

QUEENSLAND BUDGET 2019–20

Service Delivery Statements

Department of Housing
and Public Works

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2019–20 Queensland Budget Papers

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Service Delivery Statements

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Department of Housing and Public Works

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport.

Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport

The Honourable Mick de Brenni MP

Department of Housing and Public Works

Director-General: Liza Carroll

Service area 1: Services for Queenslanders - Community

Service area 2: Services for Queenslanders - Digital and Information

Service area 3: Services for Government

The Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport is also responsible for:

Queensland Building and Construction Commission

Commissioner: Brett Bassett

Objective: To build trust and confidence in the building and construction industry by promoting integrity and probity in the industry and providing effective and efficient regulatory and customer services.

Residential Tenancies Authority

Chief Executive Officer: Jennifer Smith

Objective: To ensure renting works for everyone by delivering high quality, tailored customer experiences and regulating, educating and informing the residential rental sector.

Building and Asset Services

Deputy Director-General: Graham Atkins

Objective: To partner with and support Queensland Government agencies to effectively and efficiently deliver their core services to Queenslanders, by strategically managing and delivering their building, construction and maintenance activities and programs state-wide.

CITEC

General Manager CITEC Information and Communication Technology: Sarah Baster

Executive Director CITEC Information Brokerage: Charlotte Grezlo

Objective: To provide Queensland Government departments, statutory bodies and commercial clients with ICT infrastructure and information brokerage services that support the delivery of frontline services to Queensland communities and businesses.

QFleet

Deputy Director-General: Graham Atkins

Objective: To provide a central pool of expertise in fleet management and fleet management services, to enable Government and government-funded organisations to deliver frontline services to the community.

Queensland Shared Services

Deputy Director-General: Andrew Spina

Objective: To provide modern and trusted corporate services and advice to other government departments and statutory bodies to enable them to meet government policies and objectives.

Queensland Government Chief Information Office

Queensland Government Chief Information Officer: Andrew Mills

Objective: To provide advice to Queensland Government agencies and executive government on key ICT issues, ICT investments and cyber security to support the Queensland Government's digital future.

Additional information about these agencies can be sourced from:

www.hpw.qld.gov.au

www.qbcc.qld.gov.au

www.rta.qld.gov.au

www.qgcio.qld.gov.au

Departmental overview

The Department of Housing and Public Works delivers diverse services to benefit Queenslanders and supports Government service delivery. The department's remit is wide-ranging including housing and homelessness services, building policy, public works, sport and recreation, digital and information technology and government corporate services. Our vision for the future is to work together with respect and compassion to influence change and deliver responsive services to build a healthy and connected Queensland.

The department operates within a complex environment. Digitisation and the shifting demographic profile of Queenslanders means needs and expectations of government change. Understanding the community and putting citizens at the centre of all that we do must sit at the heart of service design and delivery.

Our strategic objectives commit our department to achieve:

- services for Queenslanders that are responsive, person-centric, integrated, accessible, easy to use and that will benefit future generations of Queenslanders
- services for the Government that are responsive and make it easier to do business with the Queensland Government and that support government agencies to effectively and efficiently deliver their services
- strategy and policy that is forward looking, leads to evidence-based reforms, influences innovation to achieve change, builds capability, improves performance and delivers a more responsive government
- a unified organisation that is responsive, collaborative and a great place to work.

The department has sought opportunities to realign business and work with agency partners to contribute to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*:

- Create jobs in a strong economy: through contributing to the creation of jobs across Queensland and contributing to regional development
- Give all our children a great start: through providing children a safe place to grow and learn through social housing, while also investing in sport and active recreation to give children a bright future in healthy communities
- Keep Queenslanders healthy: supporting a range of sport and recreation outcomes to ensure physical activity enriches the Queensland way of life
- Keep communities safe: through providing housing for vulnerable Queenslanders and building a safer construction industry
- Protect the Great Barrier Reef: through delivering programs to purchase renewable energy, lowering fleet emissions and fostering sustainable building initiatives
- Be a responsive government: through a continuous rollout of initiatives that give Queenslanders better access to information and government service online, over the phone or in person.

The department's key priorities for 2019-20 are to:

- lead the delivery of responsive government services and enabling platforms that are simple and easy to access
- drive improvement in the delivery of sport and recreation opportunities increasing the health of Queenslanders through implementation of the *Sport and Active Recreation Strategy 2019-2029* outcomes
- complete the new North Queensland Stadium by the start of the 2020 NRL Premiership Season
- increase the availability of social and affordable housing by ensuring the sustainability of the *Queensland Housing Fund* through effective implementation of the *Queensland Housing Strategy* and associated reforms
- deliver the *Aboriginal and Torres Strait Islander Housing Action Plan*
- deliver against commitments to ensure the safety and security of Queensland Government employees in well maintained homes through ongoing maintenance and upgrades, particularly in regional and remote communities
- create a safer, fairer and more sustainable construction industry through the delivery of *Queensland Building Plan 2017* reforms, including a focus on financial practices and ensuring building products standards are maintained
- effectively and efficiently manage Queensland Government data and information infrastructure
- commence implementation of changes to the *Residential Tenancies and Rooming Accommodation Act 2008* to improve protections and housing stability in the rental market

- continue to deliver on the Government's commitments to *Buy Queensland* through procurement.

The department's total capital expenditure program for 2019-20 is \$754.5 million which comprises purchases of \$602 million and capital grants of \$152.5 million as detailed in *Capital Statement (Budget Paper 3)*.

Service Performance

The service area structure has been revised for the 2019-20 *Service Delivery Statements* to better reflect the broad range of services the department delivers, aligning with the Government's community objectives and meet the goals of the department's strategic plan.

The restructured service areas are:

- Services for Queenslanders - Community, including housing and homelessness, sport and recreation, and building industry regulation that protects the community
- Services for Queenslanders - Digital and Information, including digitally enabled, easy access to integrated, person-centric and responsive Queensland Government services and ensuring Queensland public records are preserved
- Services for Government, including services that support government agencies to effectively and efficiently deliver their services and ensure the services deliver for the Queensland community including through procurement, major Government projects, and government accommodation.

Performance Statement

Services for Queenslanders - Community

Service Area Objective

To benefit Queenslanders and their communities by providing housing, homelessness, sports and active recreation, and building policy services, that are responsive, integrated and accessible, and promoting healthier lifestyles by supporting and encouraging participation in sports and recreation.

Services (as represented in the service standard table)

- Housing
- Homelessness
- Sport and Recreation

Description

The service area includes housing, homelessness, sport and recreation, and building policy:

- delivers safe, secure and sustainable housing by funding and improving housing and homelessness services and providing support which meets the needs of Queenslanders and enables social and economic participation
- supports Queenslanders to be more physically active, healthier and better connected while also supporting elite athletic success, economic growth and jobs
- ensures safe and fair industry building standards in the building and construction industry.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
1,472,067	499,133	436,787	312,757	14,622

Staffing^{1,2,3}

2018-19 Adjusted Budget	2018-19 Estimated Actual	2019-20 Budget
1,710	1,696	1,691

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between the 2018-19 Adjusted Budget and 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and 2019-20 Budget is primarily due to reductions in Future of Property and Tenancy Systems staffing in line with the program schedule, partially offset by the engagement of additional Sport and Recreation officers in discrete Indigenous communities.

2019-20 service area highlights

In 2019-20 the service area will support government and departmental commitments and priorities by:

Housing and Homelessness

- delivering improved housing outcomes for Queenslanders through continued implementation of the *Queensland Housing Strategy 2017-27* and *Queensland Housing Strategy 2017-20 Action Plan*
 - delivering additional social and affordable housing in identified growth areas across the state through the *Housing Construction Jobs Program*
 - implementing innovative design in new construction projects with the aim of improving the environmental performance and sustainability of social housing
 - continuing to trial the installation of solar panels on public housing in a remote location (Lockhart River), regional locations (Cairns and Rockhampton) and leading the implementation of the solar trial in a metropolitan location (Logan) in partnership with the Department of Natural Resources, Mines and Energy

- continuing to transform frontline housing services to better reflect the changing needs of our customers
- engaging with customers to improve service responses and promote participation and inclusion in the community, including through our tenant engagement program - *TenantConnect*
- implementing and consolidating place-based service responses in collaboration with government and non-government housing, homelessness and human service agencies and partners
- designing and implementing the new partnering environment with community housing providers under *Partnering for Growth* with the community sector to deliver new social and affordable housing
- implementing new flexible housing assistance products and services to improve access to and sustainability of private rental housing
- providing housing services and increasing home ownership outcomes for Aboriginal and Torres Strait Islander peoples in remote communities
 - improving housing outcomes and addressing complex challenges in urban, regional, and remote areas and in discrete communities through delivery of the *Aboriginal and Torres Strait Islander Housing Action Plan*
 - activating new shelters in Charters Towers, Caboolture and the Gold Coast, and replacement of shelters in Pormpuraaw, Woorabinda and Gold Coast in alignment with the *Domestic and Family Violence Prevention Strategy 2016-26* and the Government's response to the Domestic and Family Violence Taskforce Report *Not Now, Not Ever: Putting an end to domestic and family violence in Queensland*
- providing housing and support to vulnerable people, and particularly young people and older Queenslanders, through investing in homelessness support services across Queensland
 - delivering *Partnering for Impact* to reduce homelessness in Queensland and the *Queensland Homelessness Compact* and implementing a shared vision and work plan through partnership with the homelessness sector to achieve better outcomes for vulnerable Queenslanders
 - supporting innovative responses to enable Queenslanders experiencing homelessness to live with dignity, as well as preventing or reducing homelessness, through continuing the *Dignity First Fund*
- completing implementation of reforms to regulatory frameworks for retirement villages and manufactured homes and increasing consumer protections and providing certainty for industry
- creating modern rental laws that provide better protections and improve housing stability in the rental market, including minimum housing standards for rental accommodation

