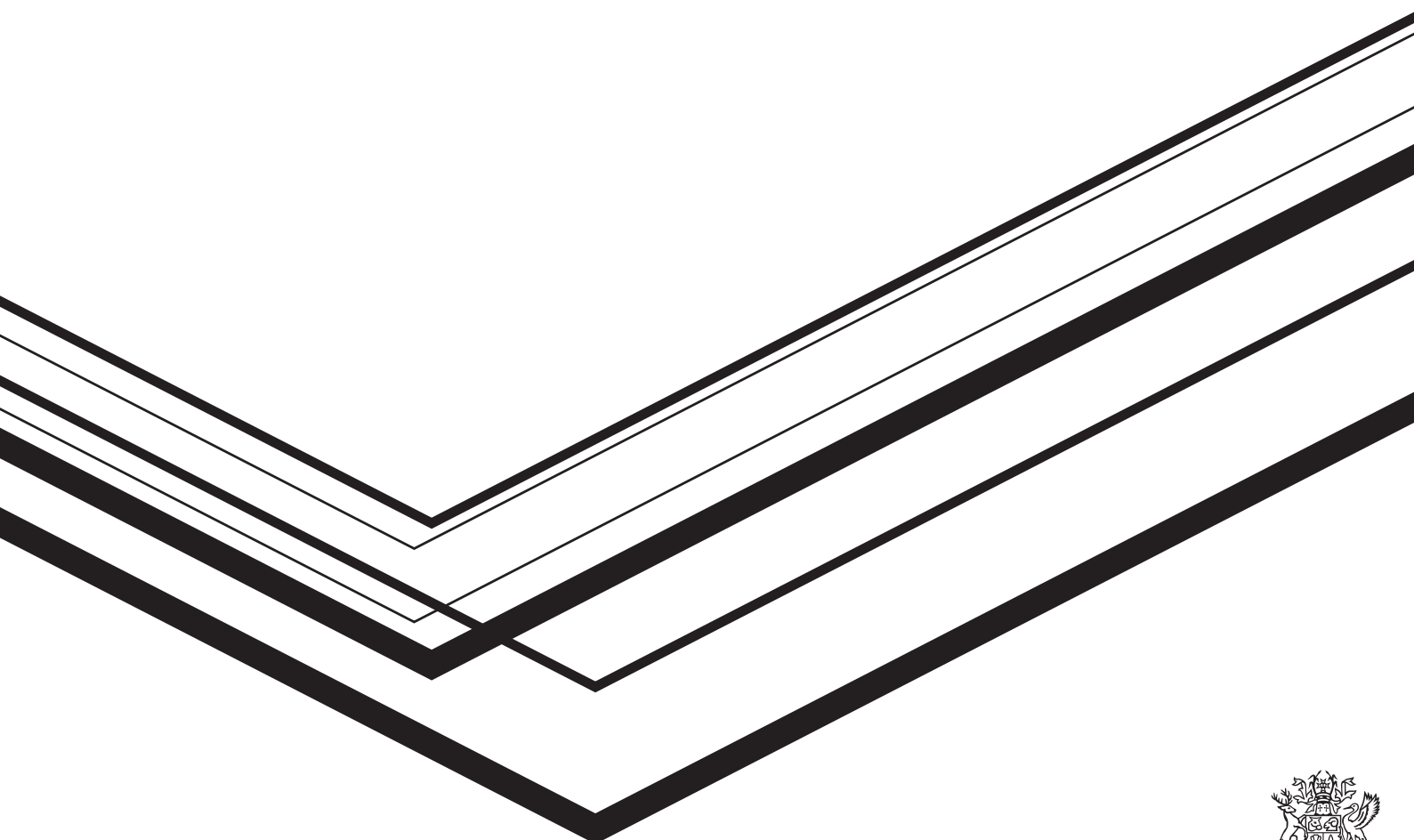


Service Delivery Statements

Department of Tourism, Major Events, Small Business and the Commonwealth Games



2015-16 Queensland Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
- 5. Service Delivery Statements**

Appropriation Bills

Jobs Now, Jobs for the Future - Queensland Government employment plan

Budget Highlights

The suite of Budget Papers is similar to that published in 2014-15.

The Budget Papers are available online at www.budget.qld.gov.au

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Service Delivery Statements

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Department of Tourism, Major Events, Small Business and the Commonwealth Games

Summary of portfolio

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33	Tourism and Events Queensland

Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Education and the Minister for Tourism, Major Events, Small Business and the Commonwealth Games.

Minister for Education and Minister for Tourism, Major Events, Small Business and the Commonwealth Games

The Honourable Kate Jones MP

Department of Tourism, Major Events, Small Business and the Commonwealth Games

Director-General: Dr Richard Eden

Service area 1: Tourism and Events Development

Service area 2: Business to Government Services

Gold Coast 2018 Commonwealth Games Corporation

Chief Executive Officer: Mark Peters

Objective: To plan, organise and deliver the Commonwealth Games, in conjunction with the Australian Commonwealth Games Association and Commonwealth Games Federation.

Tourism and Events Queensland

Chief Executive Officer: Leanne Coddington

Objective: To maximise Queensland's economic and social benefit from attracting domestic and international visitors to Queensland.

Additional information can be sourced from:

www.dtesb.qld.gov.au

www.gc2018.com

www.teq.queensland.com

Departmental overview

Tourism is a major contributor to the Queensland economy and a major employer state-wide, hence growth in tourism is a critical driver for job creation. The Department of Tourism, Major Events, Small Business and the Commonwealth Games has primary responsibility within the Queensland Government for initiatives to strengthen and grow tourism within the State in partnership with the industry, and for facilitating all government activity related to the development of tourism.

The department is also responsible for initiatives to strengthen the State's small business sector, including facilitating the Queensland Small Business Advisory Council, the Red Tape Reduction Advisory Council and Small Business Week. Many businesses and their customers have embraced online technologies. The department delivers services from twelve other agencies across government that are directed at business through its leading edge Business and Industry Portal at www.business.qld.gov.au. It is also assisting tourism organisations and operators develop similar capabilities.

Ultimate responsibility for coordination of preparations across all levels of government and the private sector for the Gold Coast 2018 Commonwealth Games, the largest sporting event this decade in Australia, also rests with the department.

The department envisages Queensland as Australia's most attractive destination for tourists, investment and events, supported by strong, capable and responsive small businesses. The strategic objectives supporting this vision are to:

- grow tourism priority markets
- deliver a successful Commonwealth Games
- enable new products and experiences
- foster competitive small businesses
- make it easier to do business
- create an agile, high performing and engaged organisation.

The department works closely with industry and the portfolio's statutory bodies, Tourism and Events Queensland (TEQ) and the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) to achieve its objectives, taking into account external factors such as strong international and interstate competition for tourism and major events and the changing expectations of business and consumers.

Key initiatives of the department contribute to the Queensland Government's objectives for the community through:

- creating jobs and a diverse economy by:
 - progressing the Growth for Tourism Guarantee and the joint industry-government twenty year plan aimed at increasing annual overnight visitor expenditure, growing investment and aviation access and supporting increased job creation
 - continuing the preparations for the Gold Coast 2018 Commonwealth Games which is expected to inject more than \$2 billion into the state economy and create up to 30,000 jobs
 - working across government to reduce red tape and providing small business programs to support business profitability and global competitiveness
- delivering quality frontline services by:
 - continuing to improve the functionality and services delivered by the Business and Industry Portal - the government's one-stop shop service for business
 - developing the ongoing maturity of the new Customer Impact Index (CII) measurement system. The CII provides a more comprehensive assessment of customers' awareness, experiences and satisfaction with the government's business services and delivery system
- building safe, caring and connected communities by:
 - promoting diversity, community cohesion and pride, and engaging the community in healthy and active lifestyles through the annual Embracing 2018 Action Plan for 2015 for the Gold Coast 2018 Commonwealth Games
- protecting the environment by:
 - raising awareness of Queensland's iconic natural assets such as the Great Barrier Reef through eco-tourism and opportunities for investment.

