative to borrowings levels held by CITEC.

	2014 \$'000	2013 \$'000
Financial instruments		
Cash		
Carrying amount*	12,200	1,670
Interest rate risk:		
-1% Profit	(122)	(16)
-1% Equity	(122)	(16)
+1% Profit	122	16
+1% Equity	122	16
QTC Borrowings		
Carrying amount**	8,476	15,249
Interest rate risk:		
-1% Profit	84	152
-1% Equity	84	152
+1% Profit	(84)	(152)
+1% Equity	(84)	(152)
Overall effect on profit and other equity		
Interest rate risk:		
-1% Profit	38	136
-1% Equity	38	136
+1% Profit	(38)	(136)
+1% Profit	(38)	(136)

Note:

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

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

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

Notes to and forming part of the financial statements 2013–14

g) Fair value

The department does not recognise any financial assets or financial liabilities at fair value.

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

The fair value of loans and borrowings is notified by the Queensland Treasury Corporation. It is calculated using discounted cash flow analysis and the effective interest rate (refer note 16 and 23) and is disclosed below:

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised cost:				
Loans receivable	42,006	46,321	40,169	39,990
Total	42,006	46,321	40,169	39,990

Financial liabilities

Financial liabilities at amortised cost:

QTC borrowings	14,846	15,013	21,630	21,906
Total	14,846	15,013	21,630	21,906

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

34. Taxation equivalents

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

	2014 \$'000	2013 \$'000
Balance sheet approach		
Major components of income tax equivalent expense for the period ended 30 June 2014:		
Income tax expense		
<i>Deferred income tax</i>		
Decrease/(increase) in deferred tax asset (Refer AA below)	677	9,526
(Decrease)/increase in deferred tax liability (Refer BB below)	860	-
Income tax equivalent expense reported in the Statement of Comprehensive Income	1,537	9,526

Reconciliation of income tax equivalent expense to prima facie tax payable for the year ended 30 June 2014 is as follows:

Operating result from continuing operations before income tax of CITEC subject to Tax Equivalents Regime:	3,485	(7,872)
Indicative tax equivalent expense at 30%	1,046	(2,362)
<i>Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:</i>		
Previously unrecognised temporary differences now recognised	1,475	-
Effect of unused tax losses and deductible temporary differences not recognised	-	2,362
De-recognition of prior year tax losses	-	9,526
Previously unrecognised tax losses now recouped to reduce current tax expense	(984)	-
Income tax equivalent expense reported in the Statement of Comprehensive Income	1,537	9,526

AA – Deferred tax asset

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

Receivables	-	4
Payables	-	1
Property, plant and equipment	-	676
Accrued employee benefits	8	2
Deferred tax assets taken to account	8	683

Notes to and forming part of the financial statements 2013–14

34. Taxation equivalents (continued)

	2014 \$'000	2013 \$'000
BB – Deferred tax liabilities		
<i>The balance comprises temporary differences attributable to:</i>		
<i>Amounts recognised in the Statement of Comprehensive Income</i>		
Interest receivable	27	73
Assets and other	907	-
Deferred tax liabilities taken to account	934	73
Deferred tax assets/(deferred tax liabilities) not recognised		
Income tax losses	25,353	26,337
Assets and other	-	(1,525)
Interest receivable	-	50
Total	25,353	24,862

Prior year temporary differences which were not brought to account as the utilisation of the 2012-13 tax losses was not probable, have now been brought to account in 2013-14 financial year due to the tax profits arising during the 2013-14 financial year.

The unrecognised income tax losses will be brought to account when it is probable that further tax profits will arise to enable these tax losses to be utilised.