Sport and Active Recreation

- implementing the *Queensland Sport and Active Recreation Strategy* targeting government investment to drive improvement in the delivery of sport and active recreation opportunities for all Queenslanders and promote healthier, more active lifestyles, and continuing to deliver committed funding that supports:
 - partnerships with industry, cultural diversity and social cohesion and grassroots sport and recreation and community use of schools
 - purpose built facilities to support female participation in sport and active recreation
 - development of Underwood Park, Zillmere Sports Centre and the University of the Sunshine Coast Stadium
- supporting the State's elite athletes to continue to perform at the highest standard of competition nationally and internationally, including in the lead up to the Tokyo 2020 Olympic and Paralympic Games

Building Policy

- progressing reforms arising from the *Queensland Building Plan 2017* including:
 - considering the outcomes of the Building Industry Fairness Implementation Evaluation Panel report prior to progressing further security of payment reforms such as the next phase of Project Bank Accounts
 - implementing a suite of plumbing and drainage law reforms, including a new law, regulation and Code as well as new mechanical services licensing framework
 - collaboratively working with the Australian Government, states and territories, regulators and industry to address issues raised by the Building Ministers' Forum.

Services for Queenslanders - Community¹	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service: Housing²			
Service standards			
<i>Effectiveness measures</i>			
Level of overall client satisfaction ³			
Public Housing	85%	87%	..
Community Housing	80%	82%	..
Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need ⁴	92%	95%	94%
Percentage of department owned social rental housing dwellings in acceptable condition ⁵	95%	97%	95%
Proportion of total new households assisted to access rental accommodation who moved into the private rental market	86%	86%	86%
Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards ⁶	50%	70%	50%
Average wait time to allocation for assistance (months) with government-owned and managed social rental housing for clients in very high or high need	8	8	8
Percentage of under occupied government-owned and managed social rental housing	15%	15%	15%
Proportion of government-owned social rental housing stock matched to greatest demand	54%	54%	54%
<i>Efficiency measure</i>			
Average tenancy and property management administration cost per households assisted with social rental housing ⁷	\$1,271	\$1,272	\$1,302
Service: Homelessness²			
Service standards			
<i>Effectiveness measures</i>			
Percentage of clients who were homeless or at risk of homelessness who needed assistance to obtain or maintain independent housing and obtained or maintained independent housing after support ⁸	67%	65%	67%
Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance	87%	87%	87%
<i>Efficiency measure</i>			
Recurrent cost per client accessing homelessness services ⁹	\$3,100	\$3,584	\$3,400
Service: Sport and Recreation¹⁰			
Service standards			
<i>Effectiveness measures</i>			
Percentage of young people redeeming a Get Started voucher who have not played club sport before ¹¹	15%	21%	20%
Percentage of athletes selected for national teams supported by the Queensland Academy of Sport	25%	25%	25%
Co-contribution ratio of partnership investment to the Queensland Academy of Sport investment in grants research projects	1:1	1:1.43	1:1

Services for Queenslanders - Community¹	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Utilisation of Queensland Recreation Centres accommodation facilities ¹²	42%	42%	42%
<i>Efficiency measure</i>			
Queensland Recreation Centres operational bed cost per night ¹³	<\$45	\$46	<\$45

Notes:

1. This is a new Service Area for the 2019-20 *Service Delivery Statements* (SDS).
2. This is a new Service for the 2019-20 SDS and service standards presented in this Service were previously published in the Housing and Homelessness Service Area in the 2018-19 SDS.
3. This service standard is based on a biennial survey, with the most recent survey undertaken in 2018-19. Variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual is positive. A 2019-20 Target/Estimate has not been set as the next survey is due to be conducted in 2020-21.
4. The variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual is positive and reflects the continued commitment through the *Queensland Housing Strategy 2017-2027* to ensure those most in need are provided supportive housing. The change in 2019-20 Target/Estimate supports the allocation of social housing to households with moderate need where appropriate: for example, where there are properties but no demand by households in very high and high need.
5. The variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is a positive result, however is due to a perceived increase in condition rating. A correction of maintenance costs data for 2019-20 will mean the target remains at 95%.
6. The variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual is mainly due to more projects being delivered that incorporate lifts, resulting in all dwellings in those development being 'accessible'. The 2019-20 Target/Estimate has been retained at 50%, as per the target set in the *Queensland Housing Strategy Action Plan 2017-2020*.
7. The service standard measure is calculated as total tenancy and property management administration costs divided by total households assisted. The administration costs include employee expenses, supplies and services, plant and equipment depreciation and other administration expenses.
8. The variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is due to a number of factors impacting the sustainable housing outcomes for clients such as cost of rent in private rental housing, level of income support and client circumstances.
9. The variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual (and change in the 2019-20 Target/Estimate) is due to varying costs of individual services provided to clients, and is higher than estimated due to more complex needs clients receiving service.
10. This is a new Service for the 2019-20 SDS and service standards presented in this Service were previously published in the Sport and Recreation Service Area in the 2018-19 SDS.
11. This measure gauges the effectiveness of the Get Started Program in meeting one of its key outcomes of increasing participation of young Queenslanders in sport and recreation. The difference between the 2018-19 Estimated Target and Estimated Actual can be attributed to targeted increase in referral agents as part of the voucher application process; and increased community and club awareness of the Program. Increase to 2019-20 Estimate Target reflects current data trends and stabilisation of community and club awareness levels.
12. Queensland's Recreation Centres refer to the two Queensland Recreation Centres owned and managed by the State - the Gold Coast Recreation Centre and the Sunshine Coast Recreation Centre. The 2018-19 Estimated Actual is to be confirmed in the final draft currently being influenced by the Gold Coast Recreation Centre accommodation redevelopment, reduction in bed nights utilised by the Tallebudgera Beach School and late cancellations.
13. The measure is calculated as total bed cost (net non-bed costs and maintenance building) divided by total bed nights. Non-bed costs relate to program and leisure centre staff costs, catering costs and depreciation and maintenance. The measure includes two Recreation Centres - Gold Coast and Sunshine Coast.

Services for Queenslanders - Digital and Information

Service Area Objective

To benefit Queenslanders and future generations by providing digitally enabled, simple and easy access to integrated, person-centric and responsive Queensland Government services.

Description

The service area delivers whole-of-government customer service, Government recordkeeping and archives and open data services, including:

- developing and delivering innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels
- leading Queensland public authorities in managing and preserving Queensland public records in a useable form and improves public access to the collection by embracing digital government practices
- responsibility for implementing the Government's commitment to making government data open for anyone to access, use and share.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
93,057	62,938	30,598	..	..

Staffing^{1,2,3}

2018-19 Adjusted Budget	2018-19 Estimated Actual	2019-20 Budget
676	665	664

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between the 2018-19 Adjusted Budget and 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget is due to natural attrition and a realignment of the workforce to match future capability requirements.

2019-20 service area highlights

In 2019-20 the service area will support government and departmental commitments and priorities by:

- partnering and supporting organisations to provide responsive services that make it simpler, faster and easier for customers to access government services, including through improved counter services and online application-based services
- enhancing digital service delivery to reduce duplication of effort and burden to provide information to multiple agencies through streamlining and personalising the way people connect and engage with government
- continuing to increase Queenslanders' digital skills and awareness through the *Community Digital Champions* and *GetOnlineQld* programs
- delivering responsive government services by providing service excellence to Queenslanders via 13 QGOV (13 74 68), online at qld.gov.au and in person at Queensland Government Agent Program locations and Queensland Government Service Centres
- continuing to implement a recordkeeping transformation program to improve the standard of recordkeeping in government
- supporting agencies to increase the number of open public records and enhancing the discoverability of these records to make them easier for Queenslanders to find
- delivering open data policy and services and engaging with key stakeholders to encourage the release of high quality and high value datasets

- progressing the *Digital Archiving Program* in the management of permanent value, born digital records for public authorities.

Services for Queenslanders - Digital and Information¹	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards² <i>Effectiveness measures</i> Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies ³	≥85%	97%	≥90%
Percentage increase in number of Queensland State Archives records accessed ⁴	New measure	New measure	20%
Percentage of data sets available on qld.gov.au with an Open Data Certificate ⁵	65%	80%	70%
<i>Efficiency measures</i> Cost per customer interaction (phone, counter, online) provided by Smart Service Queensland ⁶	\$1.10	\$0.69	\$1.00
Average cost to Queensland State Archives per record accessed ⁷	\$6.00	\$2.68	\$2.50

Notes:

- This is a new Service Area for the 2019-20 *Service Delivery Statements* (SDS).
- These service standards were presented in the Digital Capability and Information Service Area in the 2018-19 SDS.
- This is a measure of overall satisfaction. It shows the percentage of customers satisfied with the phone and counter services provided by Smart Service Queensland on behalf of government agencies.
- This new service standard demonstrates Queensland State Archive (QSA)'s effectiveness in ensuring more of the government records of Queensland are available and accessible to the public. This service standard better measures QSA's effectiveness in achieving its statutory purpose of access and replaces the discontinued measure 'Overall customer satisfaction with Queensland State Archives delivery of services to the public'.
- The positive 2018-19 Estimated Actual result is due to a dedicated program of work delivered by the Open Data Policy team to improve data quality within agencies. The target for this measure will be reviewed in subsequent years as data matures and a trend is established. The measure demonstrates the department's effectiveness in improving the quality of the Queensland Government's open data (including accuracy and timeliness). The Open Data Certificates are awarded by the Open Data Institute, a global not-for-profit organisation and leader in matters relating to open data.
- The wording of this service standard has been amended to clearly describe the scope of the measure. The service standard was previously called 'Cost per customer service interaction (all interaction)'. The method of calculating the results remains unchanged. The measure is calculated based on the operating cost of Smart Service Queensland for all channels divided by the customer interaction data (including phone, counter, online, card and concessions). The 2018-19 Estimated Actual result is better than the 2018-19 Target/Estimate due to efficient management of costs and an increase in transactions, particularly online.
- The variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual reflects the success of QSA's transformation initiatives to encourage more access through digital channels. The 2019-20 Target/Estimate has been adjusted taking into account most recent data. The methodology used is the total appropriated budget of QSA (both capital and operating expenditure, excluding limited life funding), divided by the total number of records accessed.

Services for Government

Service Area Objective

To support government agencies in the effective and efficient delivery of their services and deliver for the whole Queensland community including through procurement, major government projects and government accommodation.

Services (as represented in the service standard table)

- Government accommodation
- Procurement
- Digital services

Description

The service area includes major government projects, procurement, government accommodation, digital services, and QGCIO advice on digital ICT and investment:

- assists government agencies in the delivery of major government building and construction projects that support Queensland's growing communities
- delivers office accommodation and government employee housing solutions for the Queensland Government
- provides expert advisory, enabling and support procurement services to government agencies, including category management for general goods and services, building construction and maintenance, and ICT strategic procurement arrangements
- provides procurement services to local contractors and suppliers that reduce the cost of doing business with the Queensland Government, support employment and better social outcomes for communities
- collaborates across government to enable and support agencies to deliver digital services
- develops and implements digital strategies and policies to guide government investment decisions, as well as cyber security, and drives digital capability programs.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
934,283	262,558	666,885	..	8,765

Staffing^{1,2,3}

2018-19 Adjusted Budget	2018-19 Estimated Actual	2019-20 Budget
439	445	445

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between the 2018-19 Adjusted Budget and the 2018-19 Estimated Actual is primarily due to the transition of Project Delivery from the Department of State Development, Manufacturing, Infrastructure and Planning.

2019-20 service area highlights

In 2019-20 the service area will support government and departmental commitments and priorities by:

Major Government Projects

- enabling delivery of key strategic projects including the North Queensland Stadium by assuring time, cost and quality parameters are appropriately met.

Procurement

- embedding the *Buy Queensland* approach to procurement, including providing advice, support, frameworks and tools, to enable government agencies to pursue economic, environmental and social outcomes. This includes increasing opportunities for local suppliers, growing regional economies and embedding non-price considerations, including social procurement, into government procurement processes
- further implementing the *Buy Queensland* procurement compliance and enforcement framework, with a focus on supplier compliance with the Best Practice Principles, local benefits, and the *Queensland Government Building and Construction Training Policy*
- implementing the 'Buy Queensland first' commitment for food and beverages via the public launch of the populated online Queensland Government Food and Beverage Supplier Directory
- embedding targets and commitments that support the Buy Queensland procurement approach into common use arrangements managed by the department. For example, supporting the Government's commitment to achieve net zero emissions by 2050 through, contractually requiring an increasing portion of the electricity supplied to Government buildings to come from renewable sources
- publishing interactive forward procurement pipeline enabling employment and certainty for regional businesses.

Government Accommodation

- continuing a capital, maintenance and upgrade program to deliver safe and secure government employee housing in regional and remote locations across the State, including Aboriginal and Torres Strait Islander communities, thereby enabling police, teachers, medical professionals and associated government employees to deliver critical frontline services to the people of Queensland
- completing the construction of a government employee housing precinct in Aurukun to provide a total of 24 residences for Department of Education staff
- providing expert advice on significant government building and construction contractual matters, arbitration, insolvencies and sub-contract charges and maintaining a suite of building contracts for government use and managing the whole-of-government central register of pre-qualified building consultants and contractors.

Digital Services and QGCIO

- continuing to develop a culture of information security accountability and improve the Government's ability to prevent, detect and respond to cyber security threats
- managing large scale contracts on behalf of government agencies, including the Government Wireless Network and the *Mobile Black Spots Program*
- progressing a range of cross-agency digital projects.

Services for Government¹	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service: Government accommodation²			
Service standards			
<i>Effectiveness measures</i>			
Return on investment			
commercial properties included in the office portfolio ³	≥6.5%	5.7%	≥6.5%
government employee housing	≥1.5%	1.5%	≥1.5%
Vacancy rate			
office portfolio ⁴	≤3.5%	2%	≤3.5%
government employee housing ⁵	≤6%	4.2%	≤6%
Percentage of government-owned employee housing with an acceptable facility condition index rating ⁶	≥90%	95.6%	≥90%
Energy performance – percentage of occupied government office accommodation achieving a rating ≥5 star under the National Australian Built Environmental Rating System ⁷	New measure	New measure	>80%
<i>Efficiency measures</i>			
Work point density			
average	13.5m ² per person	13.5m ² per person	13.5m ² per person
new fitout	12m ² per person	12m ² per person	12m ² per person
Service: Procurement⁸			
Service standards			
<i>Effectiveness measures</i>			
Overall satisfaction with advice and support provided by the office of the Chief Advisor – Procurement (internal to government) ^{9,10}	90%	59%	90%
Overall satisfaction with the way the Office of the Chief Advisory – Procurement engages with the Procurement Industry Advisory Group (external to government) ^{9,11}	80%	88%	80%
Percentage of whole-of-government ICT spend awarded to small to medium sized enterprises (transactions over \$10,000) ¹²	≥18%	18.5%	19%
<i>Efficiency measures</i>			
Operating cost per \$1,000 of managed spend on general goods and services ¹³	New measure	New measure	≤\$2
Operating cost per \$1,000 of managed spend on ICT products and services ¹⁴	≤\$20	\$11	≤\$20
Service: Digital services⁸			
Service standards			
<i>Effectiveness measure</i>			
Overall satisfaction with Responsive Government partnerships, advice and support (internal to government) ¹⁵	New measure	New measure	70%
<i>Efficiency measure¹⁶</i>			

Notes:

1. This is a new Service Area for the 2019-20 *Service Delivery Statements* (SDS).

2. This is a new Service for the 2019-20 SDS and service standards presented in this Service were previously published in the Government Accommodation and Building Policy Service Area in the 2018-19 SDS.
3. This service standard measures the return (net profit) to the Queensland Government on the level of assets employed/owned by the department for providing office accommodation. Variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to increased expense related to backlog maintenance during the financial year and transitional space vacancy in a number of buildings.
4. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to the emerging growth in allocation of agencies in 2018-19 to existing vacant space in the portfolio before obtaining additional leased space under the centralised vacancy management approach. The 2019-20 Target/Estimate has been retained at $\leq 3.5\%$ linked to the implementation of Phase 2 (2018 - 2024) of the *Queensland Government Office Strategy 2019 – 2029*.
5. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to effective vacancy management utilising the private rental market when residences are not required by government agencies. The 2019-20 Target/Estimate has been retained at $\leq 6\%$ due to market volatility and fluctuating agency demand for employee housing which is difficult to forecast.
6. This service standard measures the maintenance performance of government owned employee housing to ensure that dwellings are kept at an appropriate and consistent standard to attract and retain skilled workers to deliver essential services in remote communities.
7. This is a new service standard monitoring ongoing energy efficiency improvements in occupied government office accommodation. As the majority of the audited office accommodation space has now achieved the previously targeted 4-star rating, a new measure has been introduced. The 2019-20 Target/Estimate for the ≥ 5 -star rating aligns with department's energy performance strategic targets.
8. This is a new Service for the 2019-20 SDS.
9. This service standard was previously published in the Procurement Service Areas in the 2018-19 SDS.
10. Variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual has identified increased agency expectations for further support services to deliver procurement outcomes. The Office of the Chief Advisor – Procurement will continue to enhance strategic engagement through the Queensland Government Procurement Committee, along with providing improved support and information services for government agencies to deliver the Buy Queensland approach.
11. Variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is due to improved engagement with, and the building awareness of government initiatives among, Procurement Industry Advisory Group (PIAG) members. The Office of the Chief Advisor – Procurement will continue a high-level of engagement with PIAG (as the government's key strategic industry committee) through regular meetings and other priority engagements. The target for this measure will be reviewed in subsequent years in order to take into consideration longer term trends over several years.
12. This service standard was previously published in the Strategic Information and Communication Technology Service Area in the 2018-19 SDS. This measure was amended from 'Percentage of whole-of-government spend awarded to small to medium sized enterprises (transactions over \$10,000)' with slight wording change to reflect its relevance to ICT. The method of calculating the results remains unchanged.
13. This is a new service standard demonstrating efficiency in the management of procurement services. The measure is calculated as the operating costs (i.e. expenses such as labour and supplies/services) of the General Goods and Services business unit, as a ratio of every \$1,000 whole-of-government spend awarded under the procurement categories managed by the unit.
14. This service standard was previously published in the Strategic Information and Communication Technology Service Area in the 2018-19 SDS. The variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to higher than anticipated managed spend in the Software and Managed ICT Services categories as well lower than anticipated operating expenses. The target for this measure will be reviewed in subsequent years as spend data matures.
15. This is a new service standard to measure agencies satisfaction with the effectiveness of partnerships, and advice and support provided by Responsive Government to support agencies contribution to the "Be a responsive government" priority as part of the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*.
16. An efficiency measure is being developed for this service and will be included in a future SDS.

Discontinued measures

Performance measures included in the *2018-19 Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of Housing and Public Works	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service area: Services for Queenslanders - Community			
Participants' overall satisfaction with the department's education and training programs ¹	95%	97%	Discontinued measure
Service area: Services for Queenslanders - Digital and Information			
Overall customer satisfaction with Queensland State Archives delivery of services to the public ²	≥91%	..	Discontinued measure
Percentage of clients satisfied with the services provided by Queensland State Archives ³	≥80%	86%	Discontinued measure
Service area: Services for Government			
Proportion of stakeholders who are satisfied with digital economy and productivity services, consultative and engagement processes ⁴	≥85%	..	Discontinued measure
Energy performance - percentage of occupied government office accommodation achieving a rating ≥4 star under the National Australian Built Environmental Rating System ⁵	>95%	97.6%	Discontinued measure

Notes:

1. Education and training programs will be incorporated into the development of products and services to deliver Government priorities identified through the *Sport and Active Recreation Strategy 2019-2029* and accompanying Three Year Action Plan. As part of the development and implementation of the products and services, a measure will be considered to correspond to the education and training programs. Accordingly, this service standard is discontinued as the corresponding education and training programs effectively concluded in 2018-19. The discontinued service standard was published in the Sport and Recreation Service Area in the 2018-19 *Service Delivery Statements* (SDS). The discontinued measure will be reported in the 2018-19 Annual Report for the department.
2. A new effectiveness measure 'Percentage increase in number of Queensland State Archives records accessed' has replaced the discontinued measure. The discontinued service standard was published in the Digital Capability and Information Service Area in the 2018-19 SDS. The discontinued service standard was only measuring the satisfaction of a small minority of customers accessing Queensland public records. The 2018-19 Estimated Actual is not available as the survey will not be undertaken in 2018-19 as a new, more effective survey methodology is under development that will incorporate a wider proportion of records accessed and a much wider population base. The customers being surveyed for the measure now account for less than 0.5% of records accessed by the Queensland public. Retaining the measure would provide an overstatement of QSA effectiveness in providing access to services.
3. QSA has introduced a transformation program to improve the standard of recordkeeping in agencies, and an appropriate effectiveness measure is currently being tested for introduction in the 2020-21 SDS. The discontinued service standard was published in the Digital Capability and Information Service Area in the 2018-19 SDS. The discontinued service standard largely reflected the sentiment of recordkeeping staff in Government agencies in interactions with QSA, not the effectiveness of QSA in helping them meet minimum recordkeeping standards. Retaining this measure would provide an overstatement of QSA's effectiveness in promoting effective recordkeeping practice. This service standard is discontinued as it is not a true effectiveness measure for QSA's service delivery to clients. The discontinued measure will be monitored internally and reported in the 2018-19 Annual Report for the department.
4. Following the machinery-of-government changes on 1 July 2018, the services were transferred across two divisions within the department and to the Department of Innovation, Tourism Industry Development and the Commonwealth Games. Accordingly, a service standard on digital capability and services is under development and is expected to be introduced in the 2020-21 SDS. The discontinued service standard was published in the Digital Capability and Information Service Area in the 2018-19 SDS. The 2018-19 Estimated Actual is not available due to a reduced sample size, insufficient data and cross-government functional realignment and, consequently, is not reported.
5. A new measure monitoring ongoing energy efficiency improvements, "Energy performance – percentage of occupied government office accommodation achieving a rating ≥5 star under the National Australian Built Environmental Rating System" has been introduced for the 2019-20 SDS. This service standard is discontinued as the majority of the audited office accommodation space has now achieved the referenced target of 4 stars with the remaining audited space no longer considered a reliable measure of performance. This service standard was published in the Government Accommodation and Building Policy Service Area in the 2018-19 SDS. End of financial year consumption data will be published in the department's Annual Report.

Administered items

The Department of Housing and Public Works administers funds on behalf of the State which for 2019-20 includes:

- funding towards the operations of Stadiums Queensland to support the maintenance and operation of sporting and entertainment facilities
- Commonwealth funding for the administration of the North Queensland Strata Title Inspection Scheme overseen by Building and Asset Services
- Queensland Shared Services which delivers financial management, payroll services and other systems
- CITEC delivering GovNet and Polaris services to the rest of the Queensland Government
- revenue from the collection of fees for the Building and Development Dispute Resolution Tribunal appeals
- accreditation of residential service units and retirement villages by Housing and Homelessness Services.

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

Departmental budget summary

The table below shows the total resources available in 2019-20 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Housing and Public Works	2018-19 Adjusted Budget \$'000	2018-19 Est Actual \$'000	2019-20 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	103,664	58,457	153,257
Balance of service appropriation	992,165	933,134	984,129
Other revenue	1,215,488	1,211,922	1,201,306
Total income	2,311,317	2,203,513	2,338,692
Expenses			
Services for Queenslanders - Community	1,425,189	1,378,946	1,472,067
Services for Queenslanders - Digital and Information	94,288	93,315	93,057
Services for Government	970,861	894,620	934,283
Corporate Services ²	61,816	59,981	71,183
Eliminations ³	(27,824)	(16,929)	(22,021)
Total expenses	2,524,330	2,409,933	2,548,569
Operating surplus/deficit	(213,013)	(206,420)	(209,877)
Net assets	18,460,760	18,834,994	18,980,294
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	47,978	52,386	53,495
Other administered revenue	114	114	114
Total revenue	48,092	52,500	53,609
Expenses			
Transfers to government	114	114	114
Administered expenses	52,079	57,599	58,633
Total expenses	52,193	57,713	58,747
Net assets	14,313	13,312	8,174
CAPITAL			
Capital purchases⁴			
Total land, buildings and infrastructure	402,906	401,682	520,959
Total plant and equipment	114,643	114,972	81,062
Total other capital	..	701	..
Total capital purchases	517,549	517,355	602,021

Note:

1. Includes State and Commonwealth funding. Refer appropriation revenue notes for the Controlled Income Statement.
2. Corporate Services costs have been allocated to services. The amounts shown in the above table for corporate service costs mainly represent recoveries from the commercialised business units and shared service provider.
3. Eliminations are costs that represent internal trading transactions within the departmental entity such as rent that is charged by the accommodation office to the services shown. The services cost is the gross cost before eliminations.
4. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

Budgeted financial statements

Analysis of budgeted financial statements

An analysis of the department's financial statements is provided below. The information provided in this section is for the departmental controlled entity only, which excludes the commercialised business units which are separate reporting entities.

Departmental income statement

Total expenses are estimated to be \$2.549 billion in 2019-20, an increase of \$138.6 million from the 2018-19 financial year. The increase in expenditure is mainly due to the accounting treatment for the recognition of leases under the new accounting standard AASB 16 Leases and increases in grant and other expenditure for various housing and sport and recreation programs including initiatives under the Housing, Construction & Jobs Program and Sport and Active Recreation Strategy 2019-2029.

Over the forward estimate period:

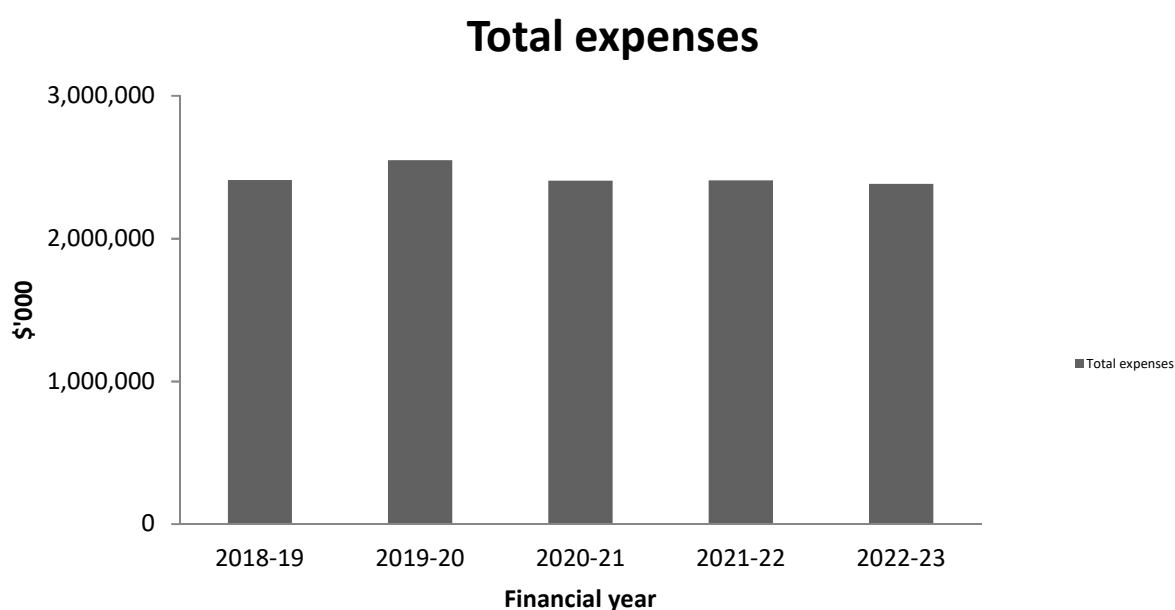
" The decrease in expenditure from 2019-20 to 2020-21 of \$144.3 million is predominantly due to the phasing of limited life funding and timing changes for the delivery of various housing, sport and recreation and other programs, including the completion of the replacement of the existing ICT housing solution.

" The increase in expenditure from 2020-21 to 2021-22 of \$2.7 million is mainly due to an increase in grant and other expenditure for various social housing programs partially offset by the phasing of limited life funding for various sports and recreation grant programs.

" The decrease in expenditure from 2021-22 to 2022-23 of \$23.8 million is mainly due to the phasing of limited life funding in the social housing grants program partially offset by an increase in council rates and water charges.

The operating position for the department for 2019-20 is an estimated deficit of \$209.9 million. This is mainly due to the cost of delivering social housing not being met by rent revenue from social housing tenants.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

New accounting standard AASB 16 Leases is effective from 1 July 2019 and replaces AASB 117 Leases. As a result, the department's leased commercial office portfolio previously classified as off-balance sheet operating leases will be recorded on balance sheet as right-of use assets with corresponding interest-bearing liabilities.

The department's other major assets estimated as at 30 June 2020 are in land (\$10.273 billion) and in commercial and residential buildings (\$7.334 billion). Over the next three years the net book value of land is expected to decrease, and the net book value of buildings is expected to increase mainly as a result of capital expenditure. There is no assumption around the impact of inflation on land and building values.

The department's major liabilities estimated as at 30 June 2020 relate to Interest-bearing liabilities (\$2.518 billion) and payables (\$315.4 million). Liabilities overall are estimated to decrease by \$201.7 million (or 7 per cent) by 2022-23 mainly due to scheduled repayments.

Interest-bearing liabilities relates to the implementation of AASB 16 accounting treatment for the recognition of leases recorded on the balance sheet as right-of-use assets with corresponding interest-bearing liabilities, Australian Government borrowings as well as leases relating to properties leased under 40 Year Lease Agreements from Indigenous councils as part of the program of works funded through the former National Partnership on Remote Housing.

The payables include the recognition for the accounting treatment impacts for Queen's Wharf Precinct Integrated Resort Development Land and Residential premiums.

Controlled income statement

Department of Housing and Public Works	Notes	2018-19 Adjusted Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue	1,4	1,095,829	991,591	1,137,386
Taxes		..	..	..
User charges and fees		1,154,422	1,172,542	1,178,317
Royalties and land rents		100	100	100
Grants and other contributions		738	3,448	..
Interest and distributions from managed funds		4,980	5,141	4,877
Other revenue	2	51,175	22,136	13,444
Gains on sale/revaluation of assets		4,073	8,555	4,568
Total income		2,311,317	2,203,513	2,338,692
EXPENSES				
Employee expenses		335,203	338,755	349,666
Supplies and services	5	1,594,079	1,561,551	1,187,393
Grants and subsidies	3,6	321,724	239,124	294,081
Depreciation and amortisation	7	220,475	219,624	605,060
Finance/borrowing costs	8	22,597	22,433	80,484
Other expenses		20,029	18,200	21,167
Losses on sale/revaluation of assets		10,223	10,246	10,718
Total expenses		2,524,330	2,409,933	2,548,569
OPERATING SURPLUS/(DEFICIT)		(213,013)	(206,420)	(209,877)

Controlled balance sheet

Department of Housing and Public Works	Notes	2018-19 Adjusted Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	9,12	109,317	201,470	81,181
Receivables		134,707	146,796	142,096
Other financial assets		5,000	6,000	6,000
Inventories		252	249	233
Other		56,796	53,716	55,626
Non-financial assets held for sale	10	23,004	42,611	42,611
Total current assets		329,076	450,842	327,747
NON-CURRENT ASSETS				
Receivables	13	176,467	172,637	69,941
Other financial assets		182,613	181,884	177,284
Property, plant and equipment	14	18,954,058	19,230,756	21,328,650
Intangibles		7,192	8,311	7,887
Other		..	1,623	1,623
Total non-current assets		19,320,330	19,595,211	21,585,385
TOTAL ASSETS		19,649,406	20,046,053	21,913,132
CURRENT LIABILITIES				
Payables	11	174,922	195,548	185,717
Accrued employee benefits		12,523	13,145	13,465
Interest bearing liabilities and derivatives	15	27,391	27,150	57,215
Provisions		..	..	..
Other		51,838	54,274	49,012
Total current liabilities		266,674	290,117	305,409
NON-CURRENT LIABILITIES				
Payables	16	258,039	239,840	129,675
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	17	483,433	483,284	2,460,727
Provisions		..	9,000	9,000
Other	18	180,500	188,818	28,027
Total non-current liabilities		921,972	920,942	2,627,429
TOTAL LIABILITIES		1,188,646	1,211,059	2,932,838
NET ASSETS/(LIABILITIES)		18,460,760	18,834,994	18,980,294
EQUITY				
TOTAL EQUITY		18,460,760	18,834,994	18,980,294

Controlled cash flow statement

Department of Housing and Public Works	Notes	2018-19 Adjusted Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		1,094,061	909,555	1,135,129
User charges and fees		1,207,256	1,227,728	1,246,512
Royalties and land rent receipts		100	100	100
Grants and other contributions		738	2,798	..
Interest and distribution from managed funds received		2,833	2,994	2,785
Taxes	
Other		218,624	241,874	205,522
Outflows:				
Employee costs		(335,220)	(339,522)	(349,386)
Supplies and services		(1,673,769)	(1,699,220)	(1,296,819)
Grants and subsidies		(321,724)	(239,124)	(294,081)
Borrowing costs		(22,597)	(22,404)	(80,484)
Other		(179,443)	(190,628)	(174,548)
Net cash provided by or used in operating activities		(9,141)	(105,849)	394,730
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		97,425	163,151	111,802
Investments redeemed		5,000	5,000	5,000
Loans and advances redeemed		35,125	30,778	34,908
Outflows:				
Payments for non-financial assets		(517,549)	(511,156)	(604,304)
Payments for investments		(200)	(200)	(400)
Loans and advances made		(37,180)	(33,530)	(37,946)
Net cash provided by or used in investing activities		(417,379)	(345,957)	(490,940)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections		406,402	427,398	780,422
Outflows:				
Borrowing redemptions		(16,531)	(15,460)	(15,450)
Finance lease payments		(12,726)	(12,886)	(334,849)
Equity withdrawals		(184,686)	(229,999)	(454,202)
Net cash provided by or used in financing activities		192,459	169,053	(24,079)
Net increase/(decrease) in cash held		(234,061)	(282,753)	(120,289)
Cash at the beginning of financial year		338,995	479,436	201,470
Cash transfers from restructure		4,383	4,787	..
Cash at the end of financial year		109,317	201,470	81,181

Administered income statement

Department of Housing and Public Works	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue	19	47,978	52,386	53,495
Taxes		..	..	..
User charges and fees		114	114	114
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest and distributions from managed funds		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		48,092	52,500	53,609
EXPENSES				
Employee expenses		..	..	..
Supplies and services	20,22	11,809	18,181	15,237
Grants and subsidies		40,270	39,418	43,396
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		114	114	114
Total expenses		52,193	57,713	58,747
OPERATING SURPLUS/(DEFICIT)	21	(4,101)	(5,213)	(5,138)

Administered balance sheet

Department of Housing and Public Works	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets		4,412	3,742	2,705
Receivables		332	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		4,101	4,101	4,101
Non-financial assets held for sale		..	..	..
Total current assets		8,845	7,843	6,806
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other	23	5,468	5,469	1,368
Total non-current assets		5,468	5,469	1,368
TOTAL ASSETS		14,313	13,312	8,174
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)		14,313	13,312	8,174
EQUITY				
TOTAL EQUITY		14,313	13,312	8,174

Administered cash flow statement

Department of Housing and Public Works	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		47,978	50,406	53,495
User charges and fees		114	114	114
Royalties and land rent receipts	
Grants and other contributions	
Interest and distribution from managed funds received	
Taxes	
Other	
Outflows:				
Employee costs	
Supplies and services		(7,708)	(14,080)	(11,136)
Grants and subsidies		(40,270)	(39,418)	(43,396)
Borrowing costs	
Other	
Transfers to Government		(114)	(114)	(114)
Net cash provided by or used in operating activities		..	(3,092)	(1,037)
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		35,000
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals		(35,000)
Net cash provided by or used in financing activities	
Net increase/(decrease) in cash held		..	(3,092)	(1,037)
Cash at the beginning of financial year		4,412	6,834	3,742
Cash transfers from restructure	
Cash at the end of financial year		4,412	3,742	2,705

Explanation of variances in the financial statements

Note:

1. As a result of the Machinery-of-government changes announced on 16 August 2018, 2018-19 Adjusted Budget and Estimated Actuals include Project Delivery and Office of the Queensland Government Architect for 10 months following their transfer from the Department of State Development, Manufacturing, Infrastructure and Planning. The 2019-20 Budget includes all areas for 12 months.

2. New accounting Standard AASB16 Leases is effective from 1 July 2019 and replaces AASB 117 Leases. As a result, the department's leased commercial office portfolio previously classified as off-balance sheet operating leases will be recorded on balance sheet as right-of-use assets with corresponding interest-bearing liabilities. The income statement will record interest expense relating to the interest-bearing liabilities and depreciation expense relating to the right-of-use assets replacing operating lease rental expenditure.

Income statement

Major variations between 2018-19 Adjusted Budget and 2018-19 Estimated Actual include:

1. The decrease in appropriation revenue is mainly due to the net deferral of various social housing and sport and recreation grant programs from 2018-19 to 2019-20 and outyears.
2. The decrease in other revenue is mainly due to the reclassification of various charges to user charges.
3. The decrease in grants and subsidies is mainly due to timing changes and net transfers to capital works to align with the revised capital expenditure profile for various social housing and sport and recreation grant programs.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

4. The increase in appropriation revenue is mainly due to the implementation of AASB 16 accounting treatment for the recognition of funding to offset the impacts of interest expense on interest-bearing liabilities and depreciation expense on the right-of-use assets and the net deferrals and timing changes for the delivery of various social housing and sport and recreation grant programs.
5. The decrease in supplies and services is mainly due to the implementation of AASB 16 accounting treatment for the recognition of interest expense on the interest-bearing liabilities and depreciation expense on the right-of-use assets replacing operating lease rental expenditure.
6. The increase in grants and subsidies is mainly due to timing changes to align with the revised capital expenditure profile for various social housing and sport and recreation grant programs.
7. The increase in depreciation and amortisation is mainly due to the implementation of AASB 16 accounting treatment for the recognition of depreciation expense on the right-of-use assets.
8. The increase in finance / borrowing costs is mainly due to the implementation of AASB 16 accounting treatment for the recognition of interest expense on the interest-bearing liabilities.

Balance sheet

Major variations between 2018-19 Adjusted Budget and 2018-19 Estimated Actual include:

9. The increase in cash assets is mainly due to higher actual opening balances from 2017-18.
10. The increase in non-financial assets held for sale represents the timing of various social housing properties awaiting sale.
11. The increase in current payables is mainly due to increased social housing capital works program partially offset by the timing of other payables anticipated to be outstanding at 30 June 2019.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

12. The decrease in cash assets is mainly due to the increase in costs to deliver housing and homelessness services not being met by social housing rental revenue, increased expenditure in 2019-20 due to the deferral of social housing capital expenditure from 2018-19 and the repayment of Australian Government loans.
13. The decrease in non-current receivables is mainly due to the implementation of AASB 16 accounting treatment for the derecognition of the deferred operating lease rent receivable.

14. The increase in property, plant and equipment is mainly due to the implementation of AASB 16 accounting treatment for the recognition of leases recorded on the balance sheet as right-of-use assets with corresponding interest-bearing liabilities.
15. The increase in current interest-bearing liabilities is mainly due to the implementation of AASB 16 accounting treatment for the recognition of leases recorded on the balance sheet as right-of-use assets with corresponding interest-bearing liabilities.
16. The decrease in non-current payables is mainly due to the implementation of AASB 16 accounting treatment for the derecognition of the deferred operating lease rent payable.
17. The increase in non-current interest-bearing liabilities is mainly due to the implementation of AASB 16 accounting treatment for the recognition of leases recorded on the balance sheet as right-of-use assets with corresponding interest-bearing liabilities.
18. The decrease in non-current other liabilities is mainly due to the implementation of AASB 16 accounting treatment for the derecognition of lease incentive liabilities relating to operating leases.

Administered income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

19. The increase in administered appropriation revenue is mainly due to additional funding provided for Queensland Building and Construction Commission to address reform initiatives including Queensland Building Plan reforms.
20. The increase in supplies and services is due to additional funding provided for Queensland Building and Construction Commission to address reform initiatives including Queensland Building Plan reforms and additional expenditure relating to the 1 William Street Brisbane ICT contract management arrangements.
21. The increase in operating deficit is due to additional expenditure relating to the 1 William Street Brisbane ICT contract management arrangements with funding received in 2017-18.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

22. The decrease in supplies and services is mainly due to higher funding received in 2018-19 for the Queensland Building and Construction Commission Review to address reform initiatives.

Administered balance sheet

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

23. The decrease in other non-current assets is due to the transfer of the 2019-20 portion of 1 William Street Brisbane ICT contract management arrangements to other current assets.

Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of Housing and Public Works (excluding Administered)
- Building and Asset Services
- Q-Fleet
- CITEC
- Queensland Shared Services.

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 Housing and Public Works	Notes	2018-19 Adjusted Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue		1,095,829	991,591	1,137,386
Taxes	
User charges and fees		1,967,169	2,040,797	2,011,403
Royalties and land rents		100	100	100
Grants and other contributions		7,485	9,645	7,430
Interest and distributions from managed funds		6,058	6,653	6,352
Other revenue		30,305	29,748	17,349
Gains on sale/revaluation of assets		4,073	8,555	4,568
Total income		3,111,019	3,087,089	3,184,588
EXPENSES				
Employee expenses		588,164	591,832	608,938
Supplies and services		2,079,967	2,120,489	1,708,845
Grants and subsidies		325,224	241,025	298,481
Depreciation and amortisation		272,482	271,482	658,538
Finance/borrowing costs		28,880	28,643	86,691
Other expenses		23,442	21,573	24,582
Losses on sale/revaluation of assets		10,231	10,254	10,725
Total expenses		3,328,390	3,285,298	3,396,800
Income tax expense/revenue		706	4,955	922
OPERATING SURPLUS/(DEFICIT)		(218,077)	(203,164)	(213,134)

Reporting entity balance sheet

Department of Housing and Public Works	Notes	2018-19 Adjusted Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets		283,521	394,955	256,176
Receivables		241,660	260,116	253,025
Other financial assets		5,000	6,000	6,000
Inventories		56,999	55,070	54,516
Other		67,336	66,122	68,409
Non-financial assets held for sale		23,004	42,611	42,611
Total current assets		677,520	824,874	680,737
NON-CURRENT ASSETS				
Receivables		176,467	172,637	69,941
Other financial assets		182,613	181,884	177,284
Property, plant and equipment		19,208,450	19,491,151	21,604,049
Deferred tax assets		312	1,359	916
Intangibles		33,302	31,177	25,315
Other		161	1,791	1,791
Total non-current assets		19,601,305	19,879,999	21,879,296
TOTAL ASSETS		20,278,825	20,704,873	22,560,033
CURRENT LIABILITIES				
Payables		255,824	284,010	263,110
Current tax liabilities		(2,813)	4,088	371
Accrued employee benefits		22,833	23,359	25,471
Interest bearing liabilities and derivatives		29,349	28,408	58,502
Provisions	
Other		112,517	124,341	117,443
Total current liabilities		417,710	464,206	464,897
NON-CURRENT LIABILITIES				
Payables		258,039	239,840	129,675
Deferred tax liabilities		17,256	16,831	15,135
Accrued employee benefits	
Interest bearing liabilities and derivatives		673,217	672,149	2,658,304
Provisions		..	9,000	9,000
Other		180,599	188,818	28,027
Total non-current liabilities		1,129,111	1,126,638	2,840,141
TOTAL LIABILITIES		1,546,821	1,590,844	3,305,038
NET ASSETS/(LIABILITIES)		18,732,004	19,114,029	19,254,995
EQUITY				
TOTAL EQUITY		18,732,004	19,114,029	19,254,995

Reporting entity cash flow statement

Department of Housing and Public Works	Notes	2018-19 Adjusted Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		1,094,061	909,555	1,135,129
User charges and fees		2,116,044	2,225,733	2,173,704
Royalties and land rent receipts		100	100	100
Grants and other contributions		7,485	8,995	7,430
Interest and distribution from managed funds received		3,909	4,512	4,267
Taxes	
Other		247,748	301,738	265,906
Outflows:				
Employee costs		(588,375)	(594,209)	(606,986)
Supplies and services		(2,310,593)	(2,484,682)	(1,986,164)
Grants and subsidies		(325,224)	(241,025)	(298,481)
Borrowing costs		(28,853)	(28,588)	(86,704)
Taxation equivalents paid		(4,851)	(3,764)	(5,892)
Other		(226,291)	(243,893)	(222,930)
Net cash provided by or used in operating activities		(14,840)	(145,528)	379,379
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		97,425	163,151	111,802
Investments redeemed		5,000	5,000	5,000
Loans and advances redeemed		35,125	30,778	34,908
Outflows:				
Payments for non-financial assets		(526,333)	(515,556)	(610,404)
Payments for investments		(200)	(200)	(400)
Loans and advances made		(37,180)	(33,530)	(37,946)
Net cash provided by or used in investing activities		(426,163)	(350,357)	(497,040)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		12,500	10,000	10,000
Equity injections		398,588	419,584	780,422
Outflows:				
Borrowing redemptions		(16,729)	(15,460)	(15,450)
Finance lease payments		(13,790)	(14,116)	(336,108)
Equity withdrawals		(184,686)	(231,749)	(454,202)
Dividends paid		(5,718)	(8,438)	(5,780)
Net cash provided by or used in financing activities		190,165	159,821	(21,118)
Net increase/(decrease) in cash held		(250,838)	(336,064)	(138,779)
Cash at the beginning of financial year		529,976	726,232	394,955
Cash transfers from restructure		4,383	4,787	..
Cash at the end of financial year		283,521	394,955	256,176

Statutory bodies

Queensland Building and Construction Commission

Overview

The Queensland Building and Construction Commission (QBCC) is a statutory body established under the *Queensland Building and Construction Commission Act 1991* to regulate the building and construction industry.

The QBCC focuses on customers, both consumers and contractors, by improving service quality and access to information and advice and increasing awareness of QBCC's regulatory role. The QBCC's objectives are:

- promoting quality, safety, security of payment and licensee sustainability
- delivering regulatory and insurance services that are timely, accurate, fair and transparent
- putting our people first and supporting and valuing them
- being an efficient and financially sustainable organisation.

Key factors impacting the QBCC include cyclical trends in building activity and service trades, increased focus on licensee sustainability, safety, non-conforming building products, and emerging construction methods.

The QBCC contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities* of:

- Create jobs in a strong economy through licensing and compliance that allows fully qualified and competent contractors and tradespeople to become employed or start their own businesses
- Be a responsive government by continuously improving and introducing more efficient ways for customers to engage with us.

Service summary

In 2018-19, the QBCC:

- continued to implement reforms arising from the *Queensland Building Plan 2017*, including transitioning to a new security of payment regime, carrying out the Safer Buildings program, moving to a new plumbing and drainage regulating environment, and overseeing the introduction of new Minimum Financial Requirements laws
- worked closely with the Service Trades Council to enhance the reach to service trades
- continued a program of organisational improvement and upgrade to be a more sustainable and effective regulator.

In 2019-20, the QBCC will:

- continue supporting the Department of Housing and Public Works in implementing reforms arising from the *Queensland Building Plan 2017*
- contribute to the strength and safety of the building and construction industry by taking appropriate regulatory action against current and emerging risks that may cause harm or foster non-compliance
- continue to position itself appropriately in the midst of a changing environment by optimising processes, introducing new technologies, reviewing staff capabilities and capacities, and managing finances responsibly.

Service performance

Queensland Building and Construction Commission

Service Area Objective

To build trust and confidence in the building and construction industry by promoting integrity and probity in the industry and providing effective and efficient regulatory and customer services.

Description

The Queensland Building and Construction Commission (QBCC) regulates the building and construction industry to ensure maintenance of proper building standards. The QBCC provides dispute resolution services for consumers and licensees.

The QBCC regulates building and trade contractors, certifiers, plumbers, pool safety inspectors, fire protection, air-conditioning and mechanical services trades people by requiring that they hold a QBCC licence and comply with the provisions of the *Queensland Building and Construction Commission Act 1991*, the *Building Act 1975*, the *Plumbing and Drainage Act 2018*, and the *Building Industry Fairness (Security of Payment) Act 2017*.

The Service Trades Council forms part of the QBCC and supports the QBCC in representing and regulating Queensland's service trades, which includes plumbing and drainage, fire protection and air-conditioning and mechanical services tradespeople.

Staffing^{1,2,3}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
474	514.3 ²	534.4 ³

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Variance between the 2018-19 Budget and 2018-19 Estimated Actual is due to legislative reforms requiring an increase in staffing to perform core activities.
3. The 2019-20 Budget has been increased to 534.4 due to the ongoing implementation of the *Queensland Building Plan 2017* which is expected to expand the duties of QBCC.

Queensland Building and Construction Commission	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Perception of fairness in decision-making: percentage of survey respondents agree the final decision was fair	65%	56%	65%
Percentage of decisions overturned by the Queensland Civil and Administrative Tribunal ¹	4%	6%	4%
<i>Efficiency measure</i>			
Cost of recovering \$1.00 of funds owed to creditors ²	\$0.70	\$0.47	\$0.70
<i>Other measures</i>			
Percentage of early dispute resolution cases finalised within 28 days ³	80%	80%	80%
Average number of days to process licence applications ^{3,4}	30 days	20 days	30 days
Percentage of owner builder permits approved within 15 working days ^{3,5}	90%	100%	90%
Percentage of adjudication applications referred to an adjudicator within 4 days ^{3,6}	98%	97%	100%

Queensland Building and Construction Commission	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Percentage of insurance claims for defective work assessed and response provided within 35 business days ³	50%	50%	50%
Percentage of internal review applicants contacted within 2 business days ³	95%	96%	95%
Average processing time for an early dispute resolution case ^{3,7}	28 working days	15 working days	28 working days
Average approval time for defects claims less than \$20,000 ^{3,8}	35 working days	45 working days	35 working days

Notes:

1. Variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is due to higher than expected number of decisions being overturned by the Queensland Civil and Administrative Tribunal. The 2019-20 Target/Estimate has been retained as the QBCC is actively learning from past cases and working to actively review the prospects of success throughout the course of each proceeding and prior to Hearing.
2. This service standard is calculated by using the cost of operating the areas involved in recovering funds under the Minimum Financial Requirements Regulation, divided by the sum of monies recovered. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to a slight decrease in staffing costs during the period and a higher than expected amount of monies recovered. The value of monies owed on the complaints received and how much can be potentially recovered are outside of QBCC's control.
3. This service standard has been reclassified as 'other' as it is a measure of timeliness and does not meet the definition of 'efficiency' as described in the Queensland Government Performance Management Framework policy. However, these measures are retained to demonstrate QBCC's commitment to improve the timeliness of its services to customers to align with industry expectations.
4. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to a realignment of QBCC functions which has allowed a focus on core activities. The 2019-20 Target/Estimate has been retained at 30 days, due to the ongoing legislative reforms including Minimum Financial Requirements Regulation and the *Plumbing and Drainage Bill 2017*, which will impact on the number of days to process licence applications.
5. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to a specialist team being assigned to undertake Owner Builder Permit assessments. The 2019-20 Target/Estimate has been retained at 90%, due to the ongoing realignment of QBCC functions which may affect the overall processing time.
6. The 2019-20 Target/Estimate has been adjusted in line with new *Building Industry Fairness (Security of Payment) Act 2017* requirements.
7. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to efficiencies gained through staff being supported with better system processes. The 2019-20 Target/Estimate remains unchanged as the early dispute resolution process is undergoing significant change from 1 July 2019 and may increase processing times until the process is embedded.
8. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to errors in data calculations for some claims cases for the months of February and March 2019. Once affected outliers have been removed, Quarter 3 2018-19 performance falls to 37 working days.

Income statement

Queensland Building and Construction Commission	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees		140,560	136,776	149,437
Grants and other contributions		..	..	..
Interest and distributions from managed funds	1,5	10,169	3,464	8,269
Other revenue	2	77,274	87,154	87,248
Gains on sale/revaluation of assets	3,6	(6)	16,764	1,058
Total income		227,997	244,158	246,012
EXPENSES				
Employee expenses	7	54,435	58,007	71,636
Supplies and services		35,902	36,072	33,126
Grants and subsidies		..	..	..
Depreciation and amortisation	8	2,662	2,756	6,530
Finance/borrowing costs	9	..	..	743
Other expenses		104,462	106,931	111,848
Losses on sale/revaluation of assets	4,10	40,771	58,276	50,955
Total expenses		238,232	262,042	274,838
OPERATING SURPLUS/(DEFICIT)		(10,235)	(17,884)	(28,826)