Service performance

Service approach

The department has two service areas Tourism and Events Development and Business to Government Services supporting the department's three key outcomes – jobs, increased visitor expenditure and small business satisfaction with business to Government services. The three outcomes directly contribute to the Queensland Government's objective for the community to create jobs and a diverse economy.

Tourism and Events Development underpins the achievement of the department's objectives to grow priority tourism markets, enable new products and experiences and deliver a successful Commonwealth Games. This area is responsible for delivering the annual DestinationQ forum which sets joint priorities with industry for action and monitors the progress.

Small businesses represent over 96% of businesses state-wide and employ almost half of all private sector workers. Competitive small businesses are essential to a strong and diverse Queensland economy and a key generator of new jobs. A key priority of the department is the provision of a strong digital and online presence to improve accessibility to whole-of-government business information, regulation and services. This service area underpins the achievement of the department's objectives to make it easier to do business particularly through interactive online services. Business to Government Services also contributes to the objective of growing priority tourism markets.

Performance statement

Tourism and Events Development

Service area objective

To promote sustainable growth of the tourism industry by facilitating a strategic whole-of-Government approach to planning and investment in the state's tourism assets and products, and the coordination of one-off major events.

Service area description

The service area works across government to strategically improve planning and approval of new tourism industry projects and major events. It showcases Queensland as an investment destination and the opportunities for investment in the State's tourism infrastructure and product development through initiatives such as the tourism investment model and the Attracting Aviation Investment Fund.

The service area leads and coordinates government service delivery for one-off major events. It is working closely with the Gold Coast 2018 Commonwealth Games Corporation, the City of Gold Coast and the Australian Government to deliver the Gold Coast 2018 Commonwealth Games. The service area enters into partnership arrangements for other major event organising committees and leverages other government services and programs across multiple tiers of government to maximise long term economic and social benefits for the State.

2015-16 service area highlights

- Deliver the annual DestinationQ forum in Townsville in October 2015.
- Drive the promotion of tourism investment from Asian and other international markets in new and revitalised tourism infrastructure and products.
- Develop new evidence and insights about the competitiveness of the Queensland tourism industry relative to other states and overseas destinations.
- Foster innovation in the tourism sector, including better ways to develop online services.
- Pursue new or improved capacity on priority airline routes into Queensland.

- Deliver the Tourism Demand Driver Infrastructure program, including enhancements in tourism capability building, quality standards and new tourism facilities.
- Develop a new strategy to improve the role of transport in supporting tourism.
- Strengthen governance to enhance the delivery of the Gold Coast 2018 Commonwealth Games.
- Implement the Embracing 2018 Action Plan for 2015 and a baseline report for the Gold Coast 2018 Commonwealth Games legacy program's Evaluation and Monitoring Framework.
- Continued implementation of the Gold Coast 2018 Commonwealth Games venues and village infrastructure program.

Department of Tourism, Major Events Small Business and the Commonwealth Games	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Tourism and Events Development				
Service standards				
<i>Effectiveness measures</i>				
Amount of additional capital attracted into tourism investment	1,2	\$25 million	\$150 million	\$50 million
Additional seats by targeted airlines on routes supported by the Attracting Aviation Investment Fund	3	New measure	New measure	150,000
Percentage of cross-agency tourism project milestones delivered on schedule and on budget		80%	81%	80%
Percentage of applications for the Attracting Aviation Investment Fund evaluated within nine working days		90%	90%	90%
Level of Commonwealth Games Federation's satisfaction with preparedness for the Commonwealth Games	4	Satisfied	Satisfied	Satisfied
<i>Efficiency measures</i>	5			

Notes:

1. Strong investors' interest in developing infrastructure and products is occurring. This is in response to the growing number of visitors from Asia and domestic markets and initiatives such as the Drive Tourism Strategy.
2. Although there is only gradual and uneven improvement in global and domestic economy, good results in investment attraction over the last two years have resulted in the Target/Est. being increased for 2015-16.
3. Attraction and facilitation of new airline routes into Queensland directly impacts visitation to destinations and the State's role is best represented by the aggregate number of seats on new routes attracted. The measure is an annual target, representing new seats to be delivered in the financial year.
4. The assessment of satisfaction is undertaken by a comprehensive external assessment of progress against an extensive list of requirements compiled from the experience of previous Games and the host city bid proposal and schedules. The assessment is made by the international oversight body the Commonwealth Games Federation. This service standard is shared by GOLDOC which is responsible for planning the operational aspect of the event and the Department of Tourism, Small Business, Major Events and Commonwealth Games which is responsible for co-ordinating the necessary infrastructure and government services to support the Commonwealth Games.
5. An efficiency measure is being developed and will be included in future Service Delivery Statements.

Business to Government Services

Service area objective

To ensure businesses can seamlessly interact with government and are better equipped to manage and grow their business.

Service area description

This service area focuses on products and services that are delivered to business and industry customers (particularly small business) and to other government agencies or jurisdictions.

This service area directly impacts on the people of Queensland by:

- enhancing the capacity of business to engage with markets, attract investors, navigate the business/regulatory environment, and access tools, resources and expertise
- engaging other business-focused government agencies to facilitate the delivery of an online one-stop shop for business to government services via the Business and Industry Portal.

2015-16 service area highlights

- Continuation of the Queensland Small Business Advisory Council to provide direct input to Government on issues facing the small business sector.
- Establish the Red Tape Reduction Advisory Council to focus on addressing red tape affecting small business.
- Provide small business with the opportunity to connect and network through Small Business Week. This event also promotes to the community the importance of small business to the Queensland economy.
- Roll out the Queensland Entrepreneurs of Tomorrow program by providing:
 - \$1 million over three years for structured entrepreneurship and IT skill learning programs to primary and secondary schools across Queensland
 - \$1 million over three years for grants to assist stay-at-home parents to develop home based businesses.
- Extend the service growth, reach, quality and maturity of the Queensland Government's online services delivered to Queensland business via the Business and Industry Portal www.business.qld.gov.au.

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Business to Government Services				
Service standards <i>Effectiveness measures</i> Customer Impact Index: the level of customer value derived from using the Business and Industry Portal	1,2	New measure	New measure	>60%
Percentage of Mentoring for Growth businesses that report after 12 months declaring a 10% increase in either employment, turnover or profitability	3	New measure	New measure	90%
<i>Efficiency measures</i>	4			

Notes:

- CII incorporates three elements - customer awareness, customer experience and customer satisfaction. This approach determines customer value by assessing the customer's perception of the usefulness and importance of the benefits received from the services as opposed to an estimate of time and effort saved. The approach better enables the targeting of service improvement areas based on direct customer feedback. It incorporates both qualitative data captured through direct customer complaints and complements feedback mechanisms, customer focus groups / observations and data from various quantitative data sources.

2. The 2015-16 Target/Est. is an overall average for the CII. It is calculated by an aggregation of customer feedback results across the three indices - customer awareness, customer experience and customer satisfaction. A summary of the 2014-15 trial will be published in the Annual Report.
3. This is a new standard to report on Mentoring for Growth which is a successful and well regarded small business intervention program facilitated by the department.
4. An efficiency measure is being developed and will be included in future Service Delivery Statements.

Administered items

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

The Department of Tourism, Major Events, Small Business and the Commonwealth Games administers funds on behalf of the State which includes the provision of funding to Tourism and Events Queensland and the Gold Coast 2018 Commonwealth Games Corporation.

Tourism and Events Queensland is the Queensland Government's lead marketing, experience development and major events agency.

Gold Coast 2018 Commonwealth Games Corporation's purpose is to plan, organise and deliver the Commonwealth Games, in conjunction with the Australian Commonwealth Games Association (ACGA), the Commonwealth Games Federation (CGF), the City of Gold Coast and the Office of Commonwealth Games Delivery within the Department of Tourism, Major Events, Small Business and the Commonwealth Games.

Financial statements and variance explanations in relation to administered items appear in the departmental financial statements.