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

35. Schedule of administered items

	2014 \$'000	2013 \$'000
Administered revenues		
Appropriation revenue	147,511	162,351
Interest	3,202	3,068
Total administered revenues	150,713	165,419
Administered expenses		
Supplies and services	12,160	13,287
Grants and subsidies	135,825	147,445
Finance/borrowing costs	45	646
Total administered expenses	148,030	161,378
Operating surplus	2,683	4,041
Administered current assets		
Cash and cash equivalents	1,734	10,108
Loans and receivables	4,200	184
Total administered current assets	5,934	10,292
Administered non-current assets		
Loans and receivables*	58,925	57,968
Total administered non-current assets	58,925	57,968
Total administered assets	64,859	68,260
Administered current liabilities		
Payables	139	6,289
Total administered current liabilities	139	6,289
Net administered assets	64,720	61,971
Administered equity		
Contributed equity	54,858	54,792
Accumulated surplus	9,862	7,179
Total administered equity	64,720	61,971

*This amount includes loans of \$56.175 million (2013: \$53.018 million) held at amortised cost provided under the Smart State Research Facility Fund and the University of Queensland Brain Institute with a face value of \$182.78 million (2013: \$182.78 million).

Notes to and forming part of the financial statements 2013–14

	2014 \$'000	2013 \$'000
35. Schedule of administered items (continued)		
Administered grants and subsidies		
Queensland Art Gallery	31,462	31,281
Queensland Museum	21,407	21,215
State Library of Queensland	55,023	54,221
Queensland Performing Arts Trust	9,111	8,006
Queensland Theatre Company	2,600	2,600
Screen Queensland	9,802	9,781
Queensland Shared Services	6,420	14,794
CITEC	-	5,547
Total	135,825	147,445

Administered loans and receivables

University of Queensland Brain Institute	5,240	4,941
Smart State Research Facility Fund	50,935	48,077
Queensland Centre for Advanced Technologies	2,750	4,950
Total	58,925	57,968

36. Reconciliation of payments from consolidated fund to administered revenue

Budgeted appropriation	147,145	155,625
Lapsed administered appropriation	-	7,092
Total administered receipts	147,145	162,717
Less: Closing balance of administered revenue receivable	-	(366)
Plus: Opening balance of administered revenue receivable	366	-
Administered revenue recognised in note 35	147,511	162,351

37. Agency transactions and balances

The department acts as an agent for collection and payment processing services and undertakes certain transactions on behalf of Queensland Government agencies and its clients.

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

a) CITEC

Balance at 1 July	19,423	19,310
Collections during the period	2,280,370	2,299,235
Distributions according to clients instructions during the period	(2,280,015)	(2,299,122)
Balance at 30 June	19,778	19,423

PART B

Department of Science, Information Technology, Innovation and the Arts

Notes to and forming part of the financial statements 2013–14

37. Agency transactions and balances (continued)

	2014 \$'000	2013 \$'000
b) Smart Service Queensland		
Balance at 1 July	650	14,646
Collections during the period	79,204	97,013
Distributions according to clients instructions during the period	(79,122)	(111,009)
Balance at 30 June	732	650
c) Corporate Administration Agency		
Balance at 1 July	3	-
Collections during the period	198,350	193,696
Distributions according to clients instructions during the period	(198,013)	(193,693)
Balance at 30 June	340	3

Fees received for the provision of these services are included in user charges.

All agency transactions and balances are subject to audit by the Queensland Audit Office.

38. 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.

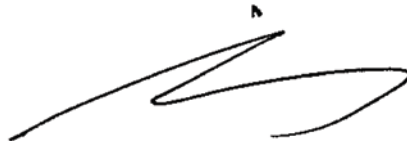
Certificate of the Department of Science, Information Technology, Innovation and the Arts

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 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 year ended 30 June 2014 and of the financial position of the department at the end of that year; and
- (c) these assertions are based upon an appropriate system of internal controls and risk management processes being effective, in all material aspects, with respect to financial reporting throughout the reporting period.



Danny Short
B Comm CPA
Chief Finance Officer



Sue Rickerby
Director-General

28 August 2014

28 August 2014

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, which comprises the statement of financial position and statement of assets and liabilities by major departmental services, CBUs and SSPs as at 30 June 2014, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and Chief Finance Officer.

The Accountable Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

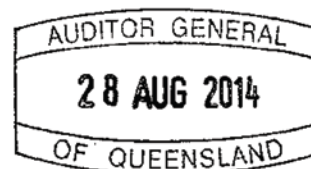
- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Science, Information Technology, Innovation and the Arts for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



A M GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane

