

# **SERVICE DELIVERY STATEMENTS**

**Department of the Premier and Cabinet**

**Office of the Governor**

**Public Service Commission**

**Queensland Audit Office**

# 2017-18 Queensland Budget Papers

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Budget Highlights

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## **Service Delivery Statements**

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## Department of the Premier and Cabinet

### Summary of portfolio

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# Portfolio overview

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Premier and Minister for the Arts:

### **Premier and Minister for the Arts**

The Honourable Anastacia Palaszczuk MP

### **Assistant Minister of State Assisting the Premier**

The Honourable Jennifer Howard MP

### **Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland**

The Honourable Coralee O'Rourke MP

### **Department of the Premier and Cabinet**

Director-General: Dave Stewart

**Service area 1:** Policy Advice and Coordination, and Cabinet Support

**Service area 2:** Strategy and Engagement

**Service area 3:** Government Services

**Service area 4:** Arts Queensland

**Service area 5:** Legislative Drafting and e-Publishing

The Premier and Minister for the Arts is also responsible for:

## Queensland Family and Child Commission

**Principal Commissioner: Cheryl Vardon**

**Objective:** To promote the safety, wellbeing and best interests of children, promote and advocate the responsibility of families and communities to protect and care for children, and to improve the child protection system.

## Queensland Art Gallery

**Director: Chris Saines**

**Objective:** To strengthen Queensland's arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

## Queensland Museum

**Chief Executive Officer: Professor Suzanne Miller**

**Objective:** To care for and build the State collection, curate and create experiences that explore unique Queensland stories, the natural environment and cultural heritage.

## Queensland Performing Arts Trust

**Chief Executive: John Kotzas**

**Objective:** To strengthen Queensland's arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

## Corporate Administration Agency

**Executive Director: Peter Mifsud**

**Objective:** To meet our customers' corporate service requirements through the provision of services in accordance with agreed Service Level Agreements and easy and convenient access to business applications.

## Officer of the Governor

**Official Secretary: Air Commodore Mark Gower OAM**

**Objective:** To enable His Excellency, the Governor, to exercise his statutory and constitutional, ceremonial, civic and social duties of office.

## Public Service Commission

**Acting Commission Chief Executive: Robert Setter**

**Objective:** To deliver high quality, community-focused policies, strategies, programs and advice to government on workforce, leadership and organisational matters that support Queensland Government agencies to deliver on their strategic vision, purpose and objectives.

## Queensland Audit Office

**Acting Auditor-General: Anthony Close**

**Objective:** To provide independent assurance and unique insights about public sector performance, facilitating better public services.

Additional information about these agencies can be sourced from:

[www.premiers.qld.gov.au](http://www.premiers.qld.gov.au)

[www.arts.qld.gov.au](http://www.arts.qld.gov.au)

[www.caa.qld.gov.au](http://www.caa.qld.gov.au)

[www.legislation.qld.gov.au](http://www.legislation.qld.gov.au)

[www.qfcc.qld.gov.au](http://www.qfcc.qld.gov.au)

[www.qagoma.qld.gov.au](http://www.qagoma.qld.gov.au)

[www.qm.qld.gov.au](http://www.qm.qld.gov.au)

[www.qpac.com.au](http://www.qpac.com.au)

[www.govhouse.qld.gov.au](http://www.govhouse.qld.gov.au)

[www.psc.qld.gov.au](http://www.psc.qld.gov.au)

[www.qao.qld.gov.au](http://www.qao.qld.gov.au)

# Departmental overview

As the lead central agency of the Queensland public service, we serve the Premier and Cabinet, build confidence in and drive an innovative government, while providing whole-of-government leadership to deliver outstanding results and value for money for the people of Queensland.

The Department of the Premier and Cabinet's (DPC) vision is "*Making a real and tangible difference today, and future generations will recognise our contributions*". We do this by supporting the Premier and Cabinet in setting the strategic direction of government.

To achieve this vision, our strategic objectives are to:

- lead the public sector to achieve strong policy outcomes for the Government
- ensure the delivery of a robust system of government
- inform the strategic direction of Queensland
- grow the arts sector and foster a community that values the arts
- maintain a high-performing workforce.

DPC coordinates and collaborates across all agencies to develop and implement policy and services to drive the Queensland Government's objectives for the community by:

- creating jobs and a more diverse economy through encouraging investment, innovation and infrastructure development
- building safe, caring and connected communities to improve social well-being, build social cohesion and inclusion
- supporting the delivery of quality frontline services, building confidence in government and effectively leading the Queensland public service
- protecting the environment through the development of innovative solutions to counteract the effects of climate change.

Queensland faces global challenges with far-reaching implications. DPC is taking positive steps to ensure that Queensland is well placed to respond and to seize emerging opportunities.

The digital age has brought about a world in which a wealth of information is at our fingertips and digital disruption is changing the traditional boundaries between economies, industries, jurisdictions, agencies and citizens. In this changing landscape, DPC ensures we understand and incorporate Queensland's diverse community and stakeholder perspectives in government policy.

In 2017-18, DPC will:

- provide forward thinking policy advice for the Queensland Government in response to key trends and issues
- support the delivery of the Government's priorities and commitments in areas such as job creation, energy, Strategy on Ice, Domestic and Family Violence reduction, industry development and climate change
- focus on regional growth and sustainability through policy development, program delivery and government presence
- strengthen community engagement to better inform policy direction
- provide effective leadership on whole-of-government integrated communications
- enhance the whole-of-government approach to risk management
- support Cabinet, including governing from the regions
- encourage new ways of working and plan for the future workforce, including job creation.

# Service performance

## Performance statement

### Policy Advice and Coordination, and Cabinet Support

#### Service area objective

Lead the public sector to achieve strong policy outcomes for the Government and provide advice and support to the Premier and Cabinet.

#### Service area description

The service area provides comprehensive, coordinated policy advice to the Premier and Cabinet, and Ministers assisting the Premier, from design and development through to implementation and review. It also provides policy leadership across government and advances government policy priorities as well as providing logistical support for the operation of Cabinet and its related processes, including the administration of all Cabinet information, and supports the Government's accountability to the Parliament.

The service area plays a vital role in ensuring the Government is able to function efficiently and effectively, by supporting the Government to chart its strategic direction, progress its priorities, achieve its objectives for the community, deliver its election commitments, and respond to challenging and newly-emerging circumstances with state-wide impact and broader national interests. It consults and collaborates with other departments, all levels of government, non-government organisations, the private sector and key stakeholders.

#### Services

- Policy advice and coordination
- Cabinet support

#### 2017-18 service area highlights

In 2017-18, Policy Advice and Coordination, and Cabinet Support will:

- develop policies to diversify Queensland's economy by facilitating investment, encouraging innovation and planning for infrastructure development that create jobs
- support implementation of the Queensland Government's Strategic Blueprint for Queensland's North West Minerals Province, that is aimed at facilitating a strong and prosperous future for the region
- manage Queensland's disaster management and counter-terrorism arrangements
- provide secretariat, policy and analytical support to the Business Advisory Council, Working Queensland Interdepartmental Committee, Queensland Disaster Management Committee and Queensland Security Committee
- support the Government's reform agenda for justice and community-related initiatives, including:
  - a whole-of-government and community action plan to improve social cohesion
  - responding to emerging issues including Townsville Youth Crime and the Government's Strategy on Ice
  - ensuring an independent evaluation of initiatives to tackle alcohol-related violence
- coordinate, develop and provide leadership and recommendations for implementation for domestic and family violence and child safety initiatives, including the ongoing operation of the Domestic and Family Violence Implementation Council and holding regional forums to help tackle the issue of Ice
- continue to advance and coordinate the Government's North Queensland policy agenda and priority projects for economic development and jobs including whole-of-government coordination and support for the Minister Assisting the Premier on North Queensland, and delivering the Northern Australia White Paper Implementation and Engagement Strategy



- develop a coordinated government response to the challenge of climate change through co-chairing a Climate Change Interdepartmental Committee with the Department of Environment and Heritage Protection, and ongoing involvement in initiatives to protect and manage the Great Barrier Reef World Heritage Area
- support and monitor delivery of initiatives such as:
  - Government's response to relevant child safety and law and justice reviews
  - Queensland's response in relation to relevant aspects of the royal commission inquiry into institutional child sexual abuse
  - reforms on personalised transport
  - Queensland Rail reviews
  - funding arrangements for early childhood, school, tertiary and vocational education and training sectors
- encourage business to establish in Queensland to bring economic benefits and jobs through the Advance Queensland Industry Attraction Fund and the Jobs and Regional Growth Fund
- support the development and implementation of the generational strategy for Aboriginal and Torres Strait Islander Children and Families 2017-37 and Action Plan 2017-19
- coordinate Queensland's response to fire-fighting foam chemical contamination at defence and airport facilities
- develop a coordinated approach to bulk water infrastructure initiatives through Queensland's participation with the National Water Infrastructure Development Fund
- support the policy settings to stimulate the advancement of renewable energy, including gas and water
- support open policy-making and program design through partnerships with departments, researchers, industry and community organisations.

Department of the Premier and Cabinet	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Policy Advice and Coordination, and Cabinet Support</b>				
<b>Service: Policy advice and coordination</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Client satisfaction with DPC engagement with the policy development process	1, 2	85%	78%	85%
<i>Efficiency measure</i> Total cost per hour of policy advice and development output	3	\$140/hour	\$138/hour	\$140/hour
<b>Service: Cabinet support</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i> Client satisfaction with support provided by Cabinet Services	1	85%	82%	85%
Client satisfaction with advice by DPC to agencies on performance management and reporting requirements	1, 4	85%	83%	85%
<i>Efficiency measure</i> Average cost of supporting the Cabinet to govern from the regions	5	New measure	New measure	\$15,000

Notes:

1. This service standard informs on overall satisfaction of the service and is derived from an annual client survey. Clients are Ministers, Chiefs of Staff, Directors-General and their departments' Cabinet Legislation and Liaison Officers and Senior Policy Officers.
2. Satisfaction levels in relation to DPC engagement with the policy development process is reflective of the progressive and complex agenda that adapts to current and future policy matters that are often time critical. DPC will continue to work with key agencies to improve this measure.

3. This service standard informs the total cost per hour for the provision of advice. The methodology has been calculated based on the annual budget for Policy Division and the number of full-time equivalent positions in Policy Division.
4. In the 2016-17 SDS, this measure was presented under the Policy advice and coordination service. It has been moved to the Cabinet support service to retain consistency with the organisational structure of the department.
5. This new service standard measures the average cost for Cabinet Services to support each regional Cabinet meeting and community reception. Support costs include venue and equipment hire, and costs associated with DPC staff preparing for and attending the meeting/reception.

## Strategy and Engagement

### Service area objective

Through the sharing of insights, research and engagement with the community, Strategy and Engagement seeks to inform the strategic direction of government.

### Service area description

Strategy and Engagement takes a leadership role in developing future policy and communication strategy for the Queensland Government. The work performed by Strategy and Engagement includes a mix of unique functions comprising intergovernmental relations, strategic policy, integrated communications, protocol, events and executive correspondence.

### 2017-18 service area highlights

In 2017-18, Strategy and Engagement will:

- perform a leadership and coordination role across Government to ensure Queensland is well positioned to address government-wide issues through intergovernmental forums in particular Council of Australian Governments (COAG)
- lead Queensland's future-focused strategy and policy development, and support the delivery of the Government's priorities, including the Advance Queensland agenda
- lead the planning and delivery of whole-of-government communication including stakeholder and community engagement programs, advertising direction and crisis communication
- lead and advise best practice event delivery and sponsorship strategy, including management across government, for internal and external clients
- provide strategic advice and coordination of the Premier's official overseas visits and official functions including the annual functions recognising Queensland's strong relationships with trading partners such as India, China, Japan and the United States of America.

Department of the Premier and Cabinet	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Strategy and Engagement</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Client satisfaction with advice and support relating to intergovernmental issues	1, 2	85%	81%	85%
Client satisfaction with advice and support provided by Strategy and Engagement	2, 3	New measure	New measure	85%
<i>Efficiency measure</i>				
Cost of strategic engagement services as a percentage of departmental cost	4	New measure	New measure	15%

Notes:

- In the 2016-17 SDS, this measure was presented under the Policy Advice, Coordination and Cabinet Support service area. It has been moved to the Strategy and Engagement service area to retain consistency with the organisational structure of the department.
- This service standard informs on overall satisfaction of the service and is derived from an annual client survey. Clients are Ministers, Chiefs of Staff, Directors-General and their departments' Cabinet Legislation and Liaison Officers and Senior Policy Officers.
- This new service standard informs on overall satisfaction of strategic engagement activities (delivered by the Communication Services, Protocol Queensland and Events Coordination business units).
- This service standard informs on the overall cost of strategic engagement activities (delivered by the Communication Services, Protocol Queensland and Events Coordination business units) as a percentage of the total departmental budget.

## Government Services

### Service area objective

Provide high level constitutional support to the Premier and Cabinet as well as supporting Ministerial Offices and the Leader of the Opposition.

### Service area description

The service area provides policy and operational advice and support to the Premier in relation to executive government and machinery-of-government matters, supports the administration of business before Executive Council, and provides support services to Ministerial Offices and the Leader of the Opposition. In addition, it manages and coordinates the Anzac Centenary commemoration program.

Government Services is comprised of Appointments and Constitutional Services, Ministerial Services and the Anzac Centenary Coordination Unit.

### 2017-18 service area highlights

In 2017-18, Government Services will:

- coordinate high level policy advice, options and service support to the Premier and Cabinet on the establishment of, and appointments to, government bodies and any associated remuneration
- provide advice on constitutional and Executive Council matters and support to the administration of business before Executive Council
- coordinate legal representation for commissions of inquiries and major litigation on a whole-of-government basis
- provide Queenslanders with opportunities to engage with the Anzac Centenary by managing delivery of legacy projects, commemorative events, a community grants program, and producing communication and marketing activities, to educate and engage communities both regional and metropolitan.

Department of the Premier and Cabinet	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Government Services</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Client satisfaction with support and advice provided by Government Services	1	85%	85%	85%
<i>Efficiency measure</i> Cost of Government Services as a percentage of departmental cost	2	14%	8%	8%

Notes:

1. This service standard informs on overall satisfaction levels with quality, timeliness and support and is derived from an annual client survey. Clients are Ministers, Chiefs of Staff, Directors-General and their departments' Cabinet Legislation and Liaison Officers and Senior Policy Officers.
2. This service standard informs on the overall cost of Government Services as a percentage of the total departmental budget. The 2016-17 Estimated Actual result is due to a structural realignment within the department resulting in Communication Services, Protocol Queensland and Events Coordination transferring out of Government Services to Strategy and Engagement. The 2017-18 Target/Estimate has been amended to reflect this change. The calculation methodology includes direct Government Services costs as well as a proportion of indirect departmental costs.

# Service performance

## Arts Queensland

### Service area objective

To support Queenslanders' access to arts and culture to enable growth of the arts sector and a community that values the arts.

### Service area description

Arts Queensland manages investment programs that support individual artists and arts and cultural organisations; supports capital infrastructure that provides public spaces for arts production and engagement; maintains Queensland's premier cultural assets; and provides arts and cultural policy and strategy advice to the Queensland Government.

### Services

- Investment programs
- Facilities management

### 2017-18 service area highlights

In 2017-18, Arts Queensland will:

- commit \$6.5 million over four years to support Indigenous and regional arts initiatives to enable increased community arts activities across the State
- invest \$2.1 million to implement a dedicated arts incubator space for start-up Indigenous performance companies and to invest in new dance commissions performed at the Cairns Centre of Contemporary Arts and within Indigenous communities
- provide funding of \$4.4 million to transform the Sciencentre at the Queensland Museum (of a total Queensland Government investment of \$9.4 million) into a cutting-edge, interactive Science, Technology, Engineering and Mathematics (STEM) centre to inspire the next generation of Queenslanders
- provide \$17.5 million over four years for an Arts Infrastructure Investment Fund administered under the new Arts Infrastructure Investment Framework, which will prioritise infrastructure projects on State owned arts and cultural facilities
- continue to invest \$12.8 million through contestable funding programs including the Organisations Fund, Queensland Arts Showcase Program and Playing Queensland Fund.

Department of the Premier and Cabinet	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Arts Queensland</b>				
<b>Service: Investment programs</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Customer satisfaction with Arts Queensland's service delivery	1	90%	90%	90%
<i>Efficiency measure</i> Funding provided to arts and cultural sector as a proportion of arts operating budget	2	73%	73%	75%
<b>Service: Facilities management</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Utilisation of state-owned arts and cultural facilities	3	5,500,000 visitors	6,179,058 visitors	5,834,000 visitors
<i>Efficiency measure</i> Non-government revenue as a percentage of total revenue	4	17%	17%	17%

Notes:

1. This service standard is a measure of overall customer satisfaction with Arts Queensland service delivery. The method of calculating this measure is based on the *Queensland Government Performance Management Framework Measuring Customer Experience Reference Guide*.
2. This service standard is a measure of efficiency as it demonstrates the relationship between the results achieved (arts and culture funding provided to the public) for the resources used (costs of administering funding). The calculation takes Arts Queensland's total grants investment divided by Arts Queensland total allocation (excluding administered funding and property management costs).
3. This service standard is based on the total estimated attendance figures at the Cultural Precinct South Bank and the Judith Wright Centre of Contemporary Arts. The 2016-17 Estimated Actual is higher than expected due to strong audience response to the free GOMA Turns 10 celebratory program and the 2017 World Science Festival Brisbane, the Dinosaur Discovery exhibitions and related programming at the Queensland Museum.
4. There has been a wording change only with this measure (however the calculation methodology has not changed). The previous wording of this measure was Self-generated revenue as a percentage of total revenue. This service standard measures Arts Queensland's efficiency in leveraging the Government's investment in Queensland premier cultural facilities through revenue generated that contributes to facilities management costs.

## Service Performance

### Legislative Drafting and e-Publishing

#### Service area objective

To draft and provide access to Queensland legislation of the highest standard.

#### Service area description

Legislative Drafting and e-Publishing (LDeP), through the Office of the Queensland Parliamentary Counsel (OQPC), provides drafting and e-publishing services for Queensland legislation. This service area supports the Queensland Government and democracy by drafting and e-publishing legislation of the highest quality for Queensland. The service enables the Government to implement its legislative reform agenda. LDeP makes a special contribution by advising on the application of fundamental legislative principles to ensure that legislation has sufficient regard to the rights and liberties of individuals and the institution of Parliament.

#### 2017-18 service area highlights

In 2017-18, LDeP will:

- apply its drafting services in support of the Queensland Government's objectives for the community by timely delivery of the Government's legislative program
- apply its drafting services in support of democracy by drafting, on request, Bills and amendments of Bills for private members
- contribute to the drafting of national scheme legislation and the work of the Australasian Parliamentary Counsel's Committee
- provide the authoritative source of Queensland legislation by preparing reprints of legislation in a timely way and publishing this material to the Queensland legislation website [[www.legislation.qld.gov.au](http://www.legislation.qld.gov.au)]
- enhance public access to Queensland legislation and legislative information through continued public website developments.

Department of the Premier and Cabinet	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Legislative Drafting and e-Publishing</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel	1	85%	97%	85%
Client satisfaction with the quality of the access to legislation available online	1	85%	97%	85%
<i>Efficiency measure</i>				
Average cost per hour of legislative drafting and publishing output	2	New measure	New measure	\$140

Notes:

1. This service standard informs on overall satisfaction levels with the quality, timeliness and support provided by LDeP and is derived from an annual client survey. Clients are Ministers, Chiefs of Staff, Directors-General and their departments' Cabinet Legislation and Liaison Officers and Senior Policy Officers.
2. This is a new efficiency measure and informs the average cost per hour to draft and publish Queensland legislation. The methodology has been calculated based on the annual budget for OQPC and the number of full-time equivalent positions in OQPC.

## Discontinued measures

Performance measures included in the 2016-17 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with Estimated Actual results.

Department of the Premier and Cabinet	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Policy Advice and Coordination, and Cabinet Support</b>				
Average cost of support provided to coordinate Community Cabinet meetings	1	\$23,000	\$16,025	Discontinued measure

Note:

1. This service standard has been replaced with a new measure 'Average cost of supporting the Cabinet to govern from the regions' reflecting the change in support provided to Cabinet to govern from the regions. Support costs for the discontinued measure include venue and equipment hire, and costs associated with DPC staff preparing for and attending the meetings (such as salary, travel and accommodation).



## Administered items

Administered activities are those undertaken by departments on behalf of the Government.

The department will administer payments to Ministerial Offices and the Office of the Leader of the Opposition.

The key clients are Ministers, Assistant Ministers, the Leader of the Opposition and their respective staff. The services provided are:

- support for Ministers to assist in undertaking their responsibilities as Ministers of the State
- management of advisory, secretarial and administrative staff and associated resources for all Ministerial Offices
- maintenance of procedures to ensure the financial accountability of these offices is in accordance with the *Queensland Ministerial Handbook*
- corporate support for the Office of the Leader of the Opposition.

The accounting, purchasing, information technology, telecommunications, asset management and personnel requirements for these administered areas are supplied by Ministerial Services within the Government Services area.

During 2017-18, the following significant developments are planned to be undertaken:

- implement a workflow management system to facilitate the automation of a range of Ministerial Services' processes
- complete network and server infrastructure replacement for the Ministerial and Opposition IT environments.

Financial statements and variance explanations in relation to administered items appear in the Departmental Financial Statements. Further information can be obtained by referring to the Public Reports of office expenses tabled twice-yearly in Parliament.

The department also administers funds on behalf of the State, which includes the Queensland Family and Child Commission, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company and Screen Queensland.

Administered funding provided for each entity in 2017-18 is:

- \$12.5 million for Queensland Family and Child Commission
- \$32.7 million for Queensland Art Gallery
- \$33.6 million for Queensland Museum
- \$8.5 million for Queensland Performing Arts Trust
- \$2.6 million for Queensland Theatre Company
- \$21.8 million for Screen Queensland.

Financial statements and variance explanations for the Queensland Family and Child Commission, Queensland Art Gallery, the Queensland Museum, and the Queensland Performing Arts Trust are reported within the *Service Delivery Statements*.

## Ministerial Offices and Office of the Leader of the Opposition

This table shows a summary of staff by Office relating to Ministerial Offices and Office of the Leader of the Opposition.

Staff by Office <sup>1</sup>	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Estimate
Premier and Minister for the Arts		35	35	..
Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment		16	16	..
Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport		14	14	..
Minister for Health and Minister for Ambulance Services		13	13	..
Minister for Education and Minister for Tourism and Major Events		11	11	..
Minister for State Development and Minister for Natural Resources and Mines		10	10	..
Attorney-General and Minister for Justice and Minister for Training and Skills		11	11	..
Minister for Police, Fire and Emergency Services and Minister for Corrective Services		10	10	..
Minister for Transport and the Commonwealth Games		10	10	..
Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply		10	10	..
Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef		9	9	..
Minister for Innovation, Science and the Digital Economy and Minister for Small Business		9	9	..
Minister for Communities, Women and Youth, Minister for Child Safety and Minister for the Prevention of Domestic and Family Violence		9	9	..
Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland		9	9	..
Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs		9	9	..
Minister for Housing and Public Works		9	9	..
Minister for Agriculture and Fisheries		9	9	..
<b>Total Ministerial Offices</b>		<b>202</b>	<b>202</b>	<b>0</b>
Assistant Minister of State Assisting the Premier		0	0	..
Assistant Minister for Local Government		0	0	..
<b>Total Assistant Ministers</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total for Ministerial Offices and Assistant Ministers<sup>2</sup></b>		<b>202</b>	<b>202</b>	<b>0</b>
Corporate Support		0	0	..
Office of the Leader of the Opposition		22	22	..
<b>Total for Non-Government support</b>		<b>22</b>	<b>22</b>	<b>..</b>
<b>GRAND TOTAL</b>		<b>224</b>	<b>224</b>	<b>..</b>

Notes:

1. Figures may not add due to rounding.
2. Portfolios for 2016-17 changed after 11 November 2016 following a portfolio reshuffle.

<b>Staff by Office<sup>1</sup></b>	<b>Notes</b>	<b>2016-17 Budget</b>	<b>2016-17 Est. Actual</b>	<b>2017-18 Estimate</b>
Premier and Minister for the Arts		..	35	35
Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning		..	18	18
Treasurer and Minister for Trade and Investment		..	14	14
Minister for Health and Minister for Ambulance Services		..	13	13
Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games		..	13	13
Minister for State Development and Minister for Natural Resources and Mines		..	10	10
Attorney-General and Minister for Justice and Minister for Training and Skills		..	11	11
Minister for Agriculture and Fisheries and Minister for Rural Economic Development		..	9	9
Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply		..	12	12
Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef		..	9	9
Minister for Innovation, Science and the Digital Economy and Minister for Small Business		..	9	9
Minister for Communities, Women and Youth, Minister for Child Safety and Minister for the Prevention of Domestic and Family Violence		..	9	9
Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland		..	9	9
Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs		..	9	9
Minister for Housing and Public Works and Minister for Sport		..	10	10
Minister for Police, Fire and Emergency Services and Minister for Corrective Services		..	10	10
Minister for Local Government and Minister for Aboriginal and Torres Strait Islander Partnerships		..	10	10
<b>Total Ministerial Offices<sup>2</sup></b>		..	<b>209</b>	<b>209</b>
Assistant Minister of State Assisting the Premier		..	0	0
Assistant Minister for Transport and Infrastructure		..	0	0
<b>Total Assistant Ministers</b>		..	<b>0</b>	<b>0</b>
<b>Total for Ministerial Offices and Assistant Ministers</b>		..	<b>209</b>	<b>209</b>
Office of the Leader of the Opposition		..	22	22
<b>Total for Non-Government support</b>		..	<b>22</b>	<b>22</b>
Corporate Support		..	0	0
<b>GRAND TOTAL<sup>2</sup></b>		..	<b>231</b>	<b>231</b>

Notes:

1. Figures may not add due to rounding.
2. Staff count has increased due to additional Ministerial responsibilities following the February 2017 portfolio reshuffle.

## Ministerial Offices and the Office of the Leader of the Opposition

Budget and Expenses by Office <sup>1</sup>	Notes	2016-17 Budget \$'000	2016-17 Est. Actual <sup>2</sup> \$'000	2017-18 Estimate \$'000
Premier and Minister for the Arts		7,047	2,697	..
Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment		2,919	1,020	..
Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport		2,747	966	..
Minister for Health and Minister for Ambulance Services		2,407	883	..
Minister for Education and Minister for Tourism and Major Events		1,975	687	..
Minister for State Development and Minister for Natural Resources and Mines		1,845	739	..
Attorney-General and Minister for Justice and Minister for Training and Skills		1,979	659	..
Minister for Police, Fire and Emergency Services and Minister for Corrective Services		1,841	668	..
Minister for Transport and the Commonwealth Games		1,778	668	..
Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply		1,833	718	..
Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef		1,773	695	..
Minister for Innovation, Science and the Digital Economy and Minister for Small Business		1,669	626	..
Minister for Communities, Women and Youth, Minister for Child Safety and Minister for the Prevention of Domestic and Family Violence		1,674	597	..
Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland		1,722	605	..
Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs		1,743	596	..
Minister for Housing and Public Works		1,679	548	..
Minister for Agriculture and Fisheries		1,663	668	..
<b>Total Ministerial Offices</b>		<b>38,296</b>	<b>14,039</b>	..
Assistant Minister of State Assisting the Premier		61	9	..
Assistant Minister for Local Government		61	12	..
<b>Total Assistant Ministers</b>		<b>122</b>	<b>21</b>	..
<b>Total for Ministerial Offices and Assistant Ministers</b>		<b>38,418</b>	<b>14,059</b>	..
Office of the Leader of the Opposition		3,670	1,404	..
<b>Total for Non-Government support</b>		<b>3,670</b>	<b>1,404</b>	..
Corporate Support		3,692	795	..
<b>GRAND TOTAL</b>		<b>45,780</b>	<b>16,258</b>	..

Notes:

1. Figures may not add due to rounding.
2. Costs for portfolios dated 01/07/2016 to 10/11/2016.

## Ministerial Offices and the Office of the Leader of the Opposition

Budget and Expenses by Office <sup>1</sup>	Notes	2016-17 Budget \$'000	2016-17 Est. Actual <sup>2</sup> \$'000	2017-18 Estimate \$'000
Premier and Minister for the Arts		..	1,574	..
Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment		..	599	..
Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport		..	650	..
Minister for Health and Minister for Ambulance Services		..	536	..
Minister for Education and Minister for Tourism and Major Events		..	435	..
Minister for State Development and Minister for Natural Resources and Mines		..	418	..
Attorney-General and Minister for Justice and Minister for Training and Skills		..	464	..
Minister for Agriculture and Fisheries and Minister for Rural Economic Development		..	351	..
Minister for Transport and the Commonwealth Games		..	358	..
Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply		..	439	..
Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef		..	409	..
Minister for Innovation, Science and the Digital Economy and Minister for Small Business		..	393	..
Minister for Communities, Women and Youth, Minister for Child Safety and Minister for the Prevention of Domestic and Family Violence		..	378	..
Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland		..	374	..
Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs		..	399	..
Minister for Housing and Public Works		..	402	..
Minister for Police, Fire and Emergency Services and Minister for Corrective Services		..	431	..
<b>Total Ministerial Offices</b>		..	<b>8,610</b>	..
Assistant Minister of State Assisting the Premier		..	4	..
Assistant Minister for Local Government and Infrastructure		..	5	..
<b>Total Assistant Ministers</b>		..	<b>10</b>	..
<b>Total for Ministerial Offices and Assistant Ministers</b>		..	<b>8,619</b>	..
Office of the Leader of the Opposition		..	820	..
<b>Total for Non-Government support</b>		..	<b>820</b>	..
Corporate Support		..	307	..
<b>GRAND TOTAL</b>		..	<b>9,746</b>	..

Notes:

1. Figures may not add due to rounding.
2. Costs for portfolios dated 11/11/2016 to 10/02/2017.



## Ministerial Offices and the Office of the Leader of the Opposition

Budget and Expenses by Office <sup>1</sup>	Notes	2016-17 Budget \$'000	2016-17 Est. Actual <sup>2</sup> \$'000	2017-18 Estimate \$'000
Premier and Minister for the Arts		..	2,302	7,542
Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning		..	1,037	3,379
Treasurer and Minister for Trade and Investment		..	1,049	2,882
Minister for Health and Minister for Ambulance Services		..	760	2,485
Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games		..	769	2,386
Minister for State Development and Minister for Natural Resources and Mines		..	576	1,921
Attorney-General and Minister for Justice and Minister for Training and Skills		..	606	2,067
Minister for Agriculture and Fisheries and Minister for Rural Economic Development		..	740	1,789
Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply		..	603	2,147
Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef		..	552	1,844
Minister for Innovation, Science and the Digital Economy and Minister for Small Business		..	545	1,801
Minister for Communities, Women and Youth, Minister for Child Safety and Minister for the Prevention of Domestic and Family Violence		..	505	1,764
Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland		..	517	1,768
Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs		..	515	1,790
Minister for Housing and Public Works and Minister for Sport		..	621	1,917
Minister for Police, Fire and Emergency Services and Minister for Corrective Services		..	584	2,002
Minister for Local Government and Minister for Aboriginal and Torres Strait Islander Partnerships		..	586	1,881
<b>Total Ministerial Offices</b>		..	<b>12,867</b>	<b>41,366</b>
Assistant Minister of State Assisting the Premier		..	11	65
Assistant Minister for Transport and Infrastructure		..	22	90
<b>Total Assistant Ministers</b>		..	<b>33</b>	<b>155</b>
<b>Total for Ministerial Offices and Assistant Ministers</b>		..	<b>12,900</b>	<b>41,520</b>
Office of the Leader of the Opposition		..	1,143	4,097
<b>Total for Non-Government support</b>		..	<b>1,143</b>	<b>4,097</b>
Corporate Support		..	902	3,359
<b>GRAND TOTAL</b>		..	<b>14,944</b>	<b>48,976</b>

Notes:

1. Figures may not add due to rounding.
2. Costs for portfolios dated 11/02/2017 to 30/06/2017.

# Department budget summary

The table below shows the total resources available in 2017-18 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of the Premier and Cabinet	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	24,240	25,685	15,582
Balance of service appropriation	183,401	177,919	230,008
Other revenue	36,208	38,059	36,648
<b>Total income<sup>2</sup></b>	<b>243,849</b>	<b>241,663</b>	<b>282,238</b>
<b>Expenses</b>			
Policy Advice and Coordination, and Cabinet Support <sup>3</sup>	43,407	42,579	41,328
Strategy and Engagement <sup>3</sup>	21,644	21,733	23,911
Government Services <sup>3</sup>	34,123	26,884	34,257
Arts Queensland	120,351	126,579	158,030
Legislative Drafting and e-Publishing	11,992	11,845	11,951
Services provided to other agencies			
Corporate Administration Agency	10,360	10,324	11,159
Other	1,972	1,719	1,602
<b>Total expenses<sup>2</sup></b>	<b>243,849</b>	<b>241,663</b>	<b>282,238</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>665,731</b>	<b>801,325</b>	<b>793,197</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation revenue	150,956	153,286	160,740
Other administered revenue	..	..	..
<b>Total revenue</b>	<b>150,956</b>	<b>153,286</b>	<b>160,740</b>
<b>Expenses</b>			
Transfers to government	..	..	..
Administered expenses	150,956	153,286	160,740
<b>Total expenses</b>	<b>150,956</b>	<b>153,286</b>	<b>160,740</b>
<b>Net assets</b>	<b>4,917</b>	<b>4,928</b>	<b>4,928</b>

Notes:

1. Includes State and Commonwealth funding.
2. Totals reconcile with the department's Reporting Entity Income Statement.
3. The 2016-17 Budget has been adjusted to incorporate the creation of the new Strategy and Engagement Services. As such, FTEs previously recorded under Policy Advice and Coordination, and Cabinet Support Service and Government Services have been restated into Strategy and Engagement Service.

## Service area sources of revenue<sup>1</sup>

Sources of revenue 2017-18 Budget					
Department of the Premier and Cabinet	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Policy Advice and Coordination, and Cabinet Support	41,328	41,327	..	..	1
Strategy and Engagement	23,911	22,920	618	..	373
Government Services	34,257	32,062	2,194	..	1
Arts Queensland	158,030	136,083	21,632	..	315
Legislative Drafting and e-Publishing	11,951	11,951	..	..	..
<b>Total<sup>2</sup></b>	<b>269,477</b>	<b>244,343</b>	<b>24,444</b>	<b>..</b>	<b>690</b>

Notes:

1. Explanations of variances are provided in the financial statements.
2. The total sources of revenue does not equal the total income in the Departmental Budget Summary nor the Consolidated Income Statement as the department will provide corporate services to the other agencies. This includes support provided by Corporate Administration Agency and other support provided to the Public Service Commission and the Office of the Governor.

## Budget measures summary

This table shows a summary of budget measures relating to the department since the 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of the Premier and Cabinet	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures<sup>1</sup></b>					
Administered	5,850	8,101	3,055	3,065	3,076
Departmental	..	11,581	3,743	3,361	3,356
<b>Capital measures</b>					
Administered	..	800	..	..	..
Departmental	..	6,000	4,000	4,000	3,500

Note:

- Figures reconcile with *Budget Measures (Budget Paper 4)*, including the whole-of-government expense measure 'Reprioritisations'.

## Departmental capital program

The department (including Ministerial Offices and the Leader of the Opposition) has a planned capital outlay of \$20.2 million in 2017-18. This involves priority infrastructure projects across State owned arts and cultural facilities through the Arts Infrastructure Investment Fund. It also includes the renewal and replacement of large critical infrastructure items at the South Bank Cultural Precinct, including the creation of a new permanent Anzac Legacy Gallery at the Queensland Museum as part of Queensland's Anzac Centenary commemoration program 2014-18. This figure also includes \$1.4 million for the refurbishment of the Cremorne Theatre.

## Capital budget

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
<b>Capital purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		18,576	11,983	19,272
Total plant and equipment		1,500	1,510	419
Total other capital		400	38	500
<b>Total capital purchases</b>	<b>2</b>	<b>20,476</b>	<b>13,531</b>	<b>20,191</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. Fluctuations between years is primarily due to the deferral of the Anzac Legacy Gallery project from 2016-17 to 2017-18, due to scoping variations following the heritage listing of the Queensland Museum.

# Staffing<sup>1</sup>

Department of the Premier and Cabinet	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
<b>Services<sup>2</sup></b>				
Policy Advice and Coordination, and Cabinet Support	3	230	210	228
Strategy and Engagement	3	105	108	106
Government Services	3	71	70	71
Arts Queensland	7	136	138	139
Legislative Drafting and e-Publishing		67	61	61
<b>Administered</b>				
Ministerial Offices and Office of the Leader of the Opposition		224	231	231
<b>Services provided to other agencies</b>				
Corporate Administration Agency	5	65	68	71
Other	8	5	6	6
<b>TOTAL<sup>4,5,6</sup></b>		<b>903</b>	<b>892</b>	<b>913</b>

## Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The 2016-17 staff budget has been restated to reflect the Strategy and Engagement service area that is being reported for the first time.
4. The FTE decrease from the 2016-17 budget to the 2016-17 Estimated Actual is primarily due to not replacing graduate employees leaving the whole-of-government policy graduate program as a result of obtaining gainful employment.
5. The FTE increase from the 2016-17 budget to the 2017-18 budget is primarily due to an expansion of the whole-of-government policy graduate program and additional Corporate Administration Agency (CAA) services provided to customers.
6. An increase from the 2016-17 Estimated Actual to the 2017-18 budget is primarily due to filling vacant positions existing in the department, the expansion of the whole-of-government policy graduate program and additional CAA services.
7. CAA FTEs that provide services to Arts Queensland are reflected in the Arts Queensland service area.
8. General corporate support is provided to the Public Service Commission and the Office of the Governor.



# Budgeted financial statements

## Analysis of budgeted financial statements

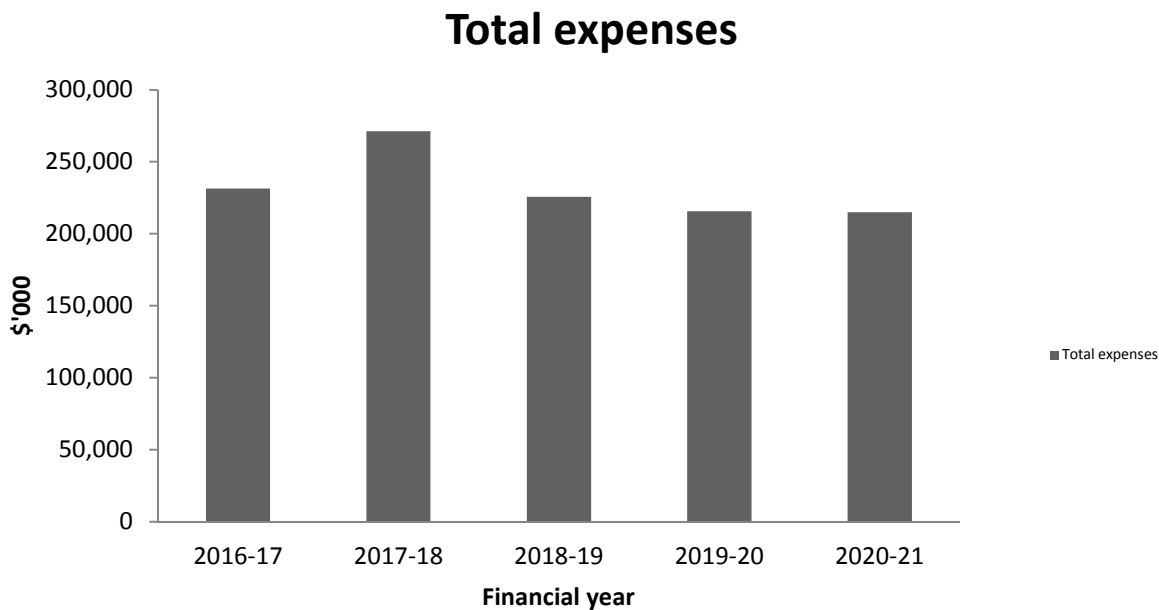
An analysis of the department's financial statements is provided below.

## Departmental income statement

Total expenses are estimated to be \$271.2 million in 2017-18, an increase of \$39.8 million from the 2016-17 Estimated Actual. The increase is partly due to deferred Anzac Centenary Commemoration expenditure from 2016-17 to 2017-18 and increased appropriation funding for depreciation expense as a result of the comprehensive valuation of property, plant and equipment assets in accordance with non-current asset policies and new limited life appropriation funding obtained in the 2017-18 State Budget to:

- deliver community-driven activities to build social cohesion
- undertake an information awareness campaign to enhance public awareness of the nature and effects of crystal methamphetamine (Ice)
- develop an evaluation framework for Domestic and Family Violence programs
- implement a dedicated arts incubator space for start-up indigenous performance companies
- contribute towards the construction of the Cairns Performing Arts Centre.

Chart: Total departmental expenses across the Forward Estimates period



Total department expenses over the forward estimates will decrease as limited-life projects previously mentioned come to gradual completion.

## Departmental balance sheet

The department's total asset holdings at the end of 30 June 2017 is \$813.7 million, an increase of \$137.9 million from the original 2016-17 published budget. The increase is due to the comprehensive valuation of property, plant and equipment assets in accordance with non-current asset policies finalised in May 2017, resulting in the net book value of department land and building assets increasing by \$134 million.

In 2017-18, the department has allocated \$13.3 million for the upgrade or replacement of critical infrastructure at the Brisbane cultural precinct and construction of a new Anzac Legacy Gallery. Key deliverables of the infrastructure replacement include:

- the central energy plant renewal program
- precinct-wide electrical safety upgrade program
- precinct accessibility and mobility projects including amenities upgrades
- precinct-wide lift and escalator upgrades
- Cremorne Theatre dressing room upgrades at Queensland Performing Arts Centre
- storage upgrades at the Queensland Art Gallery.

The department's net asset position will decrease slightly in 2017-18 primarily due to accumulated depreciation of property plant and equipment.

# Controlled income statement

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,5,11	207,641	203,604	245,590
Taxes		..	..	..
User charges and fees	2	25,384	27,321	24,921
Royalties and land rents		..	..	..
Grants and other contributions	3,6,12	276	190	372
Interest		192	192	186
Other revenue		132	132	132
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>233,625</b>	<b>231,439</b>	<b>271,201</b>
<b>EXPENSES</b>				
Employee expenses		65,039	63,937	65,033
Supplies and services	7,13	68,138	69,224	75,707
Grants and subsidies	8,14	64,473	62,041	76,918
Depreciation and amortisation	9,15	33,332	35,004	48,848
Finance/borrowing costs		192	192	186
Other expenses	4,10,16	2,451	1,041	4,509
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>233,625</b>	<b>231,439</b>	<b>271,201</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Controlled balance sheet

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		9,764	9,559	7,619
Receivables	17,22	4,414	5,855	5,560
Other financial assets		..	..	..
Inventories		23	22	22
Other	18,23	738	484	470
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>14,939</b>	<b>15,920</b>	<b>13,671</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		5,399	5,471	5,354
Other financial assets		..	..	..
Property, plant and equipment	19,24,26	652,721	789,780	781,480
Intangibles		2,701	2,534	2,518
Other		..	..	..
<b>Total non-current assets</b>		<b>660,821</b>	<b>797,785</b>	<b>789,352</b>
<b>TOTAL ASSETS</b>		<b>675,760</b>	<b>813,705</b>	<b>803,023</b>
<b>CURRENT LIABILITIES</b>				
Payables	20,27	5,364	7,795	5,341
Accrued employee benefits		2,497	2,375	2,392
Interest bearing liabilities and derivatives		1,300	1,298	1,298
Provisions		..	..	..
Other		45	90	90
<b>Total current liabilities</b>		<b>9,206</b>	<b>11,558</b>	<b>9,121</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		5,399	5,400	5,283
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>5,399</b>	<b>5,400</b>	<b>5,283</b>
<b>TOTAL LIABILITIES</b>		<b>14,605</b>	<b>16,958</b>	<b>14,404</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>661,155</b>	<b>796,747</b>	<b>788,619</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	21,25	<b>661,155</b>	<b>796,747</b>	<b>788,619</b>

# Controlled cash flow statement

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	35,46	207,641	203,184	245,590
User charges and fees		27,476	29,922	27,330
Royalties and land rent receipts		..	..	..
Grants and other contributions	28	276	190	372
Interest received		..	..	..
Taxes		..	..	..
Other	29,36,47	5,656	10,951	10,613
<b>Outflows:</b>				
Employee costs		(64,869)	(64,517)	(65,016)
Supplies and services	30,37	(75,416)	(84,196)	(90,100)
Grants and subsidies		(64,473)	(62,415)	(77,247)
Borrowing costs		..	..	..
Other	31,38	(2,695)	(5,100)	(4,822)
<b>Net cash provided by or used in operating activities</b>		<b>33,596</b>	<b>28,019</b>	<b>46,720</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	39,48	138	138	406
<b>Outflows:</b>				
Payments for non-financial assets	32,40,49	(18,976)	(12,271)	(19,772)
Payments for investments		..	..	..
Loans and advances made	41,50	(341)	(341)	(289)
<b>Net cash provided by or used in investing activities</b>		<b>(19,179)</b>	<b>(12,474)</b>	<b>(19,655)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings	42,51	341	341	289
Equity injections	33,43,52	17,576	8,778	19,399
<b>Outflows:</b>				
Borrowing redemptions	44,53	(138)	(138)	(406)
Finance lease payments		..	..	..
Equity withdrawals	34,45,54	(32,793)	(36,134)	(48,287)
<b>Net cash provided by or used in financing activities</b>		<b>(15,014)</b>	<b>(27,153)</b>	<b>(29,005)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(597)</b>	<b>(11,608)</b>	<b>(1,940)</b>
<b>Cash at the beginning of financial year</b>		<b>10,361</b>	<b>21,167</b>	<b>9,559</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>9,764</b>	<b>9,559</b>	<b>7,619</b>

# Administered income statement

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	58	150,956	153,286	160,740
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>150,956</b>	<b>153,286</b>	<b>160,740</b>
<b>EXPENSES</b>				
Employee expenses	55,59,62	29,592	27,746	31,493
Supplies and services	56,60,63	15,569	12,983	17,065
Grants and subsidies		105,026	112,188	111,612
Depreciation and amortisation	57,61,64	646	246	418
Finance/borrowing costs		..	..	..
Other expenses		123	123	152
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		..	..	..
<b>Total expenses</b>		<b>150,956</b>	<b>153,286</b>	<b>160,740</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Administered balance sheet

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		11,513	10,442	9,219
Receivables	65,69	414	747	775
Other financial assets		..	..	..
Inventories		..	..	..
Other		23	26	19
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>11,950</b>	<b>11,215</b>	<b>10,013</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	66,70	1,162	1,048	1,049
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>1,162</b>	<b>1,048</b>	<b>1,049</b>
<b>TOTAL ASSETS</b>		<b>13,112</b>	<b>12,263</b>	<b>11,062</b>
<b>CURRENT LIABILITIES</b>				
Payables	67,71,73	902	577	673
Transfers to Government payable		..	..	..
Accrued employee benefits	72,74	2,212	2,377	3,380
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>3,114</b>	<b>2,954</b>	<b>4,053</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits	68,72,74	5,081	4,381	2,081
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>5,081</b>	<b>4,381</b>	<b>2,081</b>
<b>TOTAL LIABILITIES</b>		<b>8,195</b>	<b>7,335</b>	<b>6,134</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>4,917</b>	<b>4,928</b>	<b>4,928</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>4,917</b>	<b>4,928</b>	<b>4,928</b>

# Administered cash flow statement

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	78	150,956	153,286	160,740
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	185
<b>Outflows:</b>				
Employee costs	75,79,84	(28,893)	(25,021)	(33,002)
Supplies and services	76,80,85	(15,569)	(13,512)	(17,062)
Grants and subsidies		(105,026)	(112,340)	(111,609)
Borrowing costs		..	..	..
Other		(123)	(55)	(56)
Transfers to Government		..	..	..
<b>Net cash provided by or used in operating activities</b>		<b>1,345</b>	<b>2,358</b>	<b>(804)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets	81,86	325	325	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	77,82,87	(1,500)	(1,260)	(419)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(1,175)</b>	<b>(935)</b>	<b>(419)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	83,88	..	..	800
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	83,88	..	..	(800)
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>170</b>	<b>1,423</b>	<b>(1,223)</b>
<b>Cash at the beginning of financial year</b>		<b>11,343</b>	<b>9,019</b>	<b>10,442</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>11,513</b>	<b>10,442</b>	<b>9,219</b>



# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. A decrease in appropriation revenue primarily due to the deferral of Anzac Centenary Commemoration (ACC) expenditure into 2017-18 and the transfer of funding to Queensland Family and Child Commission (QFCC) for child safety and blue care reviews and the Department of Justice and Attorney General for reducing youth crime in Townsville.
2. An increase in user charges and fees due to cost recovery agreements with state government entities for the Queensland Rail train crewing practices Commission of Inquiry and rail link projects.
3. A decrease in grants and other contributions due to reclassification of collections associated with the Queensland Government Stand at the Royal Queensland Show to user charges.
4. A decrease in other expenses due to ACC sponsorship expenditure deferred from 2016-17 to 2017-18.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

5. An increase in appropriation revenue due to new limited life funding received to contribute towards the construction of the Cairns Performing Arts Centre, developing an evaluation framework for Domestic and Family Violence programs, delivering community-driven activities to build social cohesion, undertaking an Ice information awareness campaign, implementation of a dedicated arts incubator space for start-up Indigenous performance companies, deferred ACC expenditure from 2016-17 to 2017-18 and increased depreciation expense as a result of the comprehensive valuation of department property, plant and equipment assets in accordance with non-current asset policies.
6. An increase in grants and other contributions due to additional external contributions towards state community events managed by the department.
7. An increase in supplies and services due to new limited life funding received for developing an evaluation framework for Domestic and Family Violence programs, delivering community-driven activities to build social cohesion, undertaking an Ice awareness campaign and implementation of a dedicated arts incubator space for start-up indigenous performance companies.
8. An increase in grants and subsidies to new limited life funding received to contribute towards the construction of the Cairns Performing Arts Centre.
9. An increase in depreciation and amortisation due to the comprehensive valuation of property, plant and equipment assets in accordance with non-current asset policies.
10. An increase in other expenses due to the deferral of Events Sponsorship Fund and ACC sponsorship expenditure from 2016-17 to 2017-18.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

11. An increase in appropriation revenue due to new limited life funding received to contribute towards the construction of the Cairns Performing Arts Centre, developing an evaluation framework for Domestic and Family Violence programs, developing community-driven activities to build social cohesion, undertaking an Ice information awareness campaign, implementation of a dedicated arts incubator space for start-up Indigenous performance companies, deferred ACC expenditure from 2016-17 to 2017-18 and increased depreciation expense as a result of the comprehensive valuation of department property, plant and equipment assets in accordance with non-current asset policies.
12. An increase in grants and other contributions due to additional external contributions towards state community events managed by the department.
13. An increase in supplies and services due to new limited life funding received for developing an evaluation framework for Domestic and Family Violence programs, delivering community-driven activities to build social cohesion, undertaking an Ice awareness campaign and implementation of a dedicated arts incubator space for start-up Indigenous performance companies.
14. An increase in grants and subsidies due to new limited life funding received to contribute towards the construction of the Cairns Performing Arts Centre.
15. An increase in depreciation and amortisation due to the comprehensive valuation of property, plant and equipment assets in accordance with non-current asset policies.

16. An increase in other expenses primarily due to the deferral of Events Sponsorship Fund expenditure from 2016-17 to 2017-18.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

17. An increase in current receivables primarily due to a difference in planned collections for recoverable utility expenditure and increased GST receivables. This is partly offset by a decrease in claims against the whole-of-Government central leave schemes.
18. A decrease in other current assets primarily due to a realignment of prepaid information technology licence agreements from a calendar year to a financial year basis.
19. An increase in property, plant and equipment due to comprehensive property, plant and equipment asset valuations in accordance with non-current asset policies. This increase has been partly offset by the deferral of capital work on the Anzac Legacy Gallery project, critical infrastructure at the Brisbane cultural precinct and the Cremorne Theatre until 2017-18.
20. An increase in current payables primarily due to outstanding balances at year end with respect to ACC grants and the Domestic and Family Violence Communication campaign.
21. An increase in total equity primarily due to the asset revaluation reserve increase as a result of comprehensive property, plant and equipment valuations in accordance with non-current asset policies.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

22. An increase in current receivables primarily due to increased recoverable utility expenditure and higher than anticipated GST receivables at year end.
23. A decrease in other current assets primarily due to a realignment of prepaid information technology licence agreements from a calendar year to a financial year basis.
24. An increase in property, plant and equipment primarily due to comprehensive property, plant and equipment asset valuations in accordance with non-current asset policies and deferral of capital work on the Anzac Legacy Gallery project, critical infrastructure at the Brisbane cultural precinct and the Cremorne Theatre. This increase has been partly offset by increased accumulated depreciation as a result of valuations.
25. An increase in total equity primarily due to an increase in the asset revaluation reserve as a result of comprehensive property, plant and equipment valuations and equity injections associated with critical infrastructure at the Brisbane cultural precinct. This increase has been partly offset by differences in funding provided between years for the Anzac Legacy Gallery project and additional equity withdrawals arising from increased depreciation due to the comprehensive valuations.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

26. A decrease in property, plant and equipment primarily due to increased accumulated depreciation on buildings as a result of comprehensive valuations in accordance with non-current asset policies. This decrease has been offset by adjustments for asset valuation and additional capital work on the Anzac Legacy Gallery project, critical infrastructure at the Brisbane cultural precinct and the Cremorne Theatre.
27. A decrease in current payables primarily due to higher outstanding balances in 2016-17 with respect to ACC grants and Domestic and Family Violence Communication campaign expenditure.

## Cash flow statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

28. A decrease in grants and other contributions due to a reclassification of collections associated with the Queensland Government Stand at the Royal Queensland Show to user charges.
29. An increase in other revenue primarily due to collections from other state government agencies for the Queensland Rail train crewing practices Commission of Inquiry and rail link projects.
30. An increase in supplies and services primarily due to payments associated with Queensland Rail train crewing practices Commission of Inquiry and rail link projects as well as greater than anticipated GST paid to suppliers.
31. An increase in other operating cash outflows primarily due to the repayment of unspent money owed to Department of Veteran Affairs on 30 June 2016 that was received for Anzac legacy projects. The increase was partly offset by deferred sponsorship payments into subsequent financial years for ACC activities.

32. A decrease in payments for non-financial assets primarily due to the deferral of Anzac Legacy Gallery capital expenditure into 2017-18.
33. A decrease in equity injections primarily due to the deferral of capital expenditure from 2016-17 to 2017-18, comprising the Anzac Legacy Gallery, the Cremorne Theatre upgrade and the Cultural Precinct critical infrastructure works program.
34. An increase in equity withdrawals primarily due to an equity to output swap for ACC activities and additional cash returned to the consolidated fund associated with increased depreciation expense.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

35. An increase in appropriation receipts due to new limited life funding received to contribute towards the construction of the Cairns Performing Arts Centre, developing an evaluation framework for Domestic and Family Violence programs, delivering community-driven activities to build social cohesion, undertaking an Ice information awareness campaign, implementation of a dedicated arts incubator space for start-up Indigenous performance companies, deferred ACC expenditure from 2016-17 to 2017-18 and increased depreciation expense as a result of the comprehensive valuation of department property, plant and equipment assets in accordance with non-current asset policies.
36. An increase in other cash inflows primarily due to revised methodology to calculate GST paid to the Australian Taxation Office throughout the year to better align with actual payments.
37. An increase in supplies and services primarily due to costs associated with implementing social cohesion initiatives, additional facilities management costs at the Brisbane cultural precinct and revised methodology to calculate GST paid to suppliers to better align with actual payments.
38. An increase in other cash outflows primarily due to difference in costs between years from the Events Sponsorship Fund partly offset by a difference in sponsorship costs between years associated with ACC.
39. An increase in loans and advances redeemed is due to Revolving Film Finance Fund (RFFF) loan agreements.
40. An increase in payments for non-financial assets primarily due to the rephasing of critical infrastructure works program to meet program requirements and the deferral of Anzac Legacy Gallery capital works. Partly offset by the Cremorne Theatre Upgrade.
41. A decrease in loans and advances made due to an anticipated reduction in RFFF loan requirements.
42. A decrease in borrowing inflows due a reduction in RFFF loan requirements.
43. An increase in equity injections primarily due to the rephasing of the critical infrastructure works program at the Brisbane cultural precinct. This decrease has been partly offset by the Cremorne Theatre upgrade.
44. An increase in borrowing redemption outflows due to loan repayments made associated with the RFFF.
45. An increase in equity withdrawals primarily due additional cash returned to the consolidated fund associated with increased depreciation expense.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

46. An increase in appropriation receipts due to new limited life funding received to contribute towards the construction of the Cairns Performing Arts Centre, developing an evaluation framework for Domestic and Family Violence programs, developing community-driven activities to build social cohesion, undertaking an Ice information awareness campaign, implementation of a dedicated arts incubator space for start-up Indigenous performance companies, deferred ACC expenditure from 2016-17 to 2017-18 and increased depreciation expense as a result of the comprehensive valuation of department property, plant and equipment assets in accordance with non-current asset policies.
47. A decrease in other cash inflows primarily due to the reimbursement of costs from other state government agencies for the Queensland Rail train crewing practices Commission of Inquiry and rail link projects in 2016-17.
48. An increase in loans and advances redeemed due to increased repayments associated with the RFFF loan agreements.
49. An increase in payments for non-financial assets primarily due to differences in payments between years associated with the Anzac Legacy Gallery project and the Cremorne Theatre upgrade. This increase has been partly offset by the rephasing of the critical infrastructure works program at the Brisbane cultural precinct.
50. A decrease in loans and advances made due to an anticipated decrease in RFFF loan requirements.
51. A decrease in borrowing inflows due to an anticipated decrease in RFFF loan requirements.
52. An increase in equity injections due to costs associated with the Anzac Legacy Gallery project and the Cremorne Theatre upgrade. This increase has been partly offset by the rephasing of the critical infrastructure works program at the Brisbane cultural precinct.

53. An increase in borrowing redemption outflows due to loan repayments made associated with the RFFF.
54. An increase in equity withdrawals primarily due to additional cash returned to the consolidated fund associated with increased depreciation, partly offset by one-off equity to operating swap in 2016-17 for ACC and information technology projects.

## Administered income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

55. A decrease in employee expenses primarily due to temporary savings generated due to vacancies arising out of portfolio reshuffles during the financial year.
56. A decrease in supplies and services primarily due to adjusted rent expenditure.
57. A decrease in depreciation and amortisation primarily due to assets becoming due for replacement.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

58. An increase in appropriation revenue primarily due to additional funding for Queensland Museum (QM) for preservation of the state collection, development of a cutting edge interactive Science, Technology, Engineering and Mathematics (STEM) centre, exhibition funding for Queensland Art Gallery (QAG), Queensland Performing Arts Trust (QPAT) for the biennial Out of the Box Festival, Queensland Family and Child Commission (QFCC) for the Review of Blue Card and Foster Care Systems and enterprise bargaining arrangements. These increases are partly offset by adjusted rent supplementation, reduction in limited life funding associated with critical asset replacement (QAG), regional campus upgrades and collection management and research (QM) and the public education campaign, Strengthening the Sector Strategy Implementation, ICT and priority research projects (QFCC).
59. An increase in employee expenses primarily due to the Ministerial Offices' enterprise bargaining arrangements, additional wages for incremental salary reviews and the addition of seven new staff following the reshuffle of portfolios in February 2017.
60. An increase in supplies and services primarily due to the increases in rent expenditure and ICT costs following the move to 1 William Street.
61. A decrease in depreciation and amortisation primarily due to the replacement of some assets with an increased use of 'infrastructure as a service' arrangements.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

62. An increase in employee expenses primarily due to the Ministerial Offices' enterprise bargaining increases, additional wages for incremental salary reviews and the addition of seven new staff following the reshuffle of portfolios in February 2017.
63. An increase in supplies and services primarily due to the increases in rent expenditure and ICT costs following the move to 1 William Street.
64. An increase in depreciation and amortisation primarily due to assets acquired in 2016-17.

## Administered balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

65. An increase in current receivables primarily due to greater than expected claims against the central leave schemes.
66. A decrease in property, plant and equipment due to an increased usage of 'infrastructure as a service' arrangements.
67. A decrease in current payables due to a revised estimate of creditor balances at the end of the 2016-17 financial year.
68. A decrease in non-current accrued employee benefits primarily due to movements in the severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

69. An increase in current receivables primarily due to an expected increase in claims against the central leave schemes.
70. A decrease in property, plant and equipment due to an increased usage of 'infrastructure as a service' arrangements.
71. A decrease in current payables due to a revised estimate of creditor balances at the end of the 2017-18 financial year.
72. An increase in current accrued employee benefits and subsequent decrease in non-current accrued employee benefits due to movements in the severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

73. An increase in current payables due to a trend in closing balances.
74. An increase in current accrued employee benefits and subsequent decrease in non-current accrued employee benefits due to movements in the severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

## Administered cash flow statement

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

75. A decrease in employee costs primarily due to temporary savings generated due to vacancies arising out of portfolio reshuffles during the financial year.
76. A decrease in supplies and services primarily due to adjusted rent costs.
77. A decrease in payments for non-financial assets primarily due to an increased usage of 'infrastructure as a service' arrangements.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

78. An increase in appropriation receipts primarily due to additional funding for QM for preservation of the state collection, development of a cutting edge interactive STEM centre, exhibition funding for QAG, QPAT for the biennial Out of the Box Festival, QFCC for the Review of Blue Card and Foster Care Systems and enterprise bargaining arrangements. These increases are partly offset by adjusted rent supplementation, reduction in limited life funding associated with critical asset replacement (QAG), regional campus upgrades and collection management and research (QM) and the public education campaign, Strengthening the Sector Strategy Implementation, ICT and priority research projects (QFCC).
79. An increase in employee costs primarily due to the Ministerial Offices' enterprise bargaining arrangements, additional wages for incremental salary reviews and the addition of seven new staff following the reshuffle of portfolios in February 2017. In addition, the increase also relates to movements in the severance provisions for Ministerial Offices and Office of the Leader of the Opposition.
80. An increase in supplies and services primarily due to the increases in rent costs and ICT costs following the move to 1 William Street.
81. A decrease in sales of non-financial assets due to the cost of assets disposed in 2016-17 as a result of the move to 1 William Street.
82. A decrease in payments for non-financial assets primarily due to the initial purchase of assets upon the move to 1 William Street in 2016-17.
83. An increase in equity injections/withdrawals due to funding for software development.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

84. An increase in employee costs primarily due to the Ministerial Offices' enterprise bargaining arrangements, additional wages for incremental salary reviews and the addition of seven new staff following the reshuffle of portfolios in February 2017. In addition, the increase also relates to movements in the severance provisions for Ministerial Offices and Office of the Leader of the Opposition.
85. An increase in supplies and services primarily due to the increases in rent costs and ICT costs following the move to 1 William Street.
86. A decrease in sales of non-financial assets due to the cost of assets disposed in 2016-17 as a result of the move to 1 William Street.

87. A decrease in payments for non-financial assets primarily due to completion of the asset replacement program in 2016-17.
88. An increase in equity injections/withdrawals due to funding for software development.

# Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of the Premier and Cabinet (excluding Administered);
- Corporate Administration Agency.

Explanations of variances for each entity are included in the individual budget financial statements located in this *Service Delivery Statement*.

## Reporting entity income statement

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue		207,641	203,604	245,590
Taxes		..	..	..
User charges and fees		35,527	37,464	35,877
Royalties and land rents		..	..	..
Grants and other contributions		357	271	453
Interest		192	192	186
Other revenue		132	132	132
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>243,849</b>	<b>241,663</b>	<b>282,238</b>
<b>EXPENSES</b>				
Employee expenses		72,649	71,547	73,307
Supplies and services		70,401	71,505	78,209
Grants and subsidies		64,473	62,041	76,918
Depreciation and amortisation		33,450	35,104	48,871
Finance/borrowing costs		192	192	186
Other expenses		2,684	1,274	4,747
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>243,849</b>	<b>241,663</b>	<b>282,238</b>
Income tax expense/revenue		..	..	..
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Reporting entity balance sheet

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		13,414	13,156	11,304
Receivables		5,542	7,501	7,164
Other financial assets		..	..	..
Inventories		23	22	22
Other		1,721	1,438	1,424
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>20,700</b>	<b>22,117</b>	<b>19,914</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		5,399	5,471	5,354
Other financial assets		..	..	..
Property, plant and equipment		652,922	789,827	781,504
Deferred tax assets		..	..	..
Intangibles		2,756	2,534	2,518
Other		..	..	..
<b>Total non-current assets</b>		<b>661,077</b>	<b>797,832</b>	<b>789,376</b>
<b>TOTAL ASSETS</b>		<b>681,777</b>	<b>819,949</b>	<b>809,290</b>
<b>CURRENT LIABILITIES</b>				
Payables		5,959	8,572	6,141
Current tax liabilities		..	..	..
Accrued employee benefits		2,748	2,655	2,672
Interest bearing liabilities and derivatives		1,300	1,298	1,298
Provisions		..	..	..
Other		640	699	699
<b>Total current liabilities</b>		<b>10,647</b>	<b>13,224</b>	<b>10,810</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		5,399	5,400	5,283
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>5,399</b>	<b>5,400</b>	<b>5,283</b>
<b>TOTAL LIABILITIES</b>		<b>16,046</b>	<b>18,624</b>	<b>16,093</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>665,731</b>	<b>801,325</b>	<b>793,197</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>665,731</b>	<b>801,325</b>	<b>793,197</b>



# Reporting entity cash flow statement

Department of the Premier and Cabinet	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts		207,641	203,184	245,590
User charges and fees		37,619	41,257	39,520
Royalties and land rent receipts		..	..	..
Grants and other contributions		357	271	453
Interest received		..	..	..
Taxes		..	..	..
Other		5,656	10,245	9,902
<b>Outflows:</b>				
Employee costs		(72,479)	(72,127)	(73,290)
Supplies and services		(77,679)	(86,899)	(93,060)
Grants and subsidies		(64,473)	(62,415)	(77,247)
Borrowing costs		..	..	..
Taxation equivalents paid		..	..	..
Other		(2,928)	(5,333)	(5,060)
<b>Net cash provided by or used in operating activities</b>		<b>33,714</b>	<b>28,183</b>	<b>46,808</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		138	138	406
<b>Outflows:</b>				
Payments for non-financial assets		(19,051)	(12,271)	(19,772)
Payments for investments		..	..	..
Loans and advances made		(341)	(341)	(289)
<b>Net cash provided by or used in investing activities</b>		<b>(19,254)</b>	<b>(12,474)</b>	<b>(19,655)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		341	341	289
Equity injections		17,576	8,778	19,399
<b>Outflows:</b>				
Borrowing redemptions		(138)	(138)	(406)
Finance lease payments		..	..	..
Equity withdrawals		(32,793)	(36,134)	(48,287)
Dividends paid		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>(15,014)</b>	<b>(27,153)</b>	<b>(29,005)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(554)</b>	<b>(11,444)</b>	<b>(1,852)</b>
<b>Cash at the beginning of financial year</b>		<b>13,968</b>	<b>24,600</b>	<b>13,156</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>13,414</b>	<b>13,156</b>	<b>11,304</b>

# Statutory bodies

## Queensland Family and Child Commission

### Overview

The Queensland Family and Child Commission's (QFCC) vision is to work collaboratively to influence change so Queensland is a safe place where children, young people and their families thrive in supportive communities.

QFCC's key objectives are: to drive high quality, evidence-based Queensland service systems for vulnerable children and families; for a strong sector where partnerships and collaboration between government and non-government organisations achieve better outcomes for children and families; to have informed Queensland families and communities who understand their role in keeping children and young people safe and have access to resources to support them; and to be a culturally responsive organisation prioritising and supporting Aboriginal and Torres Strait Islander children and young people to remain safe, connected and thrive in supportive communities.

QFCC contributes to the Queensland Government's objectives for the community of building safe, caring and connected communities by promoting the safety, wellbeing and best interests of Queensland's children and young people and working with government and non-government agencies to improve the child protection system. This includes a strong focus on representing the interests of Aboriginal and Torres Strait Islander children, families and communities. QFCC also provides information on the performance of the child protection system to government and the Queensland community.

Key factors influencing QFCC's mandate include: the complex nature of Queensland's child protection system and reform program; the over-representation of Aboriginal and Torres Strait Islander children and families in the system; parental capability and confidence, use of support services/parental education and programs, and the barriers for using support services.

### Service summary

In 2017-18, QFCC will:

- complete the year three evaluation of the Queensland child protection reform program
- monitor, review and report on the performance of the Queensland child protection system, key initiatives and reforms, including a systemic review of the oversight mechanisms within residential care
- continue to hear the voices of children and young people to inform advocacy initiatives, influence policy development and enable better targeting of services for vulnerable children and young people
- implement the second *Strengthening our sector* action plan through coordinating streams of activity with sector partners, networks of professionals and service providers
- continue to evolve and roll out the multi-faceted community education campaign to increase the awareness of the resources and supports available and to encourage parents to access help to assist them in protecting and caring for their children
- enhance QFCC linkages to applied research, focussing on areas highlighted as significant for keeping kids safe and well, to better inform policy and practice in the child protection system
- build on the initial success of the 2016-17 'Research in the Round' forums by expanding into regional Queensland to continue to showcase research on vulnerable children and families
- implement phase two of the 'Out of the Dark' initiative by raising awareness around the risks of online activities for children and young people in regional Queensland
- lead a multi-agency initiative to improve responses to reduce criminalisation of young people in out-of-home-care
- implement QFCC's actions from *'Changing Tracks: An action plan for Aboriginal and Torres Strait Islander children and families 2017-2019'*
- establish an Aboriginal and Torres Strait Islander Advisory Council to provide expert insights into issues affecting Aboriginal and Torres Strait Islander children, families and the sector
- monitor implementation of recommendations from systemic reviews completed in 2016-17.

# Service performance

## Performance statement

### Queensland Family and Child Commission (QFCC)

#### Service area objective

To promote the safety, wellbeing and best interests of children, promote and advocate the responsibility of families and communities to protect and care for children and to improve the child protection system.

#### Service area description

This service area promotes the safety and wellbeing of Queensland's children and young people and the role of families and communities in protecting and caring for them. QFCC is committed to hearing the views of children and to respect and promote the needs of Aboriginal and Torres Strait Islander children, communities and service providers. QFCC services include:

- presenting evidence about whether the child protection system is working through evaluation and oversight of outcomes within the child protection and family support system (including through reporting on the performance of the Queensland child protection system in line with the *National Framework for Protecting Australia's Children 2009-2020*)
- informing the community about the services available to strengthen and support families
- supporting the development of strong partnerships between government, non-government service providers and academic experts aimed to improve the delivery of child protection services in Queensland
- promoting the responsibility of families and communities to protect and care for children and young people
- using evidence to inform and influence improvements for children and families through policy and advocacy
- enabling others to create and access research to inform system improvements and to prevent child deaths and serious injuries
- facilitating improvements to the child protection and family support system, culture, capability and capacity.

Queensland Family and Child Commission	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service standards</b>				
<i>Effectiveness measure</i>				
Percentage increase in use of 'oneplace' Community Services Directory	1, 2	5%	8%	5%
<i>Efficiency measure<sup>3</sup></i>				

Notes:

- This service standard reports on the number of sessions undertaken by people accessing the 'oneplace' Community Services Directory. 'oneplace' Community Services Directory is an easily accessible directory of community services to help all Queensland families to get to the right service at the right time. In doing so it addresses a number of QFCC's statutory obligations, including by supporting families to take responsibility and care for children, informing and educating the community about services and analysing family support service availability.
- The 2016-17 Estimated Actual exceeds the 2016-17 Target/Estimate as a result of a promotional campaign prompting families who need a support service to access 'oneplace'.
- An efficiency measure is being developed for this service area and will be included in a future *Service Delivery Statement*.

# Staffing<sup>1</sup>

Queensland Family and Child Commission	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Queensland Family and Child Commission (QFCC)	2	59.8	65.05	61

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. An increase from the 2016-17 Budget to the 2016-17 Estimated Actual is due to relieving arrangements to support service delivery and includes 1.9 FTE whose temporary positions cease on 30 June 2017 following the completion of the Review of Blue Card and Foster Care Systems.

# Income statement

Queensland Family and Child Commission	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees		..	..	..
Grants and other contributions	1,6	12,188	13,311	12,451
Interest		50	50	50
Other revenue	2,7	..	1,054	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>12,238</b>	<b>14,415</b>	<b>12,501</b>
<b>EXPENSES</b>				
Employee expenses	3,5,8	7,345	9,012	7,809
Supplies and services	4,9	4,597	5,104	4,396
Grants and subsidies		..	..	..
Depreciation and amortisation		275	275	275
Finance/borrowing costs		..	..	..
Other expenses		21	24	21
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>12,238</b>	<b>14,415</b>	<b>12,501</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Balance sheet

Queensland Family and Child Commission	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	10,13,18	958	1,595	1,877
Receivables		136	187	188
Other financial assets		..	..	..
Inventories		..	..	..
Other		5	22	22
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,099</b>	<b>1,804</b>	<b>2,087</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		325	320	275
Intangibles	14,19	744	749	1,319
Other		..	..	..
<b>Total non-current assets</b>		<b>1,069</b>	<b>1,069</b>	<b>1,594</b>
<b>TOTAL ASSETS</b>		<b>2,168</b>	<b>2,873</b>	<b>3,681</b>
<b>CURRENT LIABILITIES</b>				
Payables	11,15	294	794	794
Accrued employee benefits	12,16	157	288	296
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>451</b>	<b>1,082</b>	<b>1,090</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>451</b>	<b>1,082</b>	<b>1,090</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,717</b>	<b>1,791</b>	<b>2,591</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	17,20	<b>1,717</b>	<b>1,791</b>	<b>2,591</b>

# Cash flow statement

Queensland Family and Child Commission	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees		..	..	..
Grants and other contributions	21,28	12,188	13,311	12,451
Interest received		50	50	50
Taxes		..	..	..
Other	22,29	326	1,380	329
<b>Outflows:</b>				
Employee costs	23,25,30	(7,338)	(9,005)	(7,801)
Supplies and services	24,31	(4,924)	(5,431)	(4,726)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(21)	(24)	(21)
<b>Net cash provided by or used in operating activities</b>		<b>281</b>	<b>281</b>	<b>282</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	26,32	..	..	(800)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>..</b>	<b>..</b>	<b>(800)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	27,33	..	..	800
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>800</b>
<b>Net increase/(decrease) in cash held</b>		<b>281</b>	<b>281</b>	<b>282</b>
<b>Cash at the beginning of financial year</b>		<b>677</b>	<b>1,314</b>	<b>1,595</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>958</b>	<b>1,595</b>	<b>1,877</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. An increase in grants and other contributions due to a funding transfer for the Review of Blue Card and Foster Care Systems.
2. An increase in other revenue due to contributions from other departments for the Review of Blue Card and Foster Care Systems and other projects.
3. An increase in employee expenses due to short-term temporary staff required for the Review of Blue Card and Foster Care Systems.
4. An increase in supplies and services due to additional community engagement, contractor and technology costs associated with the Review of Blue Card and Foster Care Systems.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

5. An increase in employee expenses due to funding for enterprise bargaining arrangements and review of organisational capability which resulted in changes to position classifications.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

6. A decrease in grants and other contributions due to conclusion of the Review of Blue Card and Foster Care Systems, partially offset by one-off Government funding for the legislative response to the Review of Blue Card and Foster Care Systems and funding for enterprise bargaining arrangements.
7. A decrease in other revenue due to funding for the Review of Blue Card and Foster Care Systems concluding in 2016-17.
8. A decrease in employee expenses due to a reduction of short-term temporary staff following the completion of the Review of Blue Card and Foster Care Systems.
9. A decrease in supplies and services due to the completion of the Review of Blue Card and Foster Care Systems, This is partially offset by one-off Government funding.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

10. An increase in cash assets due to additional revenue to complete the Review of Blue Card and Foster Care Systems and timing of creditor payments.
11. An increase in payables due to an increase in creditors.
12. An increase in employee accrued benefits due to timing of accrued leave entitlements and leave taken by employees and additional temporary staff for the Review of Blue Card and Foster Care Systems.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

13. An increase in cash assets due to additional revenue to complete the Review of Blue Card and Foster Care Systems and timing of creditor payments.
14. An increase in intangibles due to the development of new software assets.
15. An increase in payables due to an estimated increase in end of year creditor accruals.
16. An increase in employee accrued benefits due to timing of accrued leave entitlements and leave taken by employees.
17. An increase in equity due to Government funding for software development.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

18. An increase in cash assets due to non-cash expenditure for depreciation and amortisation in 2016-17.
19. An increase in intangibles due to the development of new software assets.
20. An increase in equity due to Government funding for software development.



# Cash flow statement

## **Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

21. An increase in grants and other contributions inflows due to funding for the Review of Blue Card and Foster Care Systems.
22. An increase in other inflows due to contributions for the Review of Blue Card and Foster Care Systems and other projects.
23. An increase in employee costs outflows due to short-term temporary staff required for the Review of Blue Card and Foster Care Systems.
24. An increase in supplies and services outflows due to additional community engagement, contractor and technology costs associated with the Review of Blue Card and Foster Care Systems.

## **Major variations between 2016-17 Budget and 2017-18 Budget include:**

25. An increase in employee costs outflows due to funding for enterprise bargaining arrangements and review of organisational capability which resulted in changes to position classifications.
26. An increase in payments for non-financial assets for software development.
27. An increase in equity due to government funding for software development.

## **Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

28. A decrease in grants and other contributions inflows due to cessation of funding and contributions for the Review of Blue Card and Foster Care Systems, partially offset by one-off government funding for the legislative response to the Review of Blue Card and Foster Care Systems and funding for enterprise bargaining arrangements.
29. A decrease in other inflows due to the completion of the Review of Blue Card and Foster Care Systems in 2016-17.
30. A decrease in employee costs outflows due to the reduction of temporary staff following the completion of the Review of Blue Card and Foster Care Systems.
31. A decrease in supplies and services outflows due to the completion of the Review of Blue Card and Foster Care Systems.
32. An increase in payments for non-financial assets for software development.
33. An increase in equity due to Government funding for software development.

# Queensland Art Gallery

## Overview

The Queensland Art Gallery | Gallery of Modern Art ('the Gallery') contributes to the cultural, social and intellectual development of all Queenslanders and attracts well over a million visits each year. The Gallery's vision is to be the leading institution for the contemporary art of Australia, Asia and the Pacific, and its mission is to engage people with art and artists through memorable and transformative experiences.

The Gallery's strategic objectives are to build Queensland's globally significant collection and deliver compelling exhibitions; connect people with the enduring power of art and ideas; and build our community of partners and organisational capability to deliver the best value for Queensland. The internationally renowned Asia Pacific Triennial of Contemporary Art (APT) exhibition series, and the significant holdings of the contemporary art of the region built as a result of the APT, place the Gallery at the forefront of contemporary art in the Asia Pacific region.

The Gallery contributes to the Queensland Government's objective to build safe, caring and connected communities by providing diverse audiences with access to visual arts and cultural experiences, promoting Queensland art and artists (including Indigenous art), and encouraging arts-based educational outcomes for people of all ages across the State. The Gallery's program of blockbuster and major exhibitions, and its position as one of Australia's three most visited art galleries make it a significant cultural tourism destination and a contributor to creating jobs and a diverse economy. The Gallery strives to deliver the highest standard of frontline services to its visitors in areas including visitor experience; learning and public programs; school and tour groups; retail, and food and beverage services.

Key priorities for the Gallery include re-invigorating its blockbuster and major exhibitions program following restoration of limited-life funding for this purpose in 2016–17. The Gallery is working to remain responsive to changes in the external competitive landscape for major exhibitions and achieve ambitious attendance, tourism and sponsorship targets.

## Service summary

In 2017–18, the Gallery will:

- present two blockbuster exhibitions — '*Marvel: Creating the Cinematic Universe*' (an international exclusive curated by the Gallery in collaboration with Marvel Entertainment) and an exhibition by leading contemporary Australian artist Patricia Piccinini which will include large-scale commissions and a Children's Art Centre project
- present Australia's first substantial exhibition of works by internationally renowned German painter Gerhard Richter, one of the world's most influential living artists
- unveil a permanent architectural light installation by high-profile American artist James Turrell, which will illuminate the Gallery of Modern Art's glass façade
- work in partnership with the National Gallery of Singapore to present a major exhibition of work by Japanese artist Yayoi Kusama
- open newly conceptualised and extensively refurbished Australian collection galleries in the Queensland Art Gallery, following the completion of a significant capital works project to expand the Gallery's collection storage facilities
- commence the regional Queensland tour of '*A World View: The Tim Fairfax Gift*' and deliver a Kids on Tour program to regional and remote venues throughout the State
- showcase work by Indigenous Australian artists through exhibitions such as '*Sung into Being: Aboriginal Masterworks 1984–94*' and '*Time and Tides: Art in the Torres Strait Islands*'.

## Service area objective

To strengthen Queensland's visual arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

## Service area description

The Gallery develops, conserves and presents the State art collection and delivers art and cultural experiences to Queenslanders and visitors through onsite and touring exhibitions, and onsite and online programs.

Queensland Art Gallery	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Audience satisfaction with onsite visit	1	95%	94%	95%
Visits to the Queensland Art Gallery   Gallery of Modern Art onsite and at touring venues	2	1.3 million	1.7 million	1.4 million
<i>Efficiency measure</i>				
Non-government revenue as a percentage of total revenue	3	30%	30%	30%

Notes:

1. This is a measure for overall satisfaction of audiences with their experiences of exhibitions, programs and other services delivered onsite at the Gallery.
2. The number of visits onsite and at regional and other touring venues is considered the best available proxy measure for effectiveness of the service area objective, due to its ability to infer public value, relevance, community perception and international standing. The 2016–17 Estimated Actual outcome has been influenced by exceptionally strong audience response to the free GOMA Turns 10 celebratory program, and high visitation (over 200,000) to exhibitions toured by the Gallery to national and international venues. Unlike regional Queensland touring, which is programmed every year, exhibitions toured by the Gallery to national and international venues are negotiated on a case-by-case basis, with nil scheduled for delivery in 2017–18 and forward target set accordingly.
3. This measure demonstrates the efficient use of government funding to leverage private investment and own-source revenue for the delivery of services.

# Staffing<sup>1</sup>

<b>Queensland Art Gallery</b>	<b>Notes</b>	<b>2016-17 Budget</b>	<b>2016-17 Est. Actual</b>	<b>2017-18 Budget</b>
Queensland Art Gallery	2	280	280	280

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The Gallery's approved funded FTE factors in the periodic labour fluctuations across the year required to activate the exhibition and event programs.

# Income statement

Queensland Art Gallery	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees	1,7,12	7,900	8,419	11,441
Grants and other contributions	2,8,13	38,723	53,280	49,446
Interest	3,9	600	400	400
Other revenue	4	450	599	528
Gains on sale/revaluation of assets		1,500	1,500	1,500
<b>Total income</b>		<b>49,173</b>	<b>64,198</b>	<b>63,315</b>
<b>EXPENSES</b>				
Employee expenses		26,904	27,053	28,095
Supplies and services	5,10,14	15,625	26,674	30,052
Grants and subsidies		..	..	..
Depreciation and amortisation	6	580	465	512
Finance/borrowing costs		..	..	..
Other expenses	11,15	575	560	1,357
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>43,684</b>	<b>54,752</b>	<b>60,016</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>5,489</b>	<b>9,446</b>	<b>3,299</b>

# Balance sheet

Queensland Art Gallery	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	16,19,22	9,174	7,513	6,456
Receivables		605	605	606
Other financial assets		..	..	..
Inventories		1,000	1,000	1,000
Other		220	220	220
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>10,999</b>	<b>9,338</b>	<b>8,282</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	17,20	26,026	32,003	31,173
Property, plant and equipment		398,566	400,348	410,533
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>424,592</b>	<b>432,351</b>	<b>441,706</b>
<b>TOTAL ASSETS</b>		<b>435,591</b>	<b>441,689</b>	<b>449,988</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,403	1,403	1,403
Accrued employee benefits		2,501	2,501	2,501
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	18,21	2,057	380	380
<b>Total current liabilities</b>		<b>5,961</b>	<b>4,284</b>	<b>4,284</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>5,961</b>	<b>4,284</b>	<b>4,284</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>429,630</b>	<b>437,405</b>	<b>445,704</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>429,630</b>	<b>437,405</b>	<b>445,704</b>

# Cash flow statement

Queensland Art Gallery	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	23,30,35	7,900	8,316	11,441
Grants and other contributions	24,36	36,223	38,543	35,879
Interest received	25,31	600	400	400
Taxes		..	..	..
Other	26	480	629	557
<b>Outflows:</b>				
Employee costs		(26,904)	(27,227)	(28,095)
Supplies and services	32,37	(14,655)	(15,472)	(18,015)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	27,33,38	(575)	(2,580)	(1,357)
<b>Net cash provided by or used in operating activities</b>		<b>3,069</b>	<b>2,609</b>	<b>810</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed	28,34,39	1,500	..	2,330
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		(4,300)	(3,979)	(4,197)
Payments for investments	29,40	..	(1,402)	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(2,800)</b>	<b>(5,381)</b>	<b>(1,867)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>269</b>	<b>(2,772)</b>	<b>(1,057)</b>
<b>Cash at the beginning of financial year</b>		<b>8,905</b>	<b>10,285</b>	<b>7,513</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>9,174</b>	<b>7,513</b>	<b>6,456</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. An increase in user charges and fees due to higher than expected exhibition ticket sales.
2. An increase in grants and other contributions primarily due to an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as contributed income (with a corresponding rental expense) and greater than expected donations to the Queensland Art Gallery | Gallery of Modern Art (QAGOMA) Foundation.
3. A decrease in interest primarily due to lower than expected interest rates.
4. An increase in other revenue primarily due to the recovery of exhibition touring costs from an international art gallery.
5. An increase in supplies and services primarily due to an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as a rental expense (with corresponding contributed income).
6. A decrease in depreciation and amortisation due to the end of the depreciable life of some assets.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

7. An increase in user charges and fees primarily due to an expanded ticketed exhibition program in 2017-18.
8. An increase in grants and other contributions primarily due to an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as contributed income (with a corresponding rental expense).
9. A decrease in interest primarily due to lower than expected interest rates.
10. An increase in supplies and services due to an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as a rental expense (with corresponding contributed income) and costs associated with an expanded exhibition program in 2017-18.
11. An increase in other expenses due to the payment of additional exhibition insurance in 2017-18.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

12. An increase in user charges and fees primarily due to an expanded ticketed exhibition program in 2017-18.
13. A decrease in grants and other contributions primarily due to a return of QAGOMA Foundation donations to historical levels following large donations in 2016-17.
14. An increase in supplies and services primarily due to costs associated with an expanded exhibition program in 2017-18.
15. An increase in other expenses primarily due to the payment of additional exhibition insurance in 2017-18.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

16. A decrease in cash assets primarily due to the transfer of bequest monies to a trust.
17. An increase in non-current other financial assets due to greater than expected QAGOMA Foundation donations.
18. A decrease in other current liabilities due to the transfer of bequest monies to a trust.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

19. A decrease in cash assets primarily due to the transfer of bequest monies to a trust and to the application of 2016-17 savings to the 2017-18 exhibition program.
20. An increase in non-current other financial assets due to greater than expected QAGOMA Foundation donations.
21. A decrease in other current liabilities due to the transfer of bequest monies to a trust.



**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

22. A decrease in cash assets due to the application of 2016-17 savings to the 2017-18 exhibition program.

## Cash flow statement

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

23. An increase in user charges and fees due to higher than expected exhibition ticket sales.
24. An increase in grants and other contributions primarily due to greater than expected donations to the QAGOMA Foundation.
25. A decrease in interest received primarily due to lower than expected interest rates.
26. An increase in other inflows primarily due to recovery of exhibition touring costs from an international art gallery.
27. An increase in other outflows due to the transfer of bequest monies to a trust.
28. A decrease in investments redeemed due to greater than expected donations to the QAGOMA Foundation.
29. An increase in payments for investments due to greater than expected donations to the QAGOMA Foundation.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

30. An increase in user charges and fees primarily due to an expanded ticketed exhibition program in 2017-18.
31. A decrease in interest received primarily due to lower than expected interest rates.
32. An increase in supplies and services due to costs associated with an expanded exhibition program in 2017-18.
33. An increase in other outflows due to the payment of additional exhibition insurance in 2017-18.
34. An increase in investments redeemed due to the funding of artwork acquisitions.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

35. An increase in user charges and fees primarily due to an expanded ticketed exhibition program in 2017-18.
36. A decrease in grants and other contributions primarily due to a return of QAGOMA Foundation donations to historical levels following large donations in 2016-17.
37. An increase in supplies and services primarily due to costs associated with an expanded exhibition program in 2017-18.
38. A decrease in other outflows due to the transfer of bequest monies to a trust in 2016-17, offset by payment of additional exhibition insurance in 2017-18.
39. An increase in investments redeemed due to the funding of artwork acquisitions.
40. A decrease in payments for investments due to a return of QAGOMA Foundation donations to historical levels following large donations in 2016-17.

# Queensland Museum

## Overview

The strategic goal of the Queensland Museum (QM) is to be the premier museum in Australia, connecting real objects and contemporary research with communities, creating authentic and compelling experiences and telling stories that inspire, enrich and empower. QM does this through its network of seven public museums, and through outreach into Queensland communities.

QM strives to ensure that it meets international standards in the care, growth and preservation of the collections; creates compelling experiences that engage visitors (both real and virtual); builds world-class research capability; becomes a national leader in engagement in Science, Technology, Engineering, Mathematics (STEM) and the Arts; drives innovation in its business activities; invests in its people; and works in partnership with community, industry, government and other learning institutions to innovate in service development and delivery.

QM contributes to the Queensland Government's objectives for the community of creating jobs and a diverse economy by: stimulating economic growth and innovation; growing cultural and scientific tourism by delivering international exhibitions and iconic experiences including the World Science Festival Brisbane. QM also contributes to protecting the environment through the preservation of our unique cultural and natural heritage; and building safe, caring and connected communities through an extensive network of regional facilities and resources.

QM also supports the Advance Queensland initiative by connecting the creative discovery process that is the foundation of STEM and the Arts with education. This will place Queensland at the forefront of a worldwide movement that integrates art and design, and creative critical thinking with science and technology to transform learning through innovation.

Key priorities for QM include: maintaining a state-wide broad and dynamic program; conservation and management of the collection; sustaining a core of scientific and technical expertise capable of addressing issues critical to Queensland's cultural and natural environment; and growing and diversifying income streams to ensure financial sustainability.

## Service summary

In 2017-18, QM will:

- continue to implement the four year \$7 million investment to maintain the State's collections and address critical maintenance at regional campuses and the storage facility at Hendra
- continue to implement the four year \$4.5 million investment with matched funding raised from sponsorship support to update and replace permanent exhibitions to ensure preservation of collections, increase attendance levels and provide compelling experiences for visitors
- transform the Sciencentre into a cutting-edge, interactive facility to inspire the next generation of Queenslanders in STEM
- present major exhibitions including Gladiators: Heroes of the Colosseum and Ancient Lives from the British Museum, and deliver new programs across all our regional campuses
- deliver museum services across Queensland through our Museum Development Officer network
- deliver the third World Science Festival Brisbane in March 2018, with engagement across Queensland
- develop further partnerships with leading universities to enhance research capability
- support the Advance Queensland initiative which aims to make Queensland one of the leading states for student literacy and numeracy by 2020 by delivering new STEM projects across all campuses of the museum.

# Service performance

## Service area objective

To care for and build the State collection, curate and create experiences that explore unique Queensland stories, the natural environment and cultural heritage.

## Service area description

Queensland Museum manages the State collection, offering public access to the collections and public programs through research, education, exhibition and loans to communities across the State and beyond. This is delivered onsite in all campuses, in the community, in classrooms and online.

Queensland Museum	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Audience satisfaction with museum experiences	1	96%	96%	96%
Visits to Queensland Museum network onsite and at touring venues	2	1.8 million	1.8 million	1.9 million
<i>Efficiency measure</i>				
Non-government revenue as a percentage of total revenue	3, 4	39%	39%	43%

Notes:

1. This measure provides an indication of Queensland Museum's effectiveness in providing a compelling program of experiences across its campuses and online, helping to build Queensland's reputation as a cultural destination. The measure is of overall satisfaction of audiences with their Queensland Museum network experiences and the survey is consistent with the *Queensland Government Performance Management Framework Measuring Customer Experience Reference Guide* published by the Department of the Premier and Cabinet.
2. This measure is considered the best available proxy measure of effectiveness of the service area objective, due to its ability to infer public value, relevance, community perception and international standing.
3. This service standard has been amended to provide consistency with other Arts statutory bodies. The wording of the measure has changed from Self-generated to Non-government revenue and there has been a minor amendment to the calculation methodology to include non-cash revenue. This measure demonstrates the efficient use of government funding in leveraging investment and own source revenue for the delivery of services.
4. The difference of four per cent between 2016-17 Target/Estimate and 2017-18 Target/Estimate is due to government limited life funding ceasing from 2017-18.

# Staffing<sup>1</sup>

Queensland Museum	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Queensland Museum		250	250	250

Note:

1. Full-time equivalents (FTEs) as at 30 June.

# Income statement

Queensland Museum	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees	1,9,17	10,590	10,945	10,107
Grants and other contributions	2,10	38,546	47,704	48,288
Interest	3,11,18	174	509	326
Other revenue	4,12,19	383	274	97
Gains on sale/revaluation of assets	5,13	268	188	190
<b>Total income</b>		<b>49,961</b>	<b>59,620</b>	<b>59,008</b>
<b>EXPENSES</b>				
Employee expenses		24,758	24,908	25,554
Supplies and services	6,14	20,074	25,004	24,464
Grants and subsidies		35	80	40
Depreciation and amortisation	7,15	4,814	4,080	4,016
Finance/borrowing costs		..	..	..
Other expenses	8,16	280	548	574
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>49,961</b>	<b>54,620</b>	<b>54,648</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>5,000</b>	<b>4,360</b>

# Balance sheet

Queensland Museum	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	20,29	4,463	4,869	4,418
Receivables	24,30	1,396	1,391	2,262
Other financial assets		..	..	..
Inventories		588	601	601
Other		25	34	34
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>6,472</b>	<b>6,895</b>	<b>7,315</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	25,31	3,307	3,298	3,488
Property, plant and equipment	21,26,32	583,427	607,737	624,840
Intangibles		758	733	581
Other		..	..	..
<b>Total non-current assets</b>		<b>587,492</b>	<b>611,768</b>	<b>628,909</b>
<b>TOTAL ASSETS</b>		<b>593,964</b>	<b>618,663</b>	<b>636,224</b>
<b>CURRENT LIABILITIES</b>				
Payables	22,27,33	1,611	2,078	2,498
Accrued employee benefits		2,120	2,275	2,275
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>3,731</b>	<b>4,353</b>	<b>4,773</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>3,731</b>	<b>4,353</b>	<b>4,773</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>590,233</b>	<b>614,310</b>	<b>631,451</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	23,28,34	<b>590,233</b>	<b>614,310</b>	<b>631,451</b>

# Cash flow statement

Queensland Museum	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	41,48	10,426	10,003	9,236
Grants and other contributions	35,42	35,580	44,175	43,722
Interest received	36,43,49	174	509	326
Taxes		..	..	..
Other	37,44,50	383	274	97
<b>Outflows:</b>				
Employee costs		(24,758)	(24,908)	(25,554)
Supplies and services	38,45	(19,905)	(21,433)	(20,978)
Grants and subsidies		(35)	(80)	(40)
Borrowing costs		..	..	..
Other	39,46	(280)	(548)	(574)
<b>Net cash provided by or used in operating activities</b>		<b>1,585</b>	<b>7,992</b>	<b>6,235</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	40,47,51	(655)	(7,503)	(5,760)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(655)</b>	<b>(7,503)</b>	<b>(5,760)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(926)	(926)	(926)
<b>Net cash provided by or used in financing activities</b>		<b>(926)</b>	<b>(926)</b>	<b>(926)</b>
<b>Net increase/(decrease) in cash held</b>		<b>4</b>	<b>(437)</b>	<b>(451)</b>
<b>Cash at the beginning of financial year</b>		<b>4,459</b>	<b>5,306</b>	<b>4,869</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>4,463</b>	<b>4,869</b>	<b>4,418</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. An increase in user charges and fees primarily due to higher exhibition and programming activities.
2. An increase in grants and other contributions primarily due to a significant investment by the State Government in the Sciencentre transformation and major building/facilities maintenance across the museum network together with the recognition of fair value rent associated with the museum site at Grey Street, South Brisbane.
3. An increase in interest primarily due to higher income distributions from Queensland Investment Corporation (QIC) Growth Fund investments.
4. A decrease in other revenue primarily due to lower recoveries from insurance claims associated with building damage at the Museum's property at Ingham Road, Townsville.
5. A decrease in gains on sale/revaluation of assets primarily due to the expected performance of QIC Growth Fund investments.
6. An increase in supplies and services primarily due to major building/facilities maintenance across the museum network and the recognition of fair value rent associated with the museum site at Grey Street, South Brisbane.
7. A decrease in depreciation and amortisation primarily due to the revaluation of building assets at 30 June 2016.
8. An increase in other expenses primarily due to general insurance premiums and commission paid to ticketing providers.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

9. A decrease in user charges and fees primarily due to the closure of the Sciencentre during transformation.
10. An increase in grants and other contributions primarily due to a significant investment by the State Government in the Sciencentre transformation and major building/facilities maintenance across the museum network together with the recognition of fair value rent associated with the museum site at Grey Street, South Brisbane.
11. An increase in interest primarily due to higher income distributions from QIC Growth Fund investments.
12. A decrease in other revenue primarily due to lower recoveries from insurance claims associated with building damage at the Museum's property at Ingham Road, Townsville.
13. A decrease in gains on sale/revaluation of assets primarily due to the expected performance of QIC Growth Fund investments.
14. An increase in supplies and services primarily due to major building/facilities maintenance across the museum network and the recognition of fair value rent associated with the museum site at Grey Street, South Brisbane.
15. A decrease in depreciation and amortisation primarily due to the revaluation of building assets at 30 June 2016.
16. An increase in other expenses primarily due to general insurance premiums and commission paid to ticketing providers.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

17. A decrease in user charges and fees primarily due to the closure of the Sciencentre during transformation.
18. A decrease in interest primarily due to lower income distributions from QIC Growth Fund investments.
19. A decrease in other revenue primarily due to lower recoveries from insurance claims associated with building damage at the Museum's property at Ingham Road, Townsville.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

20. An increase in cash assets primarily due to higher than anticipated cash balances at the start of the year.
21. An increase in property, plant and equipment primarily due to the Sciencentre transformation, interim revaluation and acquisition of assets for the State Collection.
22. An increase in payables primarily due to the Sciencentre transformation and major building/facilities maintenance across the network and timing differences in the payment of creditors.



23. An increase in total equity primarily due to the Sciencentre transformation, interim revaluation and acquisition of assets for the State Collection.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

24. An increase in receivables primarily due to the timing of funding for the Sciencentre transformation and major building/facilities maintenance across the network and timing differences in recoveries from customers.
25. An increase in other non-current financial assets primarily due to the expected performance of QIC Growth Fund investments.
26. An increase in property, plant and equipment primarily due to the Sciencentre transformation, the interim valuation in 2016-17 and the comprehensive revaluation of the State Collection in 2017-18.
27. An increase in payables primarily due to the Sciencentre transformation and major building/facilities maintenance across the network and timing differences in the payment of creditors.
28. An increase in total equity primarily due to the Sciencentre transformation and the comprehensive interim revaluation of the State Collection in 2017-18.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

29. A decrease in cash assets primarily due to timing of project outlays and higher receivables.
30. An increase in receivables primarily due to the timing of funding for the Sciencentre transformation and major building/facilities maintenance across the network and timing differences in recoveries from customers.
31. An increase in other non-current financial assets primarily due to the expected performance of QIC Growth Fund investments.
32. An increase in property, plant and equipment primarily due to the Sciencentre transformation and the comprehensive revaluation of the State Collection in 2017-18.
33. An increase in payables primarily due to the Sciencentre transformation, major building/facilities maintenance across the network and timing differences in the payment of creditors.
34. An increase in total equity primarily due to the Sciencentre transformation and the interim revaluation and acquisition of assets for the State Collection.

## Cash flow statement

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

35. An increase in grants and other contributions primarily due to a significant investment by the State Government in the Sciencentre transformation and major building/facilities maintenance across the museum network.
36. An increase in interest received primarily due to higher income distributions from QIC Growth Fund investments.
37. A decrease in other operating inflows primarily due to lower recoveries from insurance claims associated with building damage at the Museum's property at Ingham Road, Townsville.
38. An increase in supplies and services primarily due to major building/facilities maintenance across the museum network.
39. An increase in other operating outflows primarily due to general insurance premiums and commission paid to ticketing providers.
40. An increase in payments for non-financial assets primarily due to the Sciencentre transformation and major building/facilities maintenance across the museum network.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

41. A decrease in user charges and fees primarily due to the closure of the Sciencentre during transformation.
42. An increase in grants and other contributions primarily due to a significant investment by the State Government in the Sciencentre transformation and major building/facilities maintenance across the museum network.
43. An increase in interest received primarily due to higher income distributions from QIC Growth Fund investments.
44. A decrease in other operating inflows primarily due to lower recoveries from insurance claims associated with building damage at the Museum's property at Ingham Road, Townsville.
45. An increase in supplies and services primarily due to major building/facilities maintenance across the museum network.

46. An increase in other operating outflows primarily due to general insurance premiums and commission paid to ticketing providers.
47. An increase in payments for non-financial assets primarily due to the Sciencentre transformation and major building/facilities maintenance across the museum network.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

48. A decrease in user charges and fees primarily due to the closure of the Sciencentre during transformation.
49. A decrease in interest received primarily due to lower income distributions from QIC Growth Fund investments.
50. A decrease in other operating inflows primarily due to lower recoveries from insurance claims associated with building damage at the Museum's property at Ingham Road, Townsville.
51. A decrease in payments for non-financial assets is primarily due to lower costs associated with the Sciencentre transformation and major building/facilities maintenance across the museum network.

# Queensland Performing Arts Trust

## Overview

The Queensland Performing Arts Trust (QPAT) manages Queensland's flagship performing arts venue – the Queensland Performing Arts Centre (QPAC).

QPAT's vision is for a lifetime of unforgettable live performances for all Queenslanders. Our purpose is to contribute to the social, cultural and intellectual development of Queenslanders.

QPAT's strategic direction is summarised by five objectives:

- connect audiences with arts experiences, no matter who or where they are
- deliver a broad program to reflect and enrich all lives
- deepen and amplify engagement between audience, artist and artwork
- foster an organisational culture built on collaboration and creativity
- build financial capacity to remain responsive to change and opportunity.

QPAT contributes to the Queensland Government's objectives for the community including building safe, caring and connected communities by:

- being an inclusive space, accessible to people of all abilities and cultural backgrounds
- connecting regional Queenslanders with arts experiences through digital platforms and partnerships
- expressing and sharing the stories and heritage of our diverse communities through live performance
- upholding the reputation, safety and security of our audience, staff and stakeholders and creating jobs and a diverse economy by:
  - actively growing cultural tourism through a full and rich program, including seasons exclusive to Brisbane
  - initiating and participating in exchanges of creative work, technical skills and knowledge with local and international partners.

QPAT is recognised as a cultural leader and delivers artistic, social, economic and cultural returns. QPAT's contribution to the growth of public value can be seen through its diverse programming which brings a range of exceptional experiences to wide audiences. QPAT's community engagement, education and participation programs help foster a community of the arts, and provides a breadth and depth of support to Queensland artists and arts companies.

QPAT's key focus in the coming years is to grow our audience reach and engagement.

## Service summary

In 2017-18, QPAT will:

- host two Brisbane exclusive productions by The Royal Ballet, and a wide range of free and low-cost programs across Queensland as part of the complementary residency program
- partner with local councils, including Cairns Regional Council, to deliver a range of outstanding live performances to their regions
- attract locals and cultural tourists through an engaging program at QPAC during the 2018 Gold Coast Commonwealth Games
- present five major musicals including Disney Theatrical Productions' hit Broadway musical *Aladdin*
- support the aspirations of Queensland's performing arts companies through collaborating in co-presentations and offering technical expertise and market intelligence
- continue to provide emerging artists with opportunities, including the popular free Green Jam program
- grow the 2018 Out of the Box Festival for children in Brisbane and other locations, to involve children in arts programs, explain our place in the world and share stories from our communities
- publish QPAC's biannual magazine '*Story*', present exhibitions and develop content through QPAC's Creatory portal to enhance deeper engagement with the performing arts.

# Service performance

## Performance statement

### Queensland Performing Arts Trust (QPAT)

#### Service area objective

To strengthen Queensland's arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

#### Service area description

QPAC delivers exceptional live performance and learning experiences for Queenslanders and visitors. The venues within QPAC are managed to generate arts outcomes for the State through positive commercial returns. QPAC curates an annual, mixed genre live performance program that includes QPAC variously as a producer, presenter, venue or investor and features production of local, national and international companies. QPAC delivers a specially tailored program that enhances lifelong learning through art. As well as these programming functions, QPAT is a commercial manager of its venues including managing and operating QPAC's four theatres – Lyric Theatre, Concert Hall, Playhouse and Cremorne Theatre.

Queensland Performing Arts Trust	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Audience satisfaction with programming and facilities	1	95%	95%	95%
Visits to QPAC onsite	2	1.3 million	1.3 million	1.3 million
<i>Efficiency measures</i>				
Venue utilisation	3	82%	87%	84%
Non-government revenue as a percentage of total revenue	4	80%	86%	86%

#### Notes:

1. Audience satisfaction measures the degree to which service delivery meets the expectations of users. The measure indicates overall audience satisfaction with programming and facilities. Audience satisfaction with dining is measured separately. The audience survey is based on the *Queensland Government Performance Management Framework Measuring Customer Experience Reference Guide*.
2. 'Visits to QPAC onsite' is considered the best available proxy measure of effectiveness of the service, due to its ability to infer public value, relevance, community perception and international standing.
3. The measure is an indicator of the use being made of the four theatres. The measure is an indicator of QPAC's efficiency in venue management and ability to ensure supply to theatres.
4. This includes revenue earned through the operation of commercial services (venue hire, ticketing, food and beverage) and revenue contributed through sponsorship and philanthropic programs.

# Staffing<sup>1</sup>

<b>Queensland Performing Arts Trust</b>	<b>Notes</b>	<b>2016-17 Budget</b>	<b>2016-17 Est. Actual</b>	<b>2017-18 Budget</b>
Queensland Performing Arts Trust	2	340	340	353

Note:

1. Full-time equivalents (FTEs) as at 30 June.
2. Full-time equivalent staffing is expected to rise in 2017-18, due to recoverable casual staffing requirements for the increased number of productions contracted.

# Income statement

Queensland Performing Arts Trust	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees	1,8,16	40,222	42,888	58,145
Grants and other contributions	2,9,17	7,997	16,432	16,530
Interest	3,10	810	736	694
Other revenue	11,18	750	738	1,600
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>49,779</b>	<b>60,794</b>	<b>76,969</b>
<b>EXPENSES</b>				
Employee expenses	4,12,19	28,027	28,708	30,800
Supplies and services	5,13,20	20,444	30,527	44,757
Grants and subsidies		..	..	..
Depreciation and amortisation	6,14,21	912	1,008	1,077
Finance/borrowing costs		..	..	..
Other expenses	15,22	396	398	335
Losses on sale/revaluation of assets	7,23	..	153	..
<b>Total expenses</b>		<b>49,779</b>	<b>60,794</b>	<b>76,969</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Balance sheet

Queensland Performing Arts Trust	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	24,32,41	10,283	8,513	8,253
Receivables	25,33	3,889	3,245	3,240
Other financial assets		..	3	3
Inventories	26,34,42	283	303	313
Other	27,35	238	522	527
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>14,693</b>	<b>12,586</b>	<b>12,336</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	36	12,089	11,943	11,762
Intangibles	28,37,43	..	456	493
Other		..	..	..
<b>Total non-current assets</b>		<b>12,089</b>	<b>12,399</b>	<b>12,255</b>
<b>TOTAL ASSETS</b>		<b>26,782</b>	<b>24,985</b>	<b>24,591</b>
<b>CURRENT LIABILITIES</b>				
Payables	29,38,44	5,378	3,244	2,860
Accrued employee benefits	30,39	1,111	1,455	1,445
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	31,40	267	131	131
<b>Total current liabilities</b>		<b>6,756</b>	<b>4,830</b>	<b>4,436</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>6,756</b>	<b>4,830</b>	<b>4,436</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>20,026</b>	<b>20,155</b>	<b>20,155</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>20,026</b>	<b>20,155</b>	<b>20,155</b>

# Cash flow statement

Queensland Performing Arts Trust	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	49,56	43,699	46,172	63,034
Grants and other contributions	50,57	7,997	8,272	8,870
Interest received	51,58	810	736	694
Taxes		..	..	..
Other	45,52,59	2,574	3,298	5,512
<b>Outflows:</b>				
Employee costs	46,53,60	(28,037)	(28,718)	(30,810)
Supplies and services	47,54,61	(22,114)	(25,273)	(41,376)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	55,62	(3,767)	(3,818)	(5,184)
<b>Net cash provided by or used in operating activities</b>		<b>1,162</b>	<b>669</b>	<b>740</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed	48,63	..	250	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		(1,000)	(1,000)	(1,000)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(1,000)</b>	<b>(750)</b>	<b>(1,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>162</b>	<b>(81)</b>	<b>(260)</b>
<b>Cash at the beginning of financial year</b>		<b>10,121</b>	<b>8,594</b>	<b>8,513</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>10,283</b>	<b>8,513</b>	<b>8,253</b>



# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. An increase in user charges and fees primarily due to increased attendance at shows driving higher ticket sales and food and beverage income.
2. An increase in grants and other contributions due to an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as contributed income (with a corresponding rental expense).
3. A decrease in interest due to lower interest rates, balances held and staging of fewer co-productions resulting in less money held in trust.
4. An increase in employee expenses due to increased labour requirements associated with high venue utilisation.
5. An increase in supplies and services primarily due to increased venue activity and an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as a rental expense (with corresponding contributed income).
6. An increase in depreciation and amortisation due to increased capital expenditure including external-wall mounted advertising screens and a Customer Relations Management system.
7. An increase in losses on sale/revaluation of assets due to the impairment of an investment in an associate venture in 2016-17.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

8. An increase in user charges and fees due to an expected increase in venue activity both at QPAC and through online ticketing operations.
9. An increase in grants and other contributions due to donations and an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as contributed income (with a corresponding rental expense).
10. A decrease in interest due to lower interest rates and staging of fewer co-productions resulting in less money held in trust.
11. An increase in other revenue due to increased venue activity and continued growth of corporate development, partnerships and philanthropy programs.
12. An increase in employee expenses due to Enterprise Bargaining arrangements, higher utilisation of QPAC facilities in high-turnover shows and increased labour required to derive revenue in our online ticketing operations.
13. An increase in supplier and services due to increased onsite/offsite activity, increased repairs and maintenance expenditure due to ageing assets and facilities (in particular staging/lighting), staging of the biennial Out Of The Box festival and an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as a rental expense (with corresponding contributed income).
14. An increase in depreciation and amortisation due to increased capital expenditure including external-wall mounted advertising screens and a Customer Relations Management system.
15. A decrease in other expenses due to corresponding increase in capital expenditure and expected lower cost of sponsorships.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

16. An increase to user fees and charges primarily due to an expected increase in venue activity at QPAC and through online ticketing operations.
17. An increase in grants and other contributions due to additional funding brought forward to stage the biennial Out of the Box festival.
18. An increase in other revenue due to increased venue activity and continued growth of corporate development, partnerships and philanthropy programs.
19. An increase in employee expenses due to Enterprise Bargaining arrangements, higher venue utilisation at QPAC and increased labour required to derive the increased revenue in online ticketing operations.

20. An increase in supplies and services due to an expected increase in activity across both QPAC and online ticketing operations, increased repairs and maintenance expenditure due to ageing assets and facilities and the expenses required to stage the biennial Out of the Box festival.
21. An increase in depreciation and amortisation due to increased capital expenditure including external-wall mounted advertising screens and a Customer Relations Management system.
22. A decrease in other expenses due to corresponding increase in capital expenditure and expected lower cost of sponsorships.
23. A decrease in losses on sale/revaluation of assets due to the impairment of an investment in an associate venture in 2016-17.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

24. A decrease in cash assets due to increased expenditure on the QPAC International Series and the research phase of the biennial Out of the Box festival.
25. A decrease in receivables due to changes in program schedules and revision of practices to lower reliance on initial cash payments.
26. An increase in inventories due to increased activities.
27. An increase in other current assets due to initially unbudgeted contracted sponsorships and partnerships.
28. An increase in intangibles due to the commissioning of the Customer Relationship Management (CRM) system.
29. A decrease in payables due to increased consumable carrying stock for onsite activity and the timing of payments relating to the QPAC International Series.
30. An increase in accrued employee benefits due to increased labour required to deliver the 2016-17 program schedule and lower than expected use of leave provisions.
31. A decrease in other current liabilities due to the anticipated programing in 2017-18 not requiring significant booking fees that would ordinarily be recorded in the balance sheet.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

32. A decrease in cash assets due to significant outflows required to stage the QPAC International Series and the biennial Out of the Box festival as well as a reduced program of co-productions.
33. A decrease in receivables due to changes in program schedules and revision of practices to lower reliance on initial cash payments.
34. An increase in inventories due to increased activities.
35. An increase in other current assets due to initially unbudgeted contracted sponsorships and partnerships.
36. A decrease in property, plant and equipment due to changes in depreciation schedules and reassessed useful lives.
37. An increase in intangibles due to the commissioning of the Customer Relationship Management (CRM) system.
38. A decrease in payables due to an improved payables, inventory, purchasing and stocking processes.
39. An increase in accrued employee benefits due to increased labour to deliver the 2017-18 program schedule and an expected reduction in use of leave provisions.
40. A decrease in other current liabilities due to the anticipated programing in 2018-19 not requiring significant booking fees that would ordinarily be recorded in the balance sheet.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

41. A decrease in cash assets due to significant outflows required to stage the QPAC International Series and the biennial Out of the Box festival, as well as a reduced program of co-productions.
42. An increase in inventories due to increased activities.
43. An increase in intangibles due to continued development and commissioning of CRM systems.
44. A decrease in payables due to the timing of expenses related to the 2017-18 and 2018-19 program schedule

# Cash flow statement

## Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

45. An increase in other operating inflow due to increased venue activity and continued growth of corporate development, partnerships and philanthropy programs.
46. An increase in employee costs due to increased labour requirements associated with high venue utilisation.
47. An increase in supplies and services primarily due to increased venue activity and an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as a rental expense (with corresponding contributed income).
48. An increase in investments redeemed due to the conclusion of a co-produced musical.

## Major variations between 2016-17 Budget and 2017-18 Budget include:

49. An increase in user charges and fees due to an expected increase in venue activity both at QPAC and through online ticketing operations.
50. An increase in grants and other contributions due to donations and an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as contributed income (with a corresponding rental expense).
51. A decrease in interest received due to lower interest rates and staging of fewer co-productions resulting in less money held in trust.
52. An increase in other operating inflow due to increased venue activity and continued growth of corporate development, partnerships and philanthropy programs.
53. An increase in employee costs due to Enterprise Bargaining arrangements, higher utilisation of QPAC facilities in high-turnover shows and increased labour required to derive revenue in our online ticketing operations.
54. An increase in supplies and services due to increased onsite/offsite activity, increased repairs and maintenance expenditure due to ageing assets and facilities (in particular staging/lighting), staging of the biennial Out Of The Box festival and an accounting policy change which requires the fair value of rental services provided by Arts Queensland to be recognised as a rental expense (with corresponding contributed income).
55. An increase in other operating outflows due to corresponding increase in capital expenditure and expected lower cost of sponsorships.

## Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

56. An increase to user charges and fees primarily due to an expected increase in venue activity at QPAC and through online ticketing operations.
57. An increase in grants and other contributions due to additional funding brought forward to stage the biennial Out of the Box festival.
58. A decrease in interest received due to lower interest rates and staging of fewer co-productions resulting in less money held in trust.
59. An increase in other operating inflow due to increased venue activity and continued growth of corporate development, partnerships and philanthropy programs.
60. An increase in employee costs due to Enterprise Bargaining arrangements, higher venue utilisation at QPAC and increased labour required to derive the increased revenue in online ticketing operations.
61. An increase in supplies and services due to an expected increase in activity across both QPAC and online ticketing operations, increased repairs and maintenance expenditure due to ageing assets and facilities and the expenses required to stage the biennial Out of the Box festival.
62. An increase in other operating outflows due to corresponding increase in capital expenditure and expected lower cost of sponsorships.
63. A decrease in investments redeemed due to the conclusion of a co-produced musical in 2016-17.

# Shared service provider

## Corporate Administration Agency

### Overview

The Corporate Administration Agency (CAA) provides corporate services under Service Level Agreements (SLAs) to Queensland public sector entities, principally statutory bodies.

CAA's vision is to meet customers' corporate service requirements through the provision of services in accordance with agreed SLAs and easy and convenient access to business applications. CAA's key objective is to assist customers in the achievement of business goals by providing value for money and effective services. CAA's operational planning focuses on engagement with customers to identify innovations to improve the delivery and cost of services.

Key strategic drivers for CAA include continued business innovation and improvement. This is achieved through effective customer engagement, strategic business alliances and partnerships that are supported by strong governance of business operations, products and services, and development of high performing specialist teams. The purchaser-provider relationship is assisted and developed beyond the SLAs through regular meetings of Heads of Corporate Services and provision and analysis of quarterly performance reports, user group forums, and an annual satisfaction survey of customers.

Services provided by CAA include:

- human resource management and consulting
- payroll and recruitment services
- financial management and transactional services
- information management services including information technology and business systems.

CAA operates in a dynamic market, as machinery-of-government arrangements have significant and recurring impacts on the resourcing model.

### Service summary

CAA will continue to focus on implementing business improvements, in particular providing self-service opportunities for our staff and customers. Expansion of CAA's customer base will be enabled by the achievement of improved automation and efficiencies.

In 2017-18, CAA will:

- provide value for money and enhanced services to customers, with a continued focus on innovation and automation of business processes, and responsible fiscal and resource management
- develop staff capability to enhance customer engagement and satisfaction through targeted internal leadership development and customer service training
- deliver better access to data and information for customers through improved self-service and mobility facilities, tablets and the internet
- increase the functional capacity of the integrated job recording and tracking system to improve customer experience and productivity of service delivery
- continue to develop and align business planning with the Government's strategic direction and objectives.

# Service performance

## Corporate Administration Agency

### Service area objective

To meet our customers' corporate service requirements through the provision of services in accordance with agreed Service Level Agreements and easy and convenient access to business applications.

### Service area description

CAA provides corporate services to Queensland public sector entities that are principally small to medium statutory bodies. CAA also provides ad hoc services to other government entities as requested. CAA charges customers on a full cost recovery basis with fees to the customers being based upon their relative usage of the resources used by the CAA to deliver the service.

Corporate Administration Agency	Notes	2016-17 Target/est.	2016-17 Est. actual	2017-18 Target/est.
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Customer satisfaction with CAA services	1	90%	88%	90%
Customers consider CAA services are value for money	2	New measure	New measure	90%
<i>Efficiency measures</i>				
CAA operating surplus/(deficit)	3	Break even	Break even	Break even
CAA annual unit pricing does not exceed the greater of consumer price index or public service award increase	4, 5, 6	90%	65%	75%

#### Notes:

- Overall customer satisfaction is being obtained through the CAA annual customer experience survey.
- This service standard informs on the overall satisfaction on value for money derived from an annual customer experience survey undertaken by key stakeholders.
- Results for this service standard indicate that CAA is managing its resources to provide economical pricing to customers.
- As 65 per cent of CAA costs are made up of salaries, the efficiency measure has been amended to cater for situations where a pay increase is greater than consumer price index.
- The 2016-17 performance result of 65 per cent is reflective of pricing not exceeding CPI or Public Service award. The remaining 35 per cent was impacted by the base accommodation increase of four per cent, associated utilities of up to 10 per cent and vendor price increases above 2.5 per cent.
- The 2017-18 target estimate has been revised based on the 2016-17 actual to provide a more realistic target.

# Staffing<sup>1</sup>

<b>Corporate Administration Agency</b>	<b>Notes</b>	<b>2016-17 Budget</b>	<b>2016-17 Est. actual</b>	<b>2017-18 Budget</b>
Corporate Administration Agency	2	71	74	77

Note:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in staff is due to the provision of additional services to existing and new clients.

# Income statement

Corporate Administration Agency	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
User charges and fees	1,5	11,920	11,920	12,733
Grants and other contributions		81	81	81
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>12,001</b>	<b>12,001</b>	<b>12,814</b>
<b>EXPENSES</b>				
Employee expenses	2,6	7,610	7,610	8,274
Supplies and services	3,7	4,040	4,058	4,279
Grants and subsidies		..	..	..
Depreciation and amortisation	4,8	118	100	23
Finance/borrowing costs		..	..	..
Other expenses		233	233	238
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>12,001</b>	<b>12,001</b>	<b>12,814</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Balance sheet

Corporate Administration Agency	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		3,650	3,597	3,685
Receivables	9,14	1,128	1,646	1,604
Other financial assets		..	..	..
Inventories		..	..	..
Other		983	954	954
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>5,761</b>	<b>6,197</b>	<b>6,243</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,15,19	201	47	24
Intangibles	11,16	55	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>256</b>	<b>47</b>	<b>24</b>
<b>TOTAL ASSETS</b>		<b>6,017</b>	<b>6,244</b>	<b>6,267</b>
<b>CURRENT LIABILITIES</b>				
Payables	12,17	595	777	800
Accrued employee benefits	13,18	251	280	280
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		595	609	609
<b>Total current liabilities</b>		<b>1,441</b>	<b>1,666</b>	<b>1,689</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>1,441</b>	<b>1,666</b>	<b>1,689</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>4,576</b>	<b>4,578</b>	<b>4,578</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>4,576</b>	<b>4,578</b>	<b>4,578</b>



# Cash flow statement

Corporate Administration Agency	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	20,23	11,920	13,112	13,967
Grants and other contributions		81	81	81
Interest received		..	..	..
Other		..	(706)	(711)
<b>Outflows:</b>				
Employee costs	21,24	(7,610)	(7,610)	(8,274)
Supplies and services	22,25	(4,040)	(4,480)	(4,737)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(233)	(233)	(238)
<b>Net cash provided by or used in operating activities</b>		<b>118</b>	<b>164</b>	<b>88</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		(75)	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(75)</b>	<b>..</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>43</b>	<b>164</b>	<b>88</b>
<b>Cash at the beginning of financial year</b>		<b>3,607</b>	<b>3,433</b>	<b>3,597</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>3,650</b>	<b>3,597</b>	<b>3,685</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2017-18 Budget include:

1. An increase in user charges and fees due to the provision of additional services to existing and new clients.
2. An increase in employee expenses due to the provision of additional services to existing and new clients in 2017-18. This will result in additional staff to accommodate the increased workload.
3. An increase in supplies and services primarily attributable to expenses associated with the provision of increased services to clients.
4. A decrease in depreciation as assets reach the end of their useful lives.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

5. An increase in user charges and fees due to the provision of additional services to existing and proposed new clients.
6. An increase in employee expenses due to the provision of additional services to existing and new clients in 2017-18. This will result in additional staff to accommodate the increased workload.
7. An increase in supplies and services primarily attributable to expenses associated with the provision of increased services to clients.
8. A decrease in depreciation as asset reach the end of their useful lives.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

9. An increase in receivables due to timing differences in recoverables from customers.
10. A decrease in property, plant and equipment as assets reach the end of their useful lives.
11. A decrease in intangibles due to previously capitalised software being expensed.
12. An increase in payables due to an expected increase in accruals for supplies and services.
13. An increase in accrued employee benefits due to additional staff to accommodate the provision of additional services to existing clients.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

14. An increase in receivables due to timing differences in recoverables from customers.
15. A decrease in property, plant and equipment as assets reach the end of their useful lives.
16. A decrease in intangibles due to previously capitalised software being expensed.
17. An increase in payables due to an expected increase in accruals for supplies and services.
18. An increase in accrued employee benefits due to additional staff to accommodate the provision of additional services to existing clients.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

19. A decrease in plant and equipment due to the end of useful lives of non-current assets being reached.

## Cash flow statement

### Major variations between 2016-17 Budget and 2017-18 Budget include:

20. An increase in user charges due to the provision of additional services to existing and new clients.
21. An increase in employee costs due to the provision of additional services to existing and new clients in 2017-18. This will result in additional staff to accommodate the increased workload.
22. An increase in supplies and services primarily attributable to costs associated with the provision of increased services to clients.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

23. An increase in user charges and fees due to the provision of additional services to existing and new clients.
24. An increase in employee costs due to the provision of additional services to existing and new clients in 2017-18. This will result in additional staff to accommodate the increased workload.
25. An increase in supplies and services primarily attributable to costs associated with the provision of increased services to clients.



**Queensland**  
Government

**Office of the Governor**

# Departmental overview

The *Constitution of Queensland 2001* provides that there must be a Governor of Queensland who is appointed by the Sovereign. The Governor is authorised and required to do all things that belong to the Governor's office under any law. This will be the fourth year in office for His Excellency the Honourable Paul De Jersey AC.

While the Governor as the representative of The Queen, who is the Head of State in Queensland, does not participate in the political process, it is the main constitutional responsibility of the Governor to ensure that the State continues to have a stable government which commands the popular support of the Parliament.

As an independent entity, the Office of the Governor (the Office) provides executive, administrative, logistical and personal support that enables the Governor to exercise effectively the constitutional powers and responsibilities of office, and to undertake constitutional and ceremonial duties and community activities. The autonomous nature of the Office is consistent with the Governor's role to function with political neutrality. The Office also maintains the Government House Estate, in partnership with the Department of Housing and Public Works.

# Service performance

## Performance statement

### Office of the Governor

#### Service area objective

To enable His Excellency, the Governor to exercise his statutory and constitutional, ceremonial, civic and social duties of office.

#### Service area description

The Office provides executive, administrative, logistical and personal support to the Governor and manages the Government House Estate.

#### 2017-18 service area highlights

In 2017-18, the Office will continue to provide support for the:

- Governor's constitutional and legal responsibilities of office through high quality policy advice and executive support
- Governor's ceremonial responsibilities of office, in particular the Australian Honours and Awards System and other ceremonial parades and military ceremonies
- Governor's program of civic engagements at Government House within the community along with educating the community about the role of the Governor and promoting community organisations through His Excellency's patronage
- Governor's commitment to promote Queensland's produce, culture, trade and business initiatives
- hosting of significant visitors to Government House
- Governor and Acting or Deputy Governor at times when the Governor acts as Administrator of the Commonwealth
- efficient and effective stewardship of Government House and the Estate.

Office of the Governor	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Office of the Governor</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Client satisfaction with support provided to the Governor on constitutional, legal and ceremonial duties of office	1	90%	100%	90%
Visits to Queensland Regional Centres	2	45	52	45
Increase in the number of visitors to Government House	3	10%	15%	10%
Percentage of menu items featuring Queensland produce as its main element	4	80%	95%	80%
Client satisfaction with presentation of gardens and grounds	5	85%	100%	85%
<i>Efficiency measure<sup>6</sup></i>				

Notes:

1. This service standard aims to measure overall satisfaction with the Office of the Governor's support provided to the Governor.
2. This service standard aims to measure the Governor's endeavours to support and promote Queensland's regions.
3. This service standard indicates the level of public engagement with the Governor and Government House. The term "visitors" includes all who participate in the Government House visit program and other events open to the public, such as the Christmas lights display, open day and Government House involvement in Open House. The Christmas lights display was open for an additional two nights in December 2016 which significantly increased visitor numbers for 2016-17.
4. The Office of the Governor supports the Governor's role in promoting Queensland through ensuring Queensland produce is a main feature of the food served at Government House functions.
5. This service standard aims to measure overall satisfaction with the Office of the Governor's management of the Government House Estate.
6. An efficiency measure is being developed for this service area and will be included in a future *Service Delivery Statement*.

# Staffing<sup>1</sup>

Office of the Governor	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Office of the Governor		44	44	44

Note:

1. Full-time equivalents (FTEs) as at 30 June.



# Budgeted financial statements

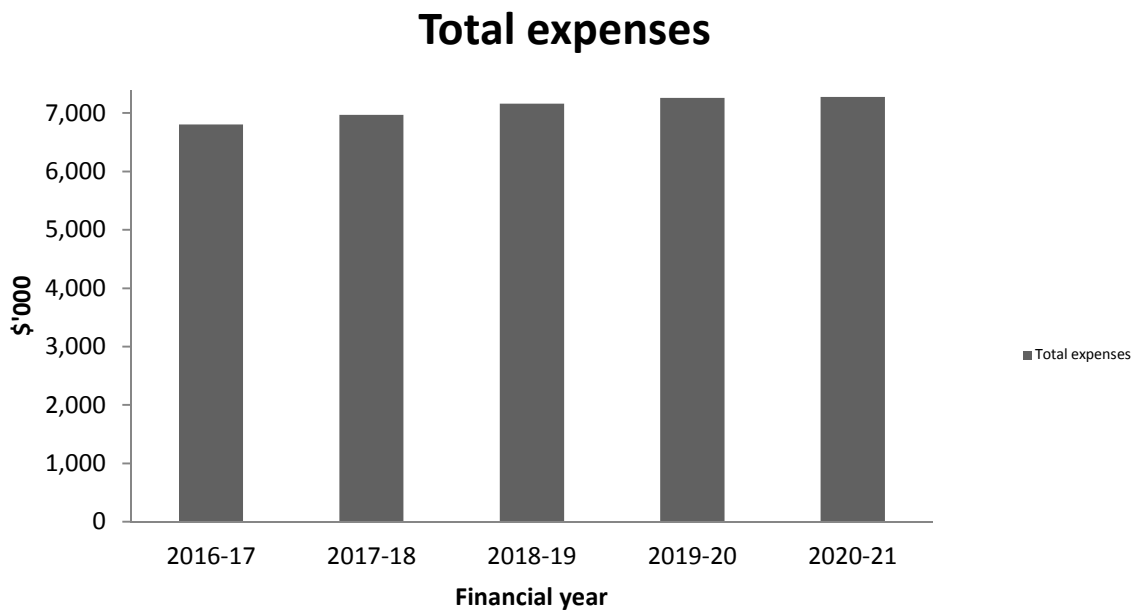
## Analysis of budgeted financial statements

An analysis of the Office of the Governor's financial statements is provided below.

## Departmental income statement

Total expenses are estimated to be \$7.0 million in 2017-18, an increase of \$56,000 from the 2016-17 financial year. The increase is mainly due to the impact of enterprise bargaining arrangements.

**Chart: Total departmental expenses across the Forward Estimates period**



## Departmental balance sheet

The Office's major assets in 2016-17 are in property, plant and equipment (\$1.92 million) - primarily the heritage and cultural collection. The value of these assets is anticipated to remain steady over the next three years. The Office's main liabilities relate to trade creditors at year end. These are not anticipated to change markedly over the forward estimates.

# Controlled income statement

Office of the Governor	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,3,6	6,912	6,805	6,968
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>6,912</b>	<b>6,805</b>	<b>6,968</b>
<b>EXPENSES</b>				
Employee expenses	4,7	4,982	4,982	5,161
Supplies and services	2,5	1,744	1,637	1,621
Grants and subsidies		..	..	..
Depreciation and amortisation		162	162	162
Finance/borrowing costs		..	..	..
Other expenses		24	24	24
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>6,912</b>	<b>6,805</b>	<b>6,968</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Controlled balance sheet

Office of the Governor	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		937	1,028	1,073
Receivables	8,11	91	161	161
Other financial assets		..	..	..
Inventories		23	39	39
Other		16	28	28
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,067</b>	<b>1,256</b>	<b>1,301</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	9,12	1,649	1,926	1,921
Intangibles	13	101	89	23
Other		..	..	..
<b>Total non-current assets</b>		<b>1,750</b>	<b>2,015</b>	<b>1,944</b>
<b>TOTAL ASSETS</b>		<b>2,817</b>	<b>3,271</b>	<b>3,245</b>
<b>CURRENT LIABILITIES</b>				
Payables	10,14	109	195	195
Accrued employee benefits		125	156	156
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>234</b>	<b>351</b>	<b>351</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>234</b>	<b>351</b>	<b>351</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>2,583</b>	<b>2,920</b>	<b>2,894</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>2,583</b>	<b>2,920</b>	<b>2,894</b>

# Controlled cash flow statement

Office of the Governor	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	15,21	6,912	6,805	6,968
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
<b>Outflows:</b>				
Employee costs	19,22	(4,982)	(4,982)	(5,161)
Supplies and services	16,20	(1,744)	(1,637)	(1,621)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(24)	(24)	(24)
<b>Net cash provided by or used in operating activities</b>		<b>162</b>	<b>162</b>	<b>162</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	17,23	(64)	(171)	(64)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(64)</b>	<b>(171)</b>	<b>(64)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	18	..	107	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(53)	(53)	(53)
<b>Net cash provided by or used in financing activities</b>		<b>(53)</b>	<b>54</b>	<b>(53)</b>
<b>Net increase/(decrease) in cash held</b>		<b>45</b>	<b>45</b>	<b>45</b>
<b>Cash at the beginning of financial year</b>		<b>892</b>	<b>983</b>	<b>1,028</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>937</b>	<b>1,028</b>	<b>1,073</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. A decrease in appropriation revenue as a result of funds transferred to equity to fund plant and equipment purchases.
2. A decrease in supplies and services as a result of funds transferred to equity to fund plant and equipment purchases.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

3. An increase in appropriation revenue as a result of enterprise bargaining arrangements.
4. An increase in employee expenses due to enterprise bargaining arrangements.
5. A decrease in supplies and services due to funds carried forward to 2016-17 to fund existing projects.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

6. An increase in appropriation revenue as a result of funds transferred to equity in 2016-17 along with enterprise bargaining arrangements.
7. An increase in employee expenses due to enterprise bargaining arrangements.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

8. An increase in receivables due to fluctuations in accrued receivables at year end.
9. An increase in property, plant and equipment due to ongoing investment in operational assets.
10. An increase in payables due to fluctuations in accrued expenses at year end.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

11. An increase in receivables due to fluctuations in accrued receivables at year end.
12. An increase in property, plant and equipment due to ongoing investment in operational assets.
13. A decrease in intangibles due to amortisation of the Office's database system.
14. An increase in payables due to fluctuations in accrued expenses at year end.

## Cash flow statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

15. A decrease in appropriation receipts as a result of cash transferred to equity to fund plant and equipment purchases.
16. A decrease in supplies and services as a result of cash transferred to equity to fund plant and equipment purchases.
17. An increase in outflows for non-financial assets principally due to increased investment in plant and equipment.
18. An increase in equity injections to fund plant and equipment purchases.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

19. An increase in employee costs due to enterprise bargaining arrangements.
20. A decrease in supplies and services as a result of cash transferred to equity in 2016-17 to fund plant and equipment purchases.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

21. An increase in appropriation receipts as a result of cash transferred to equity in 2016-17 along with enterprise bargaining arrangements.

22. An increase in employee costs due to enterprise bargaining arrangements.
23. A reduction in outflows for non-financial assets due to a reduction in investment in plant and equipment down to the standard level in 2017-18.



## **Public Service Commission**

# Departmental overview

The Public Service Commission (PSC) provides leadership and expertise to build and foster: a professional high-performing workforce, highly capable and inspiring leaders, and continuously improving, future-focused organisations.

As a central agency, the PSC provides independent advice to government and collaborates across the public sector to achieve its vision of a high performing, future-focused public sector for Queensland, and deliver on its strategic objectives to:

- provide effective stewardship of the public sector: manage an employment framework that drives performance and accountability; and foster constructive workplace cultures
- develop public sector capability: support agencies to identify and develop a diverse pipeline of future leaders; build a cohort of inspiring executive leaders; and promote a culture of personal and organisational improvement.
- enable an agile, future-focused public sector: increase sector confidence and readiness to manage the changing nature of work; support agencies to embrace change; and promote innovation across the sector.

PSC's key priorities for 2017-18 will be to partner with agencies to build workforce and leadership capability to deliver government objectives, and connect agencies to support a collaborative response to current and future challenges.

Key initiatives include preparing for the workforce of the future by implementing strategic initiatives in the *Ten Year Strategic Human Capital Outlook* and the three year strategic roadmap, developing leaders through brokering high quality leadership programs and creating leadership talent pipelines, and upgrading technology systems to improve departments' access and use of strategic workforce data.

The Integrity Commissioner is administratively included within the PSC and is responsible for providing advice on integrity and ethics matters, and for maintaining the Queensland Register of Lobbyists. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports at least twice a year to the Finance and Administration Committee of the Parliament.



# Service performance

## Performance statement

### Provision of Services for a High Performing Public Service

#### Service area objective

Deliver high quality community and service-focused policies, strategies, programs and advice to government on workforce, leadership and organisational matters that support Queensland Government agencies to deliver on their strategic vision, purpose and objectives.

#### Service area description

The PSC has three key areas of focus:

- providing effective stewardship of the public sector
- developing public sector capability
- enabling a future-focused public sector.

To support the delivery of these services, the PSC will optimise its capability and performance and focus on developing a customer-centric culture, modelling leadership behaviours and developing and sharing capabilities.

PSC collaborates with external stakeholders including the tertiary education and development sector, industry, employer associations, unions, research institutes and other public sector jurisdictions, in the design and delivery of its services.

#### 2017-18 service area highlights

During 2017-18, PSC will:

- partner with departments to increase organisational performance across government through the Capability Blueprint program
- support agencies to develop integrated services and programs, and build their capability in community-centred service design methods
- build expertise in the future of work through the Queensland Public Sector *Ten Year Strategic Human Capital Outlook*, and implement strategic workforce initiatives in the three year strategic roadmap
- deliver a general review of pay equity across the public sector in collaboration with key stakeholders
- support increased access to flexible work practices created by amendments to the *Industrial Relations Act 2016*, by developing a principles-based Flexible by Design framework
- champion the Queensland public sector workforce commitment to preventing and raising awareness about domestic and family violence, including progressing White Ribbon Australia accreditation for a further thirteen agencies
- build talent pipelines, identify high performing and high potential leaders, and grow leadership capability using creative people-centric learning solutions and fit-for-purpose thought leadership forums and development programs
- support public sector professionalism by assisting to re-establish the Institute of Public Administration Australia Queensland
- implement a more contemporary IT software solution to better collect, validate and report strategic workforce data, and build towards predictive analytics.

Public Service Commission	Notes	2016-17 Target/est.	2016-17 Est. actual	2017-18 Target/est.
<b>Service area: Provision of Services for a High Performing Public Service<sup>1</sup></b>				
<i>Effectiveness measures</i>				
Overall participant satisfaction with PSC leadership development offerings	2	80%	88%	85%
Client satisfaction with specialist workforce services advice	3	75%	84%	80%
<i>Efficiency measures</i>				
Cost per participant at PSC leadership development offerings	4	\$300	\$324	\$300
Cost per employee of conducting annual sector-wide employee opinion survey	5	\$1.40	\$1.20	\$1.40

Notes:

1. In 2015-16 PSC refined its operating model in line with *Public Service Act 2008* amendments, to optimise services and client outcomes. It ensures PSC is more strategically aligned to government commitments to enable the effective delivery of high quality workforce services in the public sector. The new model, which commenced on 1 July 2016, is a more customer-centric model of operation, based on six centres of expertise supported by a corporate service unit. The centres of expertise do not have individual line item budgets as work teams collaborate across PSC to deliver each centre's service. In line with this change of operation, PSC has combined its services presented in the 2016-17 *Service Delivery Statement* into one service area.
2. Overall satisfaction is measured across leadership development calendar offerings (using a 5-point Likert scale ranging from strongly agree to strongly disagree) covering three dimensions: The offering has given me a good understanding of the topic; I will use or adapt the ideas from the offering in my work; and I would recommend the offering to my colleagues.
3. Includes overall client satisfaction with both PSC Advisory Service and Conduct and Performance Excellence of positive feedback based on client survey results. A change to the wording of the measure reflects the incorporation of PSC's services into one service area. No change has been made to the calculation methodology.
4. Value for money is measured on the total number of attendees against the total cost of holding the leadership development calendar offerings. Total cost includes: venue hire, catering, facilities, facilitator related costs such as travel and/or accommodation, and video production costs.
5. The cost per employee of the annual Working for Queensland employee opinion survey is based on the cost of the core elements of the survey (i.e. standard survey services that are funded by PSC and provided to all participating agencies). Core costs are divided by the number of employees that are eligible to complete the survey. Eligibility to complete the survey is based primarily on an agency's participation in the Minimum Obligatory Human Resource Information (MOHRI) workforce data collection.

## Discontinued measures

Performance measures included in the 2016-17 Service Delivery Statements that have been discontinued or replaced are reported in the following table with Estimated Actual results.

Public Service Commission <sup>1</sup>	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Satisfaction with executive leadership competencies	2	70%	76%	Discontinued measure
Percentage of agencies that have team leaders or program managers participate in the Leaders Capability Assessment and the Development Initiative	3	70%	30%	Discontinued measure

Notes:

1. In mid-2016, the Department of the Premier and Cabinet commissioned a review of PSC's operating model and governance arrangements. The outcomes of the review, released in February 2017, will be reflected in PSC's Strategic Plan 2017-2021. To reflect the new strategic vision and objectives, new performance measures will be developed to replace the discontinued measures in line with the Auditor-General's report *Follow-up: Monitoring and reporting performance (Report 3: 2016-17)* findings. These new measures will be incorporated into a future *Service Delivery Statement*.
2. This measure has been discontinued after three years of exploring the data gathered through the executive competency questions in the Working for Queensland survey. It has become obvious that this measure is not a valid indicator of the success of the Executive Capability and Assessment Development program. The premise under which data is gathered for each program is vastly different and, as such, the correlation between the two sources is not apparent. Further, the highly conceptual nature of the competencies makes it difficult for respondents to comment on the extent to which they are translated into leadership behaviour. A more valid and reliable measure of these competencies is being explored.
3. This measure has been discontinued as Leaders Capability Assessment and Development is only one of a broader suite of leadership development initiatives being led by the PSC. While this initiative continues to be a development offering for the sector, it would not be prudent to focus solely on this initiative to measure leadership effectiveness.

## Department budget summary

The table below shows the total resources available in 2017-18 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

<b>Public Service Commission</b>	<b>2016-17 Budget \$'000</b>	<b>2016-17 Est. Actual \$'000</b>	<b>2017-18 Budget \$'000</b>
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	1,200	1,804	1,417
Balance of service appropriation	13,084	11,543	13,454
Other revenue	338	1,113	1,329
<b>Total income</b>	<b>14,622</b>	<b>14,460</b>	<b>16,200</b>
<b>Expenses</b>			
Provision of services for a performing public service	14,622	14,460	16,200
<b>Total expenses</b>	<b>14,622</b>	<b>14,460</b>	<b>16,200</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>497</b>	<b>936</b>	<b>936</b>

Note:

1. Includes State and Commonwealth funding.

## Service area sources of revenue<sup>1</sup>

Sources of revenue 2017-18 Budget					
Public Service Commission	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Provision of services for a performing public service	16,200	14,871	1,329	..	..
<b>Total</b>	<b>16,200</b>	<b>14,871</b>	<b>1,329</b>	<b>..</b>	<b>..</b>

Notes:

1. Explanations of variances are provided in the financial statements.

## Budget measures summary

This table shows a summary of budget measures relating to the department since the 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Public Service Commission	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures<sup>1</sup></b>					
Administered	..	..	..	..	..
Departmental	..	(18)	(32)	(31)	(31)
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Note:

- Figures reconcile with *Budget Measures (Budget Paper 4)*, including the whole-of-government expense measure 'Reprioritisations'.

# Staffing<sup>1</sup>

<b>Public Service Commission</b>	<b>Notes</b>	<b>2016-17 Budget</b>	<b>2016-17 Est. Actual</b>	<b>2017-18 Budget</b>
Public Service Commission		73	73	73

Note:

1. Full-time equivalents (FTEs) as at 30 June.

# Budgeted financial statements

## Analysis of budgeted financial statements

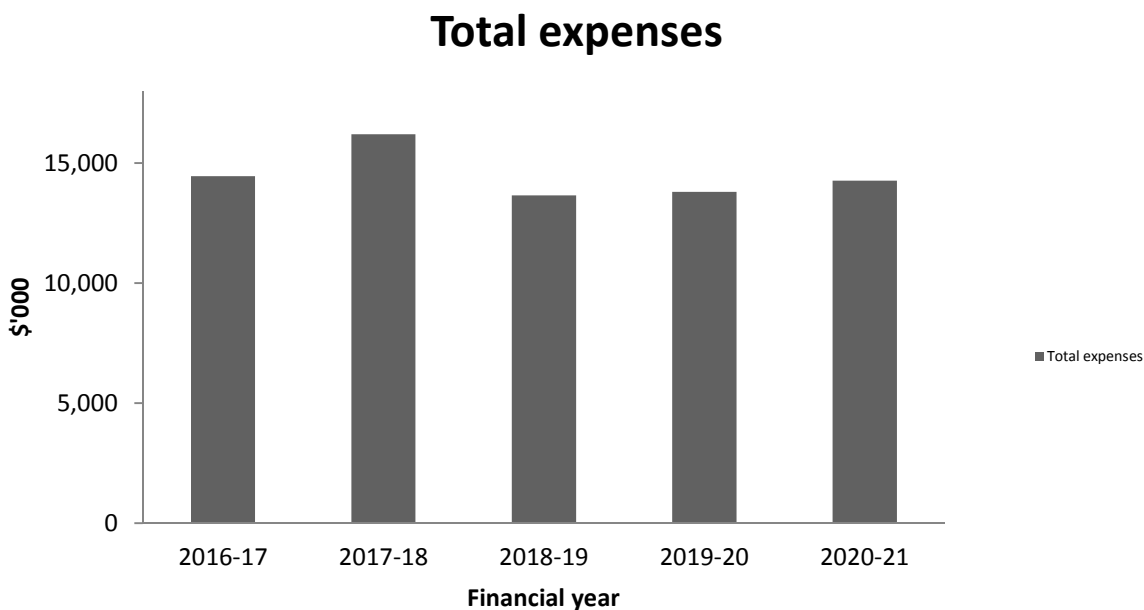
An analysis of the Public Service Commission's financial statements is provided below.

## Departmental income statement

Total expenses are estimated to be \$16.2 million in 2017-18, an increase of \$1.7 million from the 2016-17 Estimated Actual. The increased expenditure is due to deferred project funding from 2016-17 to 2017-18. These projects include:

- supporting whole-of-government initiatives such as DV Awareness and LGBTIQ+ strategy
- joint initiative to further develop capability across the sector with The Institute of Public Administration Australia (IPAA)
- supporting ongoing commitments for whole-of-government leadership and development programs
- joint initiative with Queensland Cyber Infrastructure Foundation (QCIF) to maximise workforce databases to improve workforce policy outcomes.
- ongoing project commitments for Community Insights, Capability Reviews, Talent Now Pilot and Cross Jurisdictional Integrity

**Chart: Total departmental expenses across the Forward Estimates period**



## Departmental balance sheet

The Commission's balance sheet is primarily represented by current assets and liabilities, reflecting the accrued position as at year end. The increase in the net asset position is due to the effect of the post budget formation treatment of the exit strategy for the leasehold improvements for the previous premises at 53 Albert Street.



# Controlled income statement

Public Service Commission	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,10	14,284	13,347	14,871
Taxes		..	..	..
User charges and fees	2,5	182	305	421
Royalties and land rents		..	..	..
Grants and other contributions	3,6	156	808	908
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>14,622</b>	<b>14,460</b>	<b>16,200</b>
<b>EXPENSES</b>				
Employee expenses	7,11	9,570	9,504	9,291
Supplies and services	8,12	4,946	4,569	6,864
Grants and subsidies		..	..	..
Depreciation and amortisation	4,9,13	62	342	..
Finance/borrowing costs		..	..	..
Other expenses		44	45	45
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>14,622</b>	<b>14,460</b>	<b>16,200</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Controlled balance sheet

Public Service Commission	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		892	1,085	1,417
Receivables	14,20	179	442	194
Other financial assets		..	..	..
Inventories		..	..	..
Other	15,18	70	127	138
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,141</b>	<b>1,654</b>	<b>1,749</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>1,141</b>	<b>1,654</b>	<b>1,749</b>
<b>CURRENT LIABILITIES</b>				
Payables	16,21	394	315	391
Accrued employee benefits	17,19	250	403	422
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>644</b>	<b>718</b>	<b>813</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>644</b>	<b>718</b>	<b>813</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>497</b>	<b>936</b>	<b>936</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>497</b>	<b>936</b>	<b>936</b>

# Controlled cash flow statement

Public Service Commission	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	22,30,38	14,284	12,715	14,871
User charges and fees	23,31,39	316	1,190	804
Royalties and land rent receipts		..	..	..
Grants and other contributions	24,32,40	156	808	908
Interest received		..	..	..
Taxes		..	..	..
Other	25,33,41	380	445	678
<b>Outflows:</b>				
Employee costs	26,34,42	(9,828)	(9,575)	(9,272)
Supplies and services	27,35,43	(4,832)	(5,392)	(7,487)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(861)	(172)	(170)
<b>Net cash provided by or used in operating activities</b>		<b>(385)</b>	<b>19</b>	<b>332</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets	28,36	1,216	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		(52)	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>1,164</b>	<b>..</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	29,37	(439)	..	..
<b>Net cash provided by or used in financing activities</b>		<b>(439)</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>340</b>	<b>19</b>	<b>332</b>
<b>Cash at the beginning of financial year</b>		<b>552</b>	<b>1,066</b>	<b>1,085</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>892</b>	<b>1,085</b>	<b>1,417</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. A decrease in appropriation funding due to the deferral of project funding to 2017-18, as a result of a reprioritising of prior year funding for ANZSOG commitments to support a number of whole-of-government initiatives. These projects include the Community Insights project, Capability Reviews, Cross Jurisdictional Integrity, Talent Now Pilot, ongoing commitments for leadership and development programs, supporting whole-of-government initiatives such as DV Awareness, LGBTIQ+, joint initiatives to further develop capability across the sector with The Institute of Public Administration Australia (IPAA) and the Queensland Cyber Infrastructure Foundation (QCIF) by maximising current workforce databases to improve workforce policy outcomes. This was offset by the partial completion of Capability Reviews and the completion of commitments for the Public Sector Management Scholarship Program (PSMP).
2. An increase in user charges is primarily due to additional project work undertaken by Community Insights.
3. An increase in grants and contributions due to a revision of the funding model to support the ANZSOG and leadership development program by contributions from across whole-of-government.
4. An increase in depreciation due to the leasehold fitout asset of premises located at 53 Albert Street was fully depreciated by October 2016 to coincide with the relocation to 1 William Street.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

5. An increase in user charges primarily due to Community Insights transitioning to a fee-for-service basis operating model.
6. An increase in grants and contributions due to the revision of the funding model to support the ANZSOG and leadership development program by contributions from across whole-of-government and the tri-ennial contributions to support the Workforce Analysis and Collection Application (WACA).
7. A decrease in employee expenses due to a revision of the staffing structure resulting in classification adjustments and savings in employee expenses.
8. An increase in supplies and services primarily to complete projects identified in Note 1 for deferral into 2017-18.
9. A decrease in depreciation expense due to the exit from 53 Albert Street leasehold asset and transitioning to an operating lease at 1 William Street.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

10. An increase in appropriation revenue funding due to the deferral of project funding to 2017-18, as a result of a prioritising of prior year funding for ANZSOG commitments to support a number of whole-of-government initiatives. These projects include the Community Insights project, Capability Reviews, Cross Jurisdictional Integrity, Talent Now Pilot, ongoing commitments for the leadership and development programs, supporting whole-of-government initiatives such as DV Awareness, LGBTIQ+, joint initiatives to further develop capability across the sector with The Institute of Public Administration Australia (IPAA) and the Queensland Cyber Infrastructure Foundation (QCIF) by maximising current workforce databases to improve workforce policy outcomes.
11. A decrease in employee expenses due to a revision of the staffing structure resulting in classification adjustments and savings in employee expenses.
12. An increase in supplies and services primarily to complete projects identified in Note 1 for deferral into 2017-18.
13. A decrease in depreciation expense due to the accelerated depreciation of 53 Albert Street leasehold improvements upon relocating to 1 William Street.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

14. An increase in receivables primarily due to the recovery of contribution fund commitments for Capability Reviews identified post formulation of the 2016-17 budget and reflecting higher income for the Community Insights project.
15. An increase in prepayments due to the funding of ANZSOG scholarships across financial years.
16. A decrease in payables due to a decrease in the end of year creditor accruals.

17. An increase in employee accrued benefits due to timing of accrued leave entitlements and leave taken by employees.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

18. An increase in prepayments due to the funding of scholarships for the sector wide ANZSOG Programs and Public Sector Management Program to be completed across financial years.
19. An increase in employee accrued benefits due to timing of accrued leave entitlements and leave taken by employees.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

20. A decrease in receivables due to the internal funding of ongoing Capability Review activities from 2017-18.
21. An increase in payables due to the increased level of deferred projects from the current year.

## Cash flow statement

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

22. A decrease in appropriation receipts primarily due to the deferred funding to 2017-18 as outlined in Note 1.
23. An increase in user charges and fees primarily due to the timing of receipt of prior year recoveries for ANZSOG contributions and Director General recruitment expenses that were received in 2017-18.
24. An increase in grants and other contributions primarily due to revision of funding model to agency contributions to fund ANZSOG commitments.
25. An increase in other inflows primarily due to the timing of GST impacts on the collection of prior year receivables that were accrued at year end.
26. A decrease in employee expenses due to a revision of the staffing structure resulting in lower classifications and employee expenses.
27. An increase in supplies and services payments primarily due to timing of payments of prior year end of year accruals for supplies and services.
28. At the time of the formulation for the 2016-17 budget there was not an exit strategy for the leasehold asset for the previous premises located at 53 Albert Street. Since the budget the exit strategy was finalised and had no impact on the cash flow statement for the Commission.
29. A decrease in equity outflows due to a revised exit strategy post 2016-17 budget formation for the leasehold asset for the previous premises located at 53 Albert Street. Since the budget the exit strategy was finalised which had no impact on the cash flow statement for the Commission.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

30. An increase in appropriation receipts primarily due to deferred funding from 2016-17 as outlined in Note 1 and enterprise bargaining arrangements, offset by the cessation of temporary funding for the replacement WACA system and temporary projects.
31. An increase in user charges primarily due to the timing of receipts for Community Insights projects and Capability Review recovery reflecting the anticipated current end of year accrual for 2016-17.
32. An increase in grants and contributions primarily due to the revision of the funding model to support the ANZSOG and leadership development program by contributions from across whole-of-government and the tri-ennial contributions from whole-of-government to support the WACA.
33. An increase in other inflows primarily due to increased GST inflows as a result of deferred projects from 2016-17 to 2017-18 as outlined in Note 1.
34. A decrease in employee expenses due to a revision of the staffing structure resulting in lower classifications and employee expenses.
35. An increase in supplies and services as a result of deferred funding from 2016-17 to 2017-18 associated with projects outlined in Note 1.
36. At the time of the formulation for the 2016-17 budget there was not an exit strategy for the leasehold asset for the previous premises located at 53 Albert Street. Since the budget the exit strategy was finalised and had no impact on the cash flow statement for the Commission.

37. A decrease in equity due to a revised exit strategy post 2016-17 budget formation for the leasehold asset for the previous premises located at 53 Albert Street. Since the budget the exit strategy was finalised which had no impact on the cash flow statement for the Commission.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

38. An increase in appropriation revenue funding due to the deferral of project funding to 2017-18, as a result of a reprioritising of prior year funding for ANZSOG commitments to support a number of whole-of-government initiatives. These projects include the Community Insights project, Capability Reviews, Jurisdictional Integrity, Talent Now Pilot, ongoing commitments for leadership and development programs, supporting whole-of-government initiatives such as DV Awareness, LGBTIQ+, joint initiatives to further development capability across the sector with The Institute of Public Administration Australia (IPAA) and the Queensland Cyber Infrastructure Foundation (QCIF) to maximise workforce databases to improve workforce policy outcomes.
39. A decrease in user charges primarily due to the timing Community Insights transitioning earlier than anticipated to a fee-for-service basis operating model and reflecting receipts anticipated to be accrued at year end.
40. An increase in grants and contributions to support the WACA system.
41. An increase in other inflows primarily due to the timing of GST impacts on the collection of prior year receivables that were accrued at year end.
42. A decrease in employee expenses due to a revision of the staffing structure resulting in classification adjustments and savings in employee expenses.
43. An increase in supplies and services as a result of deferred funding from 2016-17 to 2017-18 associated with projects as outlined in Note 1.



**Queensland**  
Government

**Queensland Audit Office**

# Departmental overview

The Queensland Audit Office (QAO) is the independent auditor of the Queensland public sector.

QAO conducts financial and performance audits to provide public confidence in the reliability of public sector entity financial statements and operating performance. Through its audit work, the QAO makes recommendations that promote accountability and transparency in government, and improvements in service efficiency and effectiveness.

QAO's unique position provides it with visibility across the entire public sector of matters that impact financial performance and its audit mandate provides it with access to the information it needs to develop an evidence-based understanding of operating performance.

QAO's vision is for better public services and it strives to use its unique position and mandate to achieve this vision.

QAO is working toward:

- its clients using the information it provides to improve their accountability and performance
- its services being trusted and valued as independent, authoritative and timely
- its people being the best in their field, supported by efficient and effective operations.

QAO's financial audit services are paid for directly by public sector entities, while performance audit services are paid for by parliamentary funding. Each year, the QAO invests responsibly to deliver the best value it can from its services and it is currently developing world class approaches to how it:

- identifies and selects performance audit topics
- conducts public sector financial and performance audits
- applies data analytics to improve audit services.

During 2016-17, a strategic review was conducted of QAO. QAO welcomed this review as an opportunity to have its position and performance independently evaluated. The *Strategic Review of the Queensland Audit Office 2017* report was tabled in Parliament on 23 March 2017. The overall conclusion of the reviewers was that QAO is fundamentally sound, and that it is a valuable part of the Queensland public sector. QAO accepts all of the recommendations within its control and supports those recommendations made to other parties by the strategic reviewers.



# Performance statement

## Independent Public Sector Auditing and Reporting

### Service area objective

To provide independent assurance and unique insights about public sector performance, facilitating better public services.

### Service area description

The QAO conducts financial and performance audits to provide public confidence in the reliability of public sector entity financial statements and operating performance. Each year, the QAO develops plans about what audits it will conduct in future years. During each audit, the QAO performs analysis, develops insights, and makes recommendations designed to promote accountability and transparency, and improve performance. The QAO's reports provide valuable information to Parliament, public sector entities and members of the public. Each year, the QAO follows up with public sector entities to identify to what extent its recommendations have been implemented.

### Services

- Reports and advice to the Parliament
- Reports and advice to the public sector

### 2017-18 service area highlights

In 2017-18, QAO will:

- pursue opportunities to strengthen independence and autonomy
- strengthen stakeholder relationships and client knowledge
- adapt audit approaches to provide greater value to its stakeholders
- develop its workforce to meet client service needs
- apply a continuous improvement approach within QAO
- embed its values of engage, challenge, deliver and care.

Queensland Audit Office	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Independent Public Sector Auditing</b>				
<b>Service: Reports and Advice to the Parliament</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Parliament's overall satisfaction with services	1, 2	80%	80%	80%
Audit entities' overall satisfaction with performance audit services (index points)	1, 3	80	80	80
Percentage of performance audit recommendations implemented by audited entities	4	100%	..	90%
Benefits from performance audits (benefit-cost ratio)	5	>1	>1	>1

Queensland Audit Office	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<i>Efficiency measures</i>				
Average cost of reports tabled - Results of financial audits (\$'000)	6	170	173	140
Average cost of reports tabled - Results of performance audits (\$'000)	6	360	356	395
Average time taken to produce reports - Results of financial audits – from applicable balance dates (months)	7	5	5.3	6
Average time taken to produce reports - Results of performance audits - from initiation of audits (months)	7	<8	8.9	9
<b>Service: Reports and Advice to the Public Sector</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Audit entities' overall satisfaction with financial audit services (index points)	1, 8	80	80	80
Financial statement material error (%)	9	<5%	3.9%	<5%
<i>Efficiency measures</i>				
Average cost of financial audits - State entities (\$'000)	10	78	82	80
Average cost of financial audits - Local government entities (\$'000)	10	69	62	71

Notes:

1. QAO's service area objective includes providing unique insights about public sector performance. Performance is considered to be effective when QAO's insights are valued by Members of Parliament and the entities that QAO audits. To measure this, independent surveys are conducted with these groups asking for responses about QAO services, including the value it provides. The results are reported here as part of 'overall satisfaction'.
2. This measure is based on a survey conducted in 2017 by an independent external provider. The results will be available in July 2017 and included in the 2016-17 annual report.
3. This measure is based on surveys conducted throughout the year by an independent external provider. The results will be available in July 2017 and included in the 2016-17 annual report.
4. This measure is based on follow-up work QAO does with public sector entities to identify the implementation status of the recommendations that were included in previous reports to Parliament. QAO base this measure on the reports tabled two financial years ago, to provide entities enough time to implement the recommendations previously accepted. The 2016-17 results will be available in July 2017 and included in the 2016-17 annual report. The 2017-18 Target/Estimate for this measure has been reduced in response to a strategic review recommendation and actual performance reported in the 2015-16 annual report.
5. This is an outcome measure of service effectiveness. In addition to other non-financial benefits, some of QAO's recent performance audits have identified direct financial benefits related to improved performance. This measure increases the visibility of this outcome as a ratio of direct financial benefits versus the cost of performance audits. A target of '>1' indicates that the financial benefits QAO identify are greater than the cost of delivering the performance audit program. The results will be included in the 2016-17 annual report.
6. QAO tracks the full life-cycle cost of each report it tables, including internal staff costs and overheads, consultants and other direct costs. The cost of all reports QAO tabled within the financial year are used for this measure. QAO expects the average cost of performance audit reports to increase in 2017-18 as it responds to strategic review recommendations to increase stakeholder engagement as it strives to improve the outcomes from its work.
7. QAO tracks the time it takes to produce each report. For performance audits, this is measured from audit initiation to the tabling date. For the reports on the results of its financial audits, QAO measures the time from financial year end to tabling date. QAO expect the average time taken to produce its reports to increase in 2017-18 as QAO spreads its tabling program to support the more effective communication of key messages and to better manage workforce supply and demand.
8. This measure is based on surveys conducted throughout the year by an independent external provider.
9. This measure tracks the number of adjustments required to the 2016-17 financial statements that relate to undetected material errors from prior years.
10. QAO tracks the full cost of each financial audit including internal staff costs and overheads, contractor and other direct costs. The full cost of all the financial audits completed within the financial year are included in this measure. QAO expect the average cost of its financial audits to increase in 2017-18 in line with a 2.5 per cent increase in hourly charge rates, as approved by the Treasurer.

# Staffing<sup>1</sup>

Queensland Audit Office	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Independent public sector auditing services and reporting	2	184	184	197

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in the FTE budget for 2017-18 is to ensure QAO has adequate resources to meet its legislative requirements. To date, existing staff have been working a high number of additional hours to meet these requirements as highlighted in the strategic review.

# Budgeted financial statements

## Analysis of budgeted financial statements

An analysis of the Queensland Audit Office's (QAO) financial statements is provided below.

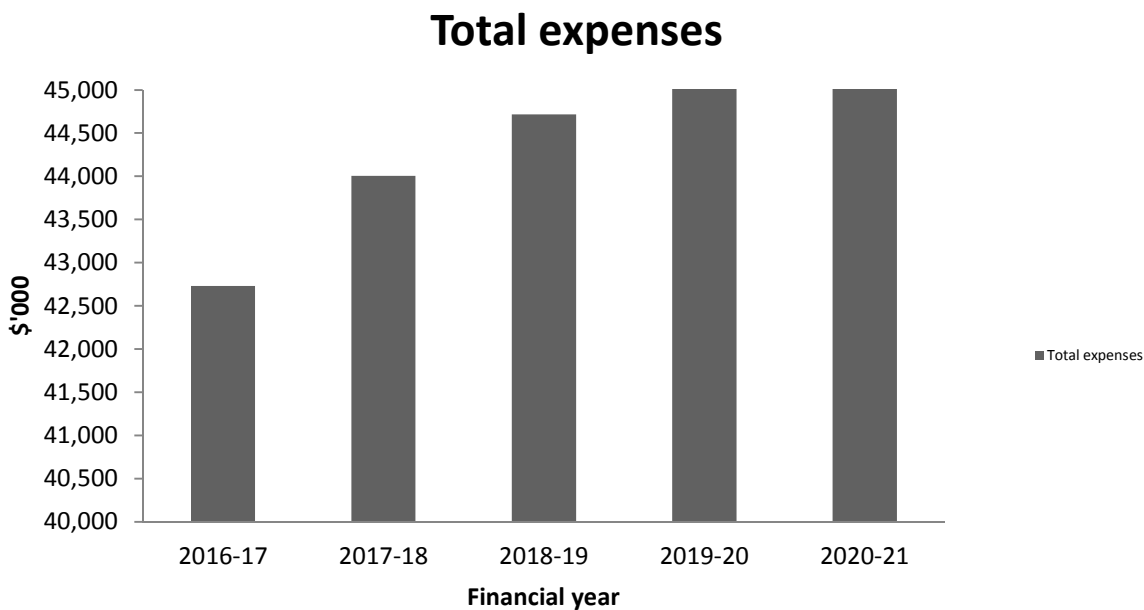
### Departmental income statement

Total expenses are estimated to be \$44.0 million in 2017-18, an increase of \$1.3 million compared to the 2016-17 Estimated Actual of \$42.7 million, and \$0.7 million higher than the 2016-17 budget of \$43.3 million.

The increase in budgeted Employee expenses for the 2017-18 Budget against the 2016-17 Estimated Actual of \$2.0 million is mainly due to a higher audit full time equivalents (FTEs) and approved salary increases under the Enterprise Bargaining arrangements. The increase in audit FTEs is to bring the QAO's staff numbers to its planned establishment, to meet its legislative requirements for the certification of annual financial statements. QAO has experienced a significant resource gap which has been mitigated by staff achieving higher utilisation than planned. The high number of hours being undertaken by audit staff is not sustainable and it has been identified as a material issue for the office.

Decreases in Supplies and services are primarily due to lower contracted-out auditing services and other specialist contractors.

**Chart: Total departmental expenses across the Forward Estimates period**



### Departmental balance sheet

The balance sheet position remains sustainable over the forward estimates. QAO's balance sheet primarily reflects liquid assets and liabilities. Major asset holdings in 2017-18 are cash \$5.5 million, receivables \$2.7 million and work-in-progress of \$2.5 million. QAO is projecting an improved year end cash position which is primarily due to additional program of financial audits, and improved management of receivables and payables.

# Controlled income statement

Queensland Audit Office	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue		6,629	6,608	6,670
Taxes		..	..	..
User charges and fees	3,5	35,274	35,409	37,042
Royalties and land rents		..	..	..
Grants and other contributions		269	269	201
Interest		..	..	..
Other revenue		423	430	439
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>42,595</b>	<b>42,716</b>	<b>44,352</b>
<b>EXPENSES</b>				
Employee expenses	1,4,6	22,304	21,227	23,258
Supplies and services	2,7	20,159	20,920	20,021
Grants and subsidies		..	..	..
Depreciation and amortisation		510	418	436
Finance/borrowing costs		..	..	..
Other expenses		284	167	290
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>43,257</b>	<b>42,732</b>	<b>44,005</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(662)</b>	<b>(16)</b>	<b>347</b>

# Controlled balance sheet

Queensland Audit Office	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	8,12	3,123	5,196	5,547
Receivables	9,13	4,396	2,594	2,699
Other financial assets		..	..	..
Inventories		..	..	..
Other		2,887	2,673	2,673
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>10,406</b>	<b>10,463</b>	<b>10,919</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,14	550	214	228
Intangibles		1,092	1,330	1,130
Other		10	10	10
<b>Total non-current assets</b>		<b>1,652</b>	<b>1,554</b>	<b>1,368</b>
<b>TOTAL ASSETS</b>		<b>12,058</b>	<b>12,017</b>	<b>12,287</b>
<b>CURRENT LIABILITIES</b>				
Payables	11,15	1,532	791	608
Accrued employee benefits		892	879	937
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>2,424</b>	<b>1,670</b>	<b>1,545</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		355	355	403
Other		..	..	..
<b>Total non-current liabilities</b>		<b>355</b>	<b>355</b>	<b>403</b>
<b>TOTAL LIABILITIES</b>		<b>2,779</b>	<b>2,025</b>	<b>1,948</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>9,279</b>	<b>9,992</b>	<b>10,339</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>9,279</b>	<b>9,992</b>	<b>10,339</b>

# Controlled cash flow statement

Queensland Audit Office	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts		6,629	6,608	6,670
User charges and fees	18,22	38,761	38,416	40,363
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		2,234	2,496	2,236
<b>Outflows:</b>				
Employee costs	16,19,23	(22,223)	(21,413)	(23,224)
Supplies and services	17,20	(20,565)	(21,352)	(21,588)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(3,551)	(3,597)	(3,856)
<b>Net cash provided by or used in operating activities</b>		<b>1,285</b>	<b>1,158</b>	<b>601</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	21	(677)	(573)	(250)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(677)</b>	<b>(573)</b>	<b>(250)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>608</b>	<b>585</b>	<b>351</b>
<b>Cash at the beginning of financial year</b>		<b>2,515</b>	<b>4,611</b>	<b>5,196</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>3,123</b>	<b>5,196</b>	<b>5,547</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. A decrease in employee expenses due to lower audit staff numbers resulting from a difficulty in attracting and retaining staff with auditing capabilities. This was partially supplemented by contracted-in auditors with expenses included in supplies and services.
2. An increase in supplies and services mainly due to higher contracted-out auditing services and contracted-in auditors to supplement the workforce in peak periods. This was partially offset by lower specialist contractors.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

3. An increase in user charges and fees due to timing and additional program of financial audits.
4. An increase in employee expenses due to approved salary increases under the enterprise bargaining arrangements and additional audit staff to deliver a higher program of financial audits.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

5. An increase in user charges and fees due to timing and additional program of financial audits.
6. An increase in employee expenses due to approved salary increases under the enterprise bargaining arrangements and additional audit staff to deliver a higher program of financial audits.
7. A decrease in supplies and services due to lower contracted-out auditing services and specialist contractors.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

8. An increase in cash assets mainly due to improved management of customer accounts and lower employee expenses. This was partially offset by lower current payables.
9. A decrease in current receivables due to improved management of customer accounts.
10. A decrease in property, plant and equipment mainly due to lower capital works expenditure to maintain and replace current office and IT equipment.
11. A decrease in current payables due to improved management of creditor accounts.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

12. An increase in cash assets mainly due to additional program of financial audits and improved management of customer accounts. This was partially offset by lower current payables.
13. A decrease in current receivables due to improved management of customer accounts.
14. A decrease in property, plant and equipment mainly due to lower capital works expenditure to maintain and replace current office and IT equipment.
15. A decrease in current payables due to improved management of creditor accounts.

## Cash flow statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

16. A decrease in employee expenses due to lower audit staff numbers resulting from a difficulty in attracting and retaining staff with auditing capabilities.
17. An increase in supplies and services mainly due to higher contracted-out auditing services and contracted-in auditors to supplement the workforce in peak periods. This was partially offset by lower specialist contractors.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

18. An increase in user charges and fees due to timing and additional program of financial audits.
19. An increase in employee expenses due to approved salary increases under the enterprise bargaining arrangements and additional audit staff to deliver a higher program of financial audits.



20. An increase in supplies and services due to lower current payables resulting from a change in the management of creditor accounts.
21. A decrease in payments for non-financial assets mainly due to lower capital works expenditure to maintain and replace current office and IT equipment.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

22. An increase in user charges and fees due to timing and additional program of financial audits.
23. An increase in employee expenses due to approved salary increases under the enterprise bargaining arrangements and additional audit staff to deliver a higher program of financial audits.

# Glossary of terms

<b>Accrual accounting</b>	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
<b>Administered items</b>	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
<b>Agency/entity</b>	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
<b>Appropriation</b>	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> <li>• delivery of agreed services</li> <li>• administered items</li> <li>• adjustment of the Government's equity in agencies, including acquiring of capital.</li> </ul>
<b>Balance sheet</b>	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
<b>Capital</b>	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
<b>Cash Flow Statement</b>	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
<b>Controlled Items</b>	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
<b>Depreciation</b>	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
<b>Equity</b>	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
<b>Equity injection</b>	An increase in the investment of the Government in a public sector agency.

<b>Financial statements</b>	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income statement</b>	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
<b>Outcomes</b>	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-source revenue</b>	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	Key policy areas that will be the focus of Government activity.
<b>Services</b>	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
<b>Service area</b>	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
<b>Service standard</b>	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)





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**Service Delivery Statements**

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