Discontinued measures

Performance measures included in the 2014-15 Service Delivery Statements that have been discontinued or replaced are reported in the following table with estimated actual results. For those measures which are being discontinued from the Service Delivery Statement because they do not demonstrate the effectiveness or efficiency of services, please refer to the Notes below for further information about where these measures will continue to be reported.

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Business to Government Services				
Estimated value of efficiency savings by businesses assisted	1,2	\$12 million	n/a	Discontinued measure
Estimated value of costs avoided by businesses	1,2	\$70 million	n/a	Discontinued measure
Percentage of overall customer satisfaction with the usefulness of online services	3	80%	80%	Discontinued measure

Notes:

1. The 2014-15 Service Delivery Statement indicated that these standards were reviewed to determine if it was still appropriate to measure these standards given the significant increase in the number and variety of online services available combined with the ongoing rapid growth in customer usage of the Business and Industry Portal. The outcome of the review was the development and trialling of a CII. A comprehensive customer survey used to measure these two standards was then refocussed to measure the CII.
2. The 2014-15 Est. Actual is not available as the survey was not conducted this financial year. The cost of developing a survey to measure both current and new measures was excessive.
3. Customer satisfaction is now reported incorporated in the new CII from 2015-16. Customer satisfaction is one of three elements - customer awareness, customer experience and customer satisfaction that is measured by the new CII. This approach determines customer value by assessing the customer's perception of the usefulness and importance of the benefits received from the online business services. The approach better enables the targeting of service improvement areas based on direct customer feedback. It incorporates both qualitative data captured through direct customer complaints and complements feedback mechanisms, customer focus groups / observations and data from various quantitative data sources.

Departmental budget summary

The table below shows the total resources available in 2015-16 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Tourism, Major Events, Small Business and the Commonwealth Games	2014-15 Budget \$'000	2014-15 Est. Actual \$'000	2015-16 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	16,409	17,105	6,139
Balance of service appropriation	70,432	14,600	169,545
Other revenue	20,600	20,310	29,502
Total income	107,441	52,015	205,186
Expenses			
Tourism and Events Development	99,737	42,747	192,220
Business to Government Services	7,704	9,268	12,966
Total expenses	107,441	52,015	205,186
Operating surplus/deficit	..	..	..
Net assets	18,315	17,122	60,541
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	119,393	127,662	170,386
Other administered revenue	..	..	..
Total revenue	119,393	127,662	170,386
Expenses			
Transfers to government	..	..	..
Administered expenses	119,393	127,662	170,386
Total expenses	119,393	127,662	170,386
Net assets	..	..	..

Note:

1. Includes State and Australian Government funding.

Service area sources of revenue

Sources of revenue 2015-16 Budget ¹					
Service area	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Tourism and Events Development ²	192,220	77,179	..	85,539	29,502
Business to Government Services	12,966	12,966	..	..	..
Total	205,186	90,145	..	85,539	29,502

Notes:

1. Explanations of variances are provided in the financial statements.
2. Appropriation provided by the Australian Government is included under Commonwealth Revenue.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2014-15 State Budget. Further details are contained in Budget Paper 4.

Department of Tourism, Major Events, Small Business and the Commonwealth Games	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Revenue measures					
Up to and including 2014-15 MYR					
Administered
Departmental
2015-16 Budget					
Administered
Departmental
Total revenue measures					
Administered
Departmental
Expense measures					
Up to and including 2014-15 MYR					
Administered
Departmental
2015-16 Budget					
Administered	..	34,567	41,454	47,614	44,707
Departmental	..	8,597	3,857	3,948	(112)
Total expense measures					
Administered	..	34,567	41,454	47,614	44,707
Departmental	..	8,597	3,857	3,948	(112)
Capital measures					
Up to and including 2014-15 MYR					
Administered
Departmental
2015-16 Budget					
Administered
Departmental
Total capital measures					
Administered
Departmental

Departmental capital program

Property, Plant and Equipment

The total property, plant and equipment purchase for the Department of Tourism, Major Events, Small Business and the Commonwealth Games in 2015-16 are \$43.4 million for the development and construction of Gold Coast 2018 Commonwealth Games venues, including:

- \$39.5 million is allocated to the Queensland State Velodrome for track cycling
- \$3.7 million is allocated towards the Belmont Shooting Centre for shooting (clay, target, full bore, pistol and small bore).

Capital Grants

The capital grants for the Department of Tourism, Major Events, Small Business and the Commonwealth Games are \$131.1 million for construction of Gold Coast 2018 Commonwealth Games venues including in 2015-16:

- \$83.5 million is allocated as grants for the Carrara Precinct including the Carrara Sport and Leisure Centre and Carrara Indoor Stadium
- \$30.8 million is allocated as grants for the Coomera Sports and Leisure Centre
- \$5.1 million is allocated as grants for the Gold Coast Hockey Centre
- \$5.1 million is allocated as grants for the Runaway Bay Sports Centre
- \$2 million is allocated as grants for the Runaway Bay Super Sports Centre
- \$1.3 million is allocated as grants for the Broadbeach Bowls Club
- \$1.2 million is allocated as grants for the Nerang Bike Trails
- \$300,000 is allocated as grants for the Gold Coast Aquatic Centre.

Capital budget

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Budget \$'000	2014-15 Est. Actual \$'000	2015-16 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure	
Total plant and equipment		15,724	14,899	43,439
Total other capital		46,865	18,161	131,134
Total capital purchases		62,589	33,060	174,573

Note:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.

Staffing¹

Service areas	Notes	2014-15 Budget	2014-15 Est. Actual	2015-16 Budget
Tourism and Events Development	2,3,4	60	60	69
Business to Government Services	2,3,5	61	66	61
TOTAL		121	126	130

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The department participates in a business and corporate partnership arrangement with the Departments of Agriculture and Fisheries, Environment and Heritage Protection and Natural Resources and Mines from which it receives other corporate services.
4. Small growth attributed to the Gold Coast 2018 Commonwealth Games activities increasing. This will continue to occur until the program ceases post the 2018 event.
5. Small increase attributed to temporary or project positions associated with Government's One-Stop Shop initiative.

Budgeted financial statements

Analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, as reflected in the department's financial statements, is provided below.

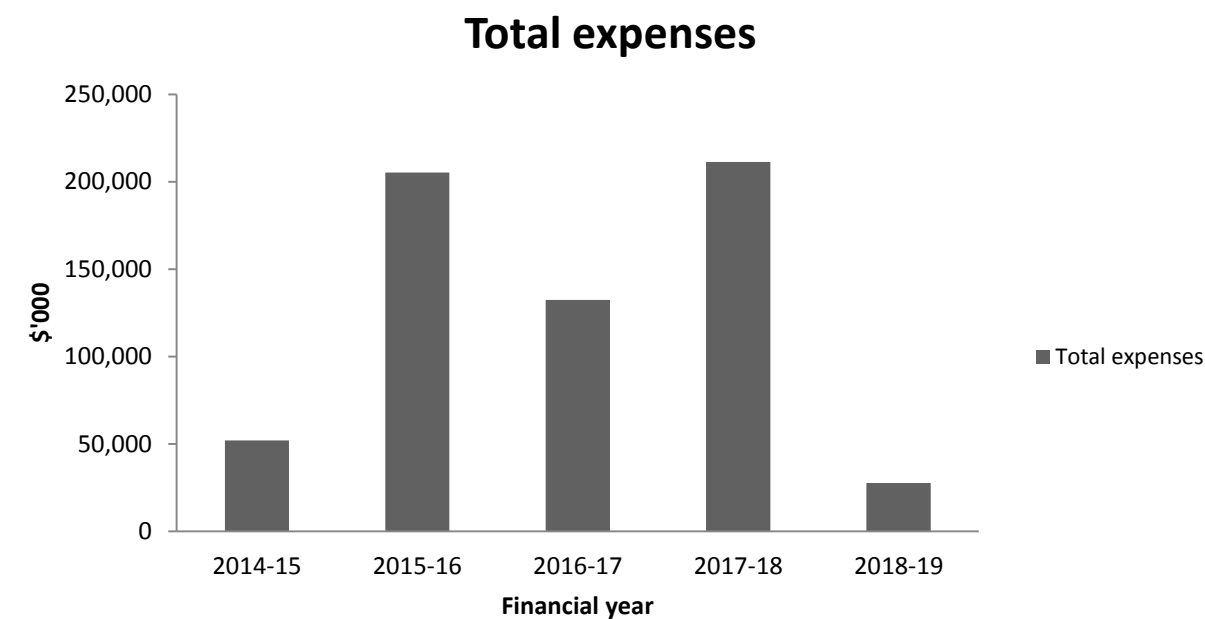
Departmental income statement

Total expenses are estimated to be \$205.2 million in 2015-16, an increase of \$153.2 million from the 2014-15 estimated actual. The increase is mainly due to additional expenses for the delivery of the Gold Coast 2018 Commonwealth Games (GC2018) venues and increased expenses for the Business and Industry Portal, the Attracting Aviation Investment Fund and the Queensland Entrepreneurs of Tomorrow program.

The movement in 2018-19 reflects a reduction in expenses for GC2018 venues and the cessation of payments to the Australian Commonwealth Games Association.

The variation in funding over the forward estimates is the result of increased activity associated with preparations for the GC2018 primarily relating to the development and construction of venues.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's major assets are property, plant and equipment with \$59.1 million in 2015-16 expected to increase to \$82 million by 2018-19 for the development and construction of State owned venues for the GC2018.

Controlled income statement

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Appropriation revenue	1,7,13	86,841	31,705	175,684
Taxes		..	..	..
User charges and fees		..	210	..
Royalties and land rents		..	..	..
Grants and other contributions	2,8,14	..	20,098	29,502
Interest		..	..	..
Other revenue	3,9	20,600	2	..
Gains on sale/revaluation of assets		..	..	..
Total income		107,441	52,015	205,186
EXPENSES				
Employee expenses	4,10,15	13,283	14,298	14,992
Supplies and services	5,11,16	33,407	9,522	41,527
Grants and subsidies	6,12,17	60,603	28,000	148,472
Depreciation and amortisation		7	54	54
Finance/borrowing costs		..	..	..
Other expenses		141	141	141
Losses on sale/revaluation of assets		..	..	..
Total expenses		107,441	52,015	205,186
OPERATING SURPLUS/(DEFICIT)		..	..	..

Controlled balance sheet

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets		1,256	345	541
Receivables	18,21	1,303	723	710
Other financial assets		..	..	..
Inventories		..	..	..
Other	19,22	..	1,223	1,138
Non financial assets held for sale		..	..	..
Total current assets		2,559	2,291	2,389
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	20,23,24	17,234	15,763	59,148
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		17,234	15,763	59,148
TOTAL ASSETS		19,793	18,054	61,537
CURRENT LIABILITIES				
Payables		935	554	606
Accrued employee benefits		543	378	390
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,478	932	996
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		1,478	932	996
NET ASSETS/(LIABILITIES)		18,315	17,122	60,541
EQUITY				
TOTAL EQUITY		18,315	17,122	60,541

Controlled cash flow statement

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	25,33,41	86,841	35,915	175,684
User charges and fees		..	360	(35)
Royalties and land rent receipts		..	..	..
Grants and other contributions	26,34,42	..	20,098	29,502
Interest received		..	..	..
Taxes		..	..	..
Other	27,35	20,580	1,482	48
Outflows:				
Employee costs	28,36,43	(13,377)	(14,347)	(14,980)
Supplies and services	29,37,44	(33,311)	(8,926)	(41,408)
Grants and subsidies	30,38,45	(60,603)	(28,000)	(148,472)
Borrowing costs		..	..	..
Other		(141)	(141)	(123)
Net cash provided by or used in operating activities		(11)	6,441	216
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non financial assets	31,39,46	(15,724)	(14,899)	(43,439)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(15,724)	(14,899)	(43,439)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	32,40,47	15,724	14,899	43,419
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		15,724	14,899	43,419
Net increase/(decrease) in cash held		(11)	6,441	196
Cash at the beginning of financial year		1,267	(6,096)	345
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,256	345	541

Administered income statement

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Appropriation revenue	48,50,52	119,393	127,662	170,386
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		119,393	127,662	170,386
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies	49,51,53	119,393	127,662	170,386
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		..	..	..
Total expenses		119,393	127,662	170,386
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets	
Receivables	
Other financial assets	
Inventories	
Other	
Non financial assets held for sale	
Total current assets	
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Intangibles	
Other	
Total non-current assets	
TOTAL ASSETS	
CURRENT LIABILITIES				
Payables	
Transfers to Government payable	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total current liabilities	
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES	
NET ASSETS/(LIABILITIES)	
EQUITY				
TOTAL EQUITY	

Administered cash flow statement

Department of Tourism, Major Events, Small Business and the Commonwealth Games	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	54,56,58	119,393	142,515	170,386
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	55,57,59	(119,393)	(142,515)	(170,386)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		..	..	..
Net cash provided by or used in operating activities		..	..	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		..	..	..
Net increase/(decrease) in cash held		..	..	..
Cash at the beginning of financial year		..	..	..
Cash transfers from restructure		..	..	..
Cash at the end of financial year		..	..	..

Explanation of variances in the financial statements

Income statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. The reduction relates largely to the realignment of revenue to match anticipated expenses for GC2018 venues and the Attracting Aviation Investment Fund (AAIF).
2. The increase relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 from Other Revenue.
3. The reduction relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 to Grants and Other Contributions.
4. The increase relates to the reallocation of expenses between employee expenses and supplies and services for temporary projects positions associated with the Government's One-Stop Shop initiative.
5. The reduction relates largely to the realignment of expenses to match anticipated payments for GC2018 venues. The reduction also reflects the reallocation of expenses between employee expenses and supplies and services for temporary projects positions associated with the Government's One-Stop Shop initiative.
6. The reduction principally relates to the realignment of expenses to match anticipated payments for GC2018 venues and AAIF.

Major variations between 2014-15 Budget and 2015-16 Budget include:

7. The increase principally relates to increased funding from the Australian Government for the delivery of venues for the GC2018 and additional funding for the AAIF, Business and Industry Portal (BIP), and Queensland Entrepreneurs of Tomorrow Program (QETP). Increase also reflects additional funding from the Australian Government for the Tourism Driver Demand Infrastructure program (TDDIP).
8. The increase relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 from Other Revenue.
9. The reduction relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 to Grants and Other Contributions.
10. The increase relates largely to the expected growth occurring in the Office of Commonwealth Games Delivery (OCGD) preparations.
11. The increase relates to further GC2018 expenses due to increased activity on the delivery of venues and additional expenses for BIP.
12. The increase principally relates to increased expenses for GC2018 venues, AAIF, QETP and TDDIP.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

13. The increase principally relates to increased funding for GC2018 venues and TDDIP from the Australian Government and additional funding for the BIP, AAIF and QETP.
14. The increase relates to additional revenue from the City of Gold Coast Council for increased activity on venues for the GC2018.
15. The increase relates largely to the expected growth occurring in OCGD preparations. This increase is partially offset by a reduction due to the temporary project positions ceasing associated with the Government's One-Stop Shop initiative.
16. The increase relates to additional expenses in GC2018 due to increased activity associated with venues and BIP.
17. The increase principally relates to increased expenses for GC2018 venues, AAIF, QETP and TDDIP.

Balance sheet

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

18. The reduction relates to a change in the expected timing of Receivables for the Annual Leave Central Scheme and Input Tax Credits from the Australian Taxation Office.
19. The increase principally relates to prepayments held for the Department of State Development for venue works associated with GC2018.

20. The reduction principally relates to the realignment of revenue to match anticipated payments for GC2018 venues.

Major variations between 2014-15 Budget and 2015-16 Budget include:

21. The reduction relates to a change in the expected timing of Receivables for the Annual Leave Central Scheme and Input Tax Credits from the Australian Taxation Office.
22. The increase principally relates to prepayments held for the Department of State Development for venue works associated with GC2018.
23. The increase relates to the increased payments associated with delivery of venues for GC2018 in 2015-16.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

24. The increase relates to the increased payments associated with delivery of venues for GC2018 in 2015-16.

Cash flow statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

25. The reduction relates largely to the realignment of revenue to match anticipated expenses for GC2018 venues and the AAIF.
26. The increase relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 from Other Revenue.
27. The reduction relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 to Grants and Other Contributions.
28. The increase relates to the reallocation of expenses between employee expenses and supplies and services for temporary projects positions associated with the Government's One-Stop Shop initiative.
29. The reduction relates largely to the realignment of expenses to match anticipated payments for GC2018 venues. The reduction also reflects the reallocation of expenses between employee expenses and supplies and services for temporary projects positions associated with the Government's One-Stop Shop initiative.
30. The reduction principally relates to the realignment of expenses to match anticipated payments for GC2018 venues and AAIF.
31. The reduction principally relates to the timing of expenditure for GC2018 venues.
32. The reduction principally relates to the timing of expenditure for GC2018 venues.

Major variations between 2014-15 Budget and 2015-16 Budget include:

33. The increase principally relates to increased funding from the Australian Government for the delivery of venues for the GC2018 and additional funding for the AAIF, BIP and QETP. Increase also reflects additional funding from the Australian Government for the TDDIP.
34. The increase relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 from Other Revenue.
35. The reduction relates to the reclassification of the revenue from the City of Gold Coast Council for GC2018 to Grants and Other Contributions.
36. The increase relates largely to the expected growth occurring in the OCGD preparations.
37. The increase relates to further GC2018 expenses due to increased activity on the delivery of venues and additional expenses for BIP.
38. The increase principally relates to increased expenses for GC2018 venues, AAIF, QETP and TDDIP.
39. The increase principally relates to the timing of expenditure for GC2018 venues.
40. The increase principally relates to the timing of expenditure for GC2018 venues.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

41. The increase principally relates to increased funding for GC2018 venues and TDDIP from the Australian Government and additional funding for the BIP, AAIF and QETP.
42. The increase relates to additional revenue from the City of Gold Coast Council for increased activity on venues for the GC2018.

43. The increase relates largely to the expected growth occurring in OCGD preparations. This increase is partially offset by a reduction due to the temporary project positions ceasing associated with the Government's One-Stop Shop initiative.
44. The increase relates to additional expenses in GC2018 due to increased activity associated with venues and BIP.
45. The increase principally relates to increased expenses for GC2018 venues, AAIF, QETP and TDDIP.
46. The increase relates to the increased payments associated with delivery of venues for GC2018.
47. The increase relates to the increased payments associated with delivery of venues for GC2018.

Administered income statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

48. The increase principally relates to the realignment of funding for Tourism and Events Queensland (TEQ) to match cashflows to known commitments for tourism campaigns and events.
49. The increase principally relates to the realignment of grant expenses for TEQ to match cashflows to known commitments for tourism campaigns and events.

Major variations between 2014-15 Budget and 2015-16 Budget include:

50. The increase principally relates to the increase in funding for the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) associated with expected costs for event preparation. Also included is the restoration of grant funding for TEQ.
51. The increase principally relates to the increase in grants for GOLDOC associated with expected costs for event preparation. Also included are grants for TEQ following the restoration of funding.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

52. The increase principally relates to the increase in funding for GOLDOC associated with expected costs for event preparation. Also included is the restoration of grant funding for TEQ.
53. The increase principally relates to the increase in grants for GOLDOC associated with expected costs for event preparation. Also included are grants for TEQ following the restoration of funding.

Administered cash flow statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

54. The increase principally relates to the realignment of funding for TEQ to match cashflows to known commitments for tourism campaigns and events.
55. The increase principally relates to the realignment of grant expenses for TEQ to match cashflows to known commitments for tourism campaigns and events.

Major variations between 2014-15 Budget and 2015-16 Budget include:

56. The increase principally relates to the increase in funding for GOLDOC associated with expected costs for event preparation. Also included is the restoration of grant funding for TEQ.
57. The increase principally relates to the increase in grants for GOLDOC associated with expected costs for event preparation. Also included are grants for TEQ following the restoration of funding.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

58. The increase principally relates to the increase in funding for GOLDOC associated with expected costs for event preparation. Also included is the restoration of grant funding for TEQ.
59. The increase principally relates to the increase in grants for GOLDOC associated with expected costs for event preparation. Also included are grants for TEQ following the restoration of funding.

Statutory body

Gold Coast 2018 Commonwealth Games Corporation

Overview

Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) was established on 1 January 2012 under the *Commonwealth Games Arrangements Act 2011* to plan, organise and deliver the Commonwealth Games. GOLDOC's vision is to stage a great Games in a great city, leaving great memories and great benefits for all. GOLDOC's mission is to conduct an athlete focused Games with excellent competition in a fun and friendly environment with long lasting benefits for the Gold Coast, Queensland, Australia and the Commonwealth. GOLDOC's strategic objectives directly contribute to two of the Government's objectives for the community:

Creating jobs and a diverse economy by:

- helping to stimulate economic growth and innovation by working with our government and non-government partners to promote Queensland tourism as part of the Commonwealth Games experience
- supporting the delivery of new infrastructure and investment by working with our government and non-government partners to make the most of the investment opportunities presented by the Commonwealth Games.

Building safe, caring and connected communities by:

- engaging and harnessing the enthusiasm of our communities to participate in Games related activities
- presenting the Commonwealth Games in a creative way that will encourage comprehensive and positive exposure and support
- helping build regions by showcasing the Gold Coast and Queensland through an inspiring, memorable and landmark event. Benefits will extend beyond the Gold Coast with Brisbane to host the shooting and track cycling. Cairns and Townsville will host the preliminary basketball competition.

Service performance

GOLDOC and its delivery partners have made significant progress in the planning phase. CGF has been satisfied with GOLDOC's progress through the three reviews to date. Key achievements include:

- official handover of the Commonwealth Games with successful delivery of the Glasgow 2014 Handover Ceremony
- design and implementation of CGF requirements for key competition and non-competition venues, including the Commonwealth Games Village and venues master plan as well as confirmation of the sports program
- implementation of the sponsorship marketing plan which outlines GOLDOC's strategy to acquire and service corporate sponsors from within Australia and overseas for the 2018 Commonwealth Games
- the development of a Forward Procurement Plan and the first 'whole-of-Games' approach to procurement.

In 2015-16 GOLDOC will continue planning activities to ensure the successful delivery of the event. Planned priorities for 2015-16 include:

- appointing a delivery contractor responsible for the creative design, production and delivery of the Opening and Closing Ceremonies
- developing an integrated marketing and communications plan and mascot design and launch
- detailed planning for the Queen's Baton Relay domestic and international sector routes
- a ticketing pricing strategy and appointment of a ticket service provider
- conduct the model venue exercise and commence venue operations planning
- develop operational plans for service delivery at the Commonwealth Games Village and Regional Villages
- detailed operational security planning and risk assessment audits as part of the ongoing development of the Gold Coast 2018 Commonwealth Games (GC2018) security program.

Service performance

Performance statement

Gold Coast Commonwealth Games Corporation

Service area objective

To plan, organise and deliver the Commonwealth Games, in conjunction with the ACGA, the CGF, the City of Gold Coast and the Office of Commonwealth Games Delivery within the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB).

Service area description

GOLDOC has responsibility for planning, organising and conducting the 21st Commonwealth Games. Its role also includes the promotion, marketing, and the commercial and financial management of the Commonwealth Games.

GC2018 will be the largest elite multi-sport event ever hosted on the Gold Coast. Across 11 days of competition from 4–15 April, 6,500 athletes from 71 nations and territories will compete in 17 sports and para sports. The Games will be delivered by a team of over 1,000 paid employees and up to 15,000 volunteers. The Opening and Closing ceremonies will be held at Carrara Stadium and broadcast to a cumulative global audience of 1.5 billion people.

Gold Coast Commonwealth Games Corporation	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service standards				
<i>Effectiveness measures</i>				
Commonwealth Games Federation's satisfaction with preparedness for the Commonwealth Games	1	Satisfied	Satisfied	Satisfied
Level of target markets engagement in the Commonwealth Games	2	50%	50%	50%
<i>Efficiency measure</i>				
Percentage of total GC2018 commercial revenue target contracted	3	New measure	New measure	20%

Notes:

1. The assessment of satisfaction is undertaken by a comprehensive external assessment of progress against an extensive list of requirements compiled from the experience of previous games and the host city bid proposal and schedules. The assessment is made by the international oversight body, the CGF. This service standard is shared by GOLDOC which is responsible for planning the delivery of the actual event and the DTESB which is responsible for co-ordinating the necessary infrastructure and government services to support the Commonwealth Games.
2. The target market is defined as all people over 18 years of age living on the Gold Coast, Brisbane, or within a four hour drive of the Gold Coast (excluding Brisbane and the Gold Coast), Sydney and Melbourne. Surveys are undertaken twice per year and conducted by an independent market research agency.
3. Commercial revenue includes broadcast right holder fees, merchandising and royalty fees and the sale of tickets and sponsorships as forecast for the period from the Corporation's formation until 30 June 2016. Contracts are negotiated progressively up until delivery of the Commonwealth Games in 2018. The Target estimate is the expected progress towards the total by the end of June 2016.

Staffing¹

Gold Coast 2018 Commonwealth Games Corporation	Notes	2014-15 Budget	2014-15 Est. Actual	2015-16 Budget
	2	102	105	264

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in staffing is to ensure the delivery of all planned milestones in accordance with GOLDOC's business plan and compliance requirements set by the CGF. Major items for 2015-16 include finalising elements of the operational planning phase and commencement of specific venue operations planning.

Income statement

Gold Coast 2018 Commonwealth Games Corporation	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees		..	..	..
Grants and other contributions	5,10	31,428	31,428	71,518
Interest		135	348	641
Other revenue		..	..	..
Gains on sale/revaluation of assets	1,11	..	527	..
Total income		31,563	32,303	72,159
EXPENSES				
Employee expenses	2,6,12	11,236	11,915	28,346
Supplies and services	3,7,13	16,928	18,153	41,509
Grants and subsidies		..	..	..
Depreciation and amortisation	8,14	959	959	2,273
Finance/borrowing costs		..	..	..
Other expenses		31	48	156
Losses on sale/revaluation of assets		..	..	..
Total expenses		29,154	31,075	72,284
OPERATING SURPLUS/(DEFICIT)	4,9,15	2,409	1,228	(125)

Balance sheet

Gold Coast 2018 Commonwealth Games Corporation	Notes	2014-15 Budget* \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets	16,26,36	1,498	19,634	35,079
Receivables	17,27,37	94	15,641	11,041
Other financial assets	18,28	384	990	990
Inventories		..	..	..
Other		93	136	136
Non financial assets held for sale		..	..	..
Total current assets		2,069	36,401	47,246
NON-CURRENT ASSETS				
Receivables	19,29,38	..	15,180	4,600
Other financial assets	20,30	948	470	470
Property, plant and equipment	21,31,39	4,116	4,845	5,438
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		5,064	20,495	10,508
TOTAL ASSETS		7,133	56,896	57,754
CURRENT LIABILITIES				
Payables	22,32,40	1,292	2,952	2,061
Accrued employee benefits	23,33,41	134	635	1,048
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,426	3,587	3,109
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		53	63	63
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	24,34	..	46,295	47,756
Total non-current liabilities		53	46,358	47,819
TOTAL LIABILITIES		1,479	49,945	50,928
NET ASSETS/(LIABILITIES)		5,654	6,951	6,826
EQUITY				
TOTAL EQUITY	25,35	5,654	6,951	6,826

*Technical adjustments have been made in this statement to reallocate amounts between categories and facilitate consistency across agencies.

Cash flow statement

Gold Coast 2018 Commonwealth Games Corporation	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	42,46,51	..	20,791	16,641
Grants and other contributions	47,52	31,428	31,428	71,518
Interest received		135	347	641
Taxes		..	..	..
Other		324	910	..
Outflows:				
Employee costs	48,53	(11,533)	(11,725)	(27,933)
Supplies and services	43,49,54	(19,653)	(17,521)	(43,080)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	44,55	111	(4,521)	524
Net cash provided by or used in operating activities		812	19,709	18,311
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non financial assets	45,50,56	(3,232)	(4,802)	(2,866)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(3,232)	(4,802)	(2,866)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		..	..	..
Net increase/(decrease) in cash held		(2,420)	14,907	15,445
Cash at the beginning of financial year		3,918	4,727	19,634
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,498	19,634	35,079

Explanation of variances in the financial statements

Income statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. The increase in gains on sale/revaluation of assets is due to an unrealised gain arising from the revaluation of derivative contracts used for hedging foreign exchange risk.
2. The increase in employee expenses is due to additional staff numbers required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the Commonwealth Games Federation (CGF).
3. The increase in supplies and services is due to additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
4. The decrease in the operating surplus is due to the timing of revenue received, related expenditure patterns associated with GOLDOC's life cycle budget approach and accounting treatment of capital expenditure programs of work.

Major variations between 2014-15 Budget and 2015-16 Budget include:

5. The increase in grants and other contributions is due to additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
6. The increase in employee expenses is due to additional staff numbers required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
7. The increase in supplies and services is due to additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
8. The increase in depreciation and amortisation is due to the Games headquarters (GHQ) office accommodation project.
9. The decrease in the operating surplus is due to the timing of revenue received, related expenditure patterns associated with GOLDOC's life cycle budget approach and accounting treatment of capital expenditure programs of work.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

10. The increase in grants and other contributions is due to additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
11. The decrease in gains on sale/revaluation of assets is due to the fact that GOLDOC does not budget for an unrealised gain or loss. This will be determined when derivative contracts used for hedging foreign exchange risk are re-valued in 2015-16.
12. The increase in employee expenses is due to additional staff numbers required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
13. The increase in supplies and services is due to additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
14. The increase in depreciation and amortisation is due to the GHQ office accommodation project.
15. The decrease in the operating surplus is due to the timing of revenue received, related expenditure patterns associated with GOLDOC's life cycle budget approach and accounting treatment of capital expenditure programs of work.

Balance sheet

Major variations between 2014-15 Budget* and 2014-15 Estimated Actual include:

16. The increase in cash assets is due to planned broadcast rights payments from rights holders received.
17. The increase in current receivables is due to planned broadcast rights payments receivable in 2015-16.
18. The increase in current other financial assets is due to the revaluation of existing derivative contracts and recognition of new derivative contracts used for hedging foreign exchange risk.

19. The increase in non-current receivables is due to planned broadcast rights payments receivable in 2016-17 and 2017-18.
20. The decrease in non-current other financial assets is due to the revaluation of derivative contracts used for hedging foreign exchange risk.
21. The increase in property, plant and equipment is due to progressing the GHQ office accommodation project.
22. The increase in payables is due to the timing of supplier payments planned for 2014-15 being paid in 2015-16.
23. The increase in accrued employee benefits is due to accrued annual leave commensurate with additional staff numbers.
24. The increase in non-current other liabilities is due to planned broadcast rights payments being received in advance (treated as unearned revenue).
25. The increase in total equity is due to a greater allocation of operating expenditure to capital expenditure.

Major variations between 2014-15 Budget* and 2015-16 Budget include:

26. The increase in cash assets is due to planned broadcast rights payments from rights holders received.
27. The increase in current receivables is due to planned broadcast rights payments receivable in 2016-17.
28. The increase in current other financial assets is due to the revaluation of existing derivative contracts and recognition of new derivative contracts used for hedging foreign exchange risk.
29. The increase in non-current receivables is due to planned broadcast rights payments receivable in 2017-18.
30. The decrease in non-current other financial assets is due to the revaluation of derivative contracts used for hedging foreign exchange risk.
31. The increase in property, plant and equipment commensurate with budgeted capital expenditure for the GHQ office accommodation project and corporate systems implementation offset by accumulated depreciation.
32. The increase in payables commensurate with the additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
33. The increase in accrued employee benefits is due to accrued annual leave commensurate with additional staff numbers.
34. The increase in non-current other liabilities is due to planned broadcast rights payments being received in advance.
35. The increase in total equity is due to a greater allocation of operating expenditure to capital expenditure.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

36. The increase in cash assets is due to planned broadcast rights payments being received in advance.
37. The decrease in current receivables is due to planned broadcast rights payments receivable in 2015-16.
38. The decrease in non-current receivables is due to planned broadcast rights payments receivable in 2016-17.
39. The increase in property, plant and equipment commensurate with budgeted capital expenditure for the GHQ office accommodation project and corporate systems implementation offset by accumulated depreciation.
40. The decrease in payables is due to the timing of supplier payments planned for 2015-16.
41. The increase in accrued employee benefits is due to accrued annual leave commensurate with additional staff numbers.

Cash flow statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

42. The increase in inflows for user charges and fees is due to planned broadcast rights payments being received in advance.
43. The decrease in outflows for supplies and services is due to the timing of supplier payments planned for 2014-15 being paid in 2015-16.
44. The increase in other operating outflows is due to GST being paid on planned broadcast rights revenue upfront in 2014-15.
45. The increase in outflows for payments for non-financial assets is due to the GHQ office accommodation project.

Major variations between 2014-15 Budget and 2015-16 Budget include:

46. The increase in inflows for user charges and fees is due to planned broadcast rights payments being received in advance.
47. The increase in inflows from grants and other contributions is due to additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
48. The increase in outflows for employee costs due to additional staff numbers required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
49. The increase in outflows for supplies and services associated with additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
50. The decrease in outflows for payments for non-financial assets commensurate with budgeted capital expenditure for GHQ office accommodation project and corporate systems implementation in 2015-16.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

51. The decrease in inflows for user charges and fees is due to planned broadcast rights payments receivable in 2015-16.
52. The increase in inflows from grants and other contributions is due to additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
53. The increase in outflows for employee costs due to additional staff numbers required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
54. The increase in outflows for supplies and services associated with additional operational activity required to deliver the milestones and strategic priorities in GOLDOC's business plan and the compliance requirements set by the CGF.
55. The decrease in other operating outflows is due to GST being paid on planned broadcast rights revenue upfront in 2014-15.
56. The decrease in payments for non-financial assets commensurate with budgeted capital expenditure for GHQ office accommodation project and corporate systems implementation in 2015-16.

Statutory body

Tourism and Events Queensland

Overview

TEQ supports the Queensland Government's objective for the community of creating jobs and a diverse economy through actions aimed at growing tourism and events. In the delivery of its core functions of marketing; tourism experience and destination development; and securing major events throughout the state, TEQ also contributes to the Government's objectives of protecting the environment and building safe, caring and connected communities.

TEQ delivers marketing activities targeting consumers from key domestic and international markets. TEQ's marketing aims to increase visitation and expenditure across the State supported by destination and experience development activities to enhance the visitor experience. TEQ also works to attract, develop and promote major, regional and business events in Queensland's regions. Events supported by TEQ must demonstrate significant benefits to the State in the form of driving visitation and generating economic and community benefits.

TEQ collaborates with a range of partners including Regional Tourism Organisations (RTO), Tourism Australia and State Tourism Organisations, tourism and event industry representatives, Government departments and statutory authorities, commercial partners, airlines and national and industry-related tourism associations.

Service performance

In 2014-15, TEQ invested in 52 major events that contributed more than \$300 million in direct and incremental spending to Queensland's economy and generated more than 1.5 million visitor nights. Recent event acquisition highlights include the only World Science Festival in the Southern Hemisphere from 2016; the 2018 ITU World Triathlon Series Grand Final and World Championships and the 2020 World Bowls Championship on the Gold Coast.

The Gold Coast 2018 Commonwealth Games provide a catalyst for events acquisition and TEQ will leverage opportunities to increase Queensland's global profile.

The new Queensland Destination Events Program announced on 25 May 2015 will have three funding rounds in 2015-16. The former Regional Events Development Program awarded \$1.818 million for a total of 66 regional events during 2014-15. TEQ is committed to securing business events for Queensland and supporting the State's convention bureaux.

During 2014-15, TEQ, in partnership with Queensland RTOs and industry, ran a number of consumer brand and retail campaigns for Queensland's destinations. These campaigns were aimed at increasing visitation and expenditure in Queensland's destinations and supporting local jobs. A key highlight for 2014-15 was providing immediate support for tourism businesses post Tropical Cyclone Marcia through delivery of the Southern Great Barrier Reef campaign. TEQ continues to work with industry stakeholders to promote the Great Barrier Reef as Queensland's leading natural tourism asset – both domestically and across key international markets including Europe, the United Kingdom, New Zealand, United States and across Asia.

Following the finalisation of Queensland's suite of Destination Tourism Plans (DTP) in 2014-15, TEQ will in 2015-16 focus on its actions within each DTP and assisting RTOs with overall implementation. The DTPs outline agreed priorities for tourism marketing and events in each destination to 2020.

Through a variety of media avenues, TEQ will work with RTOs and industry partners to promote Queensland's key tourism and events experiences to consumers, year round. Key activities include consumer campaign and promotional activities for each of Queensland's destinations; showcasing Queensland events through the It's Live! in Queensland events calendar and maximising opportunities associated with strategic partnerships.

TEQ continues to work with RTOs and industry to maximise each destination's competitive advantage by: identifying practical measures to leverage the destination hero experiences; realising ecotourism and Indigenous tourism experience development opportunities; growing drive tourism and cruise opportunities.

TEQ continues to work with airlines, the Department of Tourism, Major Events, Small Business and the Commonwealth Games and Queensland's airports, to market the Attracting Aviation Investment Fund (AAIF) to increase aviation route

capacity into Queensland. Recently the AAIF assisted Queensland in securing the first non-stop flights between the Gold Coast and China scheduled to commence in September 2015.

Service performance

Performance statement

Tourism and Events Queensland

Service area objective

To achieve economic and social benefits for the State through: marketing and promoting tourism in Queensland; tourism experience and destination development; and securing major events to be held in Queensland.

Service area description

TEQ markets and promotes tourism, tourism experience and destination development. TEQ also works collaboratively with government, industry and Queensland destination partners to identify, attract, develop and promote major events.

Tourism and Events Queensland	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service standards				
<i>Effectiveness measures</i>				
Overnight visitor expenditure generated by events within the TEQ portfolio	1,2	\$125 million	\$264 million	\$264 million
Direct visitor nights generated by events within the TEQ portfolio	1,2	750,000	1,524,444	1,524,444
Direct and incremental spending generated by events within the TEQ portfolio	1,2	\$180 million	\$343 million	\$343 million
Visitors to Queensland generated by events within the TEQ portfolio	1,2	128,000	211,872	211,872
Publicity and promotional value generated by TEQ activities		\$190 million	\$238 million	\$190 million
Value of collaborative support	3	New measure	New measure	\$14 million
<i>Efficiency measure</i>				
Efficient leverage of regional and strategic partnership investment	4	New measure	New measure	1:1

Notes:

- The wording of this service standard has changed to capture outcomes from all events in the TEQ portfolio where visitor expenditure, direct and incremental spending, interstate and international visitors and direct visitor nights are measurable. The service standard has changed from 'major events within the TEQ portfolio' to 'Events within the TEQ portfolio' which refers to major events and significant destination events supported by TEQ. The methodology for assessing the standard remains the same.
- The 2014-15 Target/Est. were developed based on available data of major events for the financial year. During the year a total of 52 major events were held in Queensland which played a significant role in the strong Est. Actual results for the year. The 2015-16 Target/Est. are set based on the known secured events for 2015-16 and the 2014-15 Est. Actual.
- This new service standard replaces the previously used 'cooperative investment in marketing programs'. Collaborative Value includes all direct, indirect, contra and in-kind partner support (valued in writing from partners and/or forming part of a formalised agreement) for tourism and event marketing and destination and experience development projects.
- This service standard measures the ratio of partner investment to the investment made by TEQ in regional and partnership activities.

Staffing¹

Tourism and Events Queensland	Notes	2014-15 Budget	2014-15 Est. Actual	2015-16 Budget
Number of FTE's		140	140	140

Note:

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

Discontinued measures

Performance measures included in the 2014-15 Service Delivery Statements that have been discontinued or replaced are reported in the following table with estimated actual results. For those measures which are being discontinued from the Service Delivery Statement because they do not demonstrate the effectiveness or efficiency of services, please refer to the Notes below for further information about where these measures will continue to be reported.

Tourism and Events Queensland	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service standards				
Value of cooperative support investment in marketing campaigns	1	\$7 million	\$7.9 million	Discontinued measure
Satisfaction with TEQ's development programs	2	70%	90%	Discontinued measure

Notes:

1. This measure has been discontinued due to expansion into a new service standard. The new service standard 'Value of collaborative support' includes all direct, indirect, contra and in-kind partner support (valued in writing by partners and/or forming part of a formalised agreement) for tourism and event marketing and destination and experience development project.
2. Following the creation of TEQ in 2012, the organisation assessed its role in industry development. In line with the *Tourism and Events Queensland Act 2012*, the TEQ Board subsequently made the decision to focus on experience and destination development and phase out industry development activities. The discontinuation of this measure reflects this decision.

Income statement

Tourism and Events Queensland	Notes	2014-15 Budget* \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees	1,5	7,000	8,500	10,000
Grants and other contributions	2,6,9	91,075	100,444	101,978
Interest		200	200	200
Other revenue		400	1,100	400
Gains on sale/revaluation of assets		..	..	..
Total income		98,675	110,244	112,578
EXPENSES				
Employee expenses	3	16,400	16,900	17,407
Supplies and services	4,7	38,096	48,424	49,566
Grants and subsidies	8	42,400	43,366	44,055
Depreciation and amortisation		629	404	400
Finance/borrowing costs		..	..	..
Other expenses		1,150	1,150	1,150
Losses on sale/revaluation of assets		..	..	..
Total expenses		98,675	110,244	112,578
OPERATING SURPLUS/(DEFICIT)		..	..	..

*Technical adjustments have been made in this statement to reallocate amounts between categories and facilitate consistency across agencies.

Balance sheet

Tourism and Events Queensland	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets	10	2,807	7,235	7,533
Receivables		5,248	3,192	3,002
Other financial assets		..	..	..
Inventories		..	..	..
Other		125	54	57
Non financial assets held for sale		..	..	..
Total current assets		8,180	10,481	10,592
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	11	1,608	664	664
Property, plant and equipment		1,737	1,723	1,623
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		3,345	2,387	2,287
TOTAL ASSETS		11,525	12,868	12,879
CURRENT LIABILITIES				
Payables	12	5,225	6,708	6,659
Accrued employee benefits		2,148	2,768	2,818
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		282	518	518
Total current liabilities		7,655	9,994	9,995
NON-CURRENT LIABILITIES				
Payables		225	302	302
Accrued employee benefits		492	363	373
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		717	665	675
TOTAL LIABILITIES		8,372	10,659	10,670
NET ASSETS/(LIABILITIES)		3,153	2,209	2,209
EQUITY				
TOTAL EQUITY		3,153	2,209	2,209

Cash flow statement

Tourism and Events Queensland	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	15	8,262	8,805	10,202
Grants and other contributions	13,16,17	91,075	115,301	101,978
Interest received		202	200	200
Taxes		..	..	..
Other		388	1,088	388
Outflows:				
Employee costs		(16,354)	(16,754)	(17,347)
Supplies and services	14,16,17	(39,423)	(59,846)	(49,618)
Grants and subsidies		(42,400)	(43,366)	(44,055)
Borrowing costs		..	..	..
Other		(1,150)	(1,150)	(1,150)
Net cash provided by or used in operating activities		600	4,278	598
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non financial assets		(400)	(400)	(300)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(400)	(400)	(300)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		..	..	..
Net increase/(decrease) in cash held		200	3,878	298
Cash at the beginning of financial year		2,607	3,357	7,235
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,807	7,235	7,533

Explanation of variances in the financial statements

Income statement

Major variations between 2014-15 Budget* and 2014-15 Estimated Actual include:

1. The increase reflects additional revenues generated through co-operative participation by industry and other partners in jointly managed marketing campaigns and event activity.
2. The increase is principally explained by the deferral of grant funding of \$10.2 million from 2013-14 to 2014-15 to match the timing of anticipated program activity.
3. The increase reflects variation in anticipated vacancies and factors including maternity leave payments.
4. The increase primarily reflects the deferral of grant funding of \$10.2 million included in the 2014-15 Estimated actual to match the timing of anticipated program activity. The increase also reflects an increase in marketing expenditure in line with additional income generated through cooperative participation by industry and other partners in jointly managed marketing campaigns.

Major variations between 2014-15 Budget* and 2015-16 Budget include:

5. The increase reflects additional expected revenues generated through co-operative participation by industry and other partners in jointly managed marketing campaigns and event activity.
6. While the 2015-16 budget figure includes new funding for TEQ, it should be noted that the 2014-15 budget figure was subsequently increased by a deferral of funding of \$10.2 million from 2013-14 to match the timing of anticipated program activity. This deferral largely explains the variance presented.
7. While the 2015-16 budget figure reflects increased marketing expenditure as a result of new funding for TEQ, it should be noted that the 2014-15 budget figure was subsequently increased due to a deferral of funding of \$10.2 million from 2013-14 to match the timing of anticipated program activity. This deferral largely explains the variance presented. The variance also reflects an increase in marketing expenditure in line with additional income expected to be generated through co-operative participation by industry and other partners in jointly managed marketing campaigns.
8. The increase reflects increased event expenditure in line with additional income expected to be generated through co-operative participation by partners in jointly managed event activities.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

9. While the 2015-16 budget figure includes new funding for TEQ, the variance is primarily due to the deferral of grant funding from 2014-15 to 2015-16 to match the timing of anticipated program activity.

Balance sheet

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

10. Increase in cash assets due to significant activity and work programs planned for completion in June 2015 with payment scheduled for July 2015.
11. Reduction in Non-current Other financial assets is due to unbudgeted impairment of investment asset recognised as a non-cash expense in accordance with Australian Accounting Standards during 2013-14.
12. Increase in payables reflects the increased level of activity expected in June 2015 where payments will not be due until the 2014-15 financial year.

Cash flow statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

13. The increase reflects physical receipt of grant funding in 2014-15 Estimated actual that relates to May and June 2014 activity where payments were not due until 2014-15, in addition to the deferral of grant funding from 2013-14 to 2014-15 to match the timing of anticipated program activity.
14. The increase is principally due to the increased level of activity in May and June 2014 where payments were not due until the 2014-15 financial year in addition to the deferral of grant funding from 2013-14 to 2014-15 to match the timing of anticipated program activity.

Major variations between 2014-15 Budget and 2015-16 Budget include:

15. The increase reflects additional expected revenues generated through co-operative participation by industry and other partners in jointly managed marketing campaigns and event activity.
16. While the 2015-16 budget figure includes new funding for TEQ, it should be noted that the 2014-15 budget figure was subsequently increased by a deferral of funding from 2013-14 to match the timing of anticipated program activity. This deferral largely explains the variance presented.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

17. The decrease is primarily explained by the physical receipt of grant funding in 2014-15 Estimated actual that relates to May and June 2014 activity where payments were not due until 2014-15, in addition to the deferral of grant funding from 2013-14 to 2014-15 to match the timing of anticipated program activity.

Glossary of terms

Accrual accounting	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.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	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.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: delivery of agreed services administered items adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	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.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled Items	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.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	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.
Equity injection	An increase in the investment of the Government in a public sector agency.

Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income statement	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.
Machinery-of-government	The redistribution of the public business of one government agency to another government agency. Also referred to as MoG.
Outcomes	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.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

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