Balance sheet

Queensland Building and Construction Commission	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	13	6,005	5,805	(2,146)
Receivables		57,805	52,364	50,662
Other financial assets		273,220	280,254	272,396
Inventories		..	..	..
Other	14	17,688	16,585	20,095
Non-financial assets held for sale		..	..	..
Total current assets		354,718	355,008	341,007
NON-CURRENT ASSETS				
Receivables		89,033	86,970	90,783
Other financial assets		..	..	..
Property, plant and equipment	11,15	6,237	4,068	24,239
Intangibles		6,963	6,723	4,318
Other		..	..	..
Total non-current assets		102,233	97,761	119,340
TOTAL ASSETS		456,951	452,769	460,347
CURRENT LIABILITIES				
Payables		46,109	41,614	40,289
Accrued employee benefits		5,620	5,928	6,426
Interest bearing liabilities and derivatives	16	..	..	3,492
Provisions		56,933	60,331	60,331
Other		51,097	49,959	54,267
Total current liabilities		159,759	157,832	164,805
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		6,063	6,072	6,202
Interest bearing liabilities and derivatives	17	..	..	18,142
Provisions		202,224	205,020	219,451
Other	12	14,613	22,639	19,816
Total non-current liabilities		222,900	233,731	263,611
TOTAL LIABILITIES		382,659	391,563	428,416
NET ASSETS/(LIABILITIES)		74,292	61,206	31,931
EQUITY				
TOTAL EQUITY		74,292	61,206	31,931

Cash flow statement

Queensland Building and Construction Commission	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		96,479	89,632	106,810
Grants and other contributions	
Interest and distribution from managed funds received		129	3,464	8,269
Taxes	
Other		74,568	92,678	78,335
Outflows:				
Employee costs		(53,302)	(56,466)	(71,008)
Supplies and services		(34,630)	(34,616)	(33,525)
Grants and subsidies	
Borrowing costs		(743)
Other		(90,778)	(89,795)	(100,757)
Net cash provided by or used in operating activities		(7,534)	4,897	(12,619)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		323	418	385
Investments redeemed		12,473	..	17,059
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(5,212)	(3,926)	(768)
Payments for investments		..	(23,096)	(8,143)
Loans and advances made	
Net cash provided by or used in investing activities		7,584	(26,604)	8,533
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments		(3,865)
Equity withdrawals	
Net cash provided by or used in financing activities		(3,865)
Net increase/(decrease) in cash held		50	(21,707)	(7,951)
Cash at the beginning of financial year		5,955	27,512	5,805
Cash transfers from restructure	
Cash at the end of financial year		6,005	5,805	(2,146)

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The decrease in interest and distributions from managed funds is due to lower returns in late 2018.
2. The increase in other revenue is due to funding provided to the QBCC and higher than expected claims recovery income for insurance claims.
3. The increase in gains on sale/revaluation of assets is due to the reversal in the impairment loss for claims receivable.
4. The increase in losses on sale/revaluation of assets is due to an increase in the number of claims recovery debts written off during 2018-19.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

5. The increase in interest and distributions from managed funds is due to expected interest returning to meet the objectives of the investment funds.
6. The decrease in gains on sale/revaluation of assets is due to 2018-19 including a reversal of impairment loss for claims receivable where this is an increase in the 2019-20 budget.
7. The increase in employee expenses is due to additional resources needed to support the implementation of the Queensland Building Plans reforms to protect Queenslanders.
8. The increase in depreciation and amortisation is due to the implementation of AASB 16 Leases resulting in the change in accounting treatment of lease expenditure to amortisation of right of use asset.
9. The increase in finance/borrowing costs is due to the implementation of AASB 16 Leases and the recognition of interest expense for the lease liability.
10. The decrease in losses on sale/revaluation of assets is due to a budgeted lower number of claim recovery debts to be written off in 2019-20.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

11. The decrease in property, plant and equipment is due to a lower than budgeted expenditure on capital items including leasehold premise fit-out, which did not occur in 2018-19.
12. The increase in non-current other liabilities is due to an increase in unearned licence revenue as a result of the anniversary of the implementation of three year licence renewal, this will decrease over the renewal period.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

13. The decrease in cash assets is due to cost of the implementation of the Queensland Building Plan reforms.
14. The increase in other current assets is due to an increase in the reinsurers' share of unearned income as a result of increased premium income for 2019-20.
15. The increase in property, plant and equipment is due to the implementation of AASB 16 Leases and the recognition of right of use assets for leased premises.
16. The increase in current interest-bearing liabilities and derivatives is due to the implementation of AASB 16 Leases and the recognition of lease liability of the right of use assets for leased premises.
17. The increase in non-current interest-bearing liabilities and derivatives is due to the implementation of AASB 16 Leases and the recognition of lease liability of the right of use assets for leased premises.

Residential Tenancies Authority

Overview

The Residential Tenancies Authority (RTA) is a statutory body established under the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act), to administer the RTRA Act which regulates the Queensland residential rental sector.

The RTA's objectives are to ensure renting works for Queenslanders by delivering services that support the residential rental sector. The RTA is committed to:

- customers valuing our services because they are tailored to their needs and provide positive experiences
- providing smart digital services that deliver easy to use, accessible and targeted service channels
- business efficiency with a focus on business improvements, systems and resources to deliver streamlined services for our customers
- a customer focussed workforce where our people are highly capable and agile to deliver services and support our customers.

The RTA is focussed on:

- providing an excellent customer experience by delivering widely accessible and easy to use targeted services, including advisory, dispute resolution and bond management
- supporting and strengthening the sector by performing education and compliance activities, including enforcement.

The RTA contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities* of Be a responsive government through our commitment of providing fairness in the rental market, providing easy to use, accessible and targeted services that meet our customers' expectations now and into the future.

Service summary

In 2018-19, the RTA:

- enhanced business continuity capabilities to improve sustainable service delivery
- enhanced and evolved its technical capabilities to ensure service channels meet the needs of the sector
- cross skilled frontline staff in operational areas allowing the RTA to better respond to client demands
- implemented business process improvements focussing on quality and training which resulted in reduced call handling times in the contact centre improving customer experiences
- attained and improved compliance with tenancy legislation through increased investigations and enforcement and increased education services delivered to tenants, property owners/managers and industry bodies.

In 2019-20, the RTA will:

- continuously innovate the RTA's service channels, including the introduction of further digital offerings to enable customers to improve their renting journey
- continue to support the Queensland Government to implement modern rental law reforms. The RTA will implement service offerings, business processes and deliver education and compliance activities resulting from legislative reform to the RTRA Act
- proactively engage with customers and the sector to implement continuous process and service improvements and drive a customer-centric culture.

Service performance

Residential Tenancies Authority

Service Area Objective

To ensure renting works for everyone by delivering high quality, tailored customer experiences and regulating, educating and informing the residential rental sector.

Description

The RTA provides positive and responsive customer experiences with high quality and widely accessible services to balance the rights and responsibilities of all parties.

The RTA provides rental bond management, tenancy information and education, dispute resolution and investigation and prosecution of offences under the RTRA Act. The RTA also monitors rental data and trends, conducts industry research and provides advice to the Government on the legislation and regulation of the residential rental sector.

The RTA assists tenants, lessors, agents, residents and accommodation providers in houses, units, flats, townhouses, caravans and rooming accommodation.

Staffing¹

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
220	220	220

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.

Residential Tenancies Authority	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Proportion of disputes resolved after parties participated in the conciliation process ¹	70%	75%	70%
Overall client satisfaction ²	75%	79%	75%
<i>Efficiency measures</i>			
Average annual return on investment ^{3,4}	2.9%	2.7%	3.0%
Total cost for RTA output (excluding grants) as a proportion of the value of bonds held ^{3,5}	4.0%	3.9%	3.6%

Notes:

1. The 2018-19 Estimated Actual is as at 30 April 2019. The 2019-20 Target/Estimate was retained at 70% based on representative forward projections of 2018-19 actuals.
2. The 2018-19 Estimated Actual is an average of the Quarter 1, Quarter 2 and Quarter 3 results. Variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to the higher resolution rates achieved between 1 July 2018 and 30 April 2019. The 2019-20 Target/Estimate was retained at 75% as customer expectations are evolving and increasing, and significant continuous improvement is required to achieve the target estimate year on year.
3. The 2018-19 Estimated Actual provided was from the midyear budget review. The 2019-20 Target/Estimate is from the approved 2019-20 budget based upon Queensland Investment Corporation (QIC) estimates.
4. This service standard presents the average annual return on investment of bond money held by the RTA. Money is invested by QIC on behalf of the RTA. The measure is calculated by the year to date figure as at 31 December plus the budgeted investment returns for the remainder of the financial year.
5. This service standard demonstrates the financial efficiency and effectiveness of service delivery against the value of bonds held. The measure is calculated by dividing the total RTA annual expenditure (excluding grants) by total value of bonds as at 30 June each year.

Income statement

Residential Tenancies Authority	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees		..	..	..
Grants and other contributions		..	..	..
Interest and distributions from managed funds	1,4	26,626	24,421	28,020
Other revenue		24	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		26,650	24,421	28,020
EXPENSES				
Employee expenses	2,5	22,661	21,652	20,645
Supplies and services	3,6	10,911	11,914	8,472
Grants and subsidies		..	..	..
Depreciation and amortisation	7	1,556	1,561	3,118
Finance/borrowing costs		..	..	102
Other expenses		40	40	35
Losses on sale/revaluation of assets		45	45	45
Total expenses		35,213	35,212	32,417
OPERATING SURPLUS/(DEFICIT)		(8,563)	(10,791)	(4,397)

Balance sheet

Residential Tenancies Authority	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	8,13	44,586	37,124	32,827
Receivables		449	412	674
Other financial assets	9,14	866,547	894,189	913,753
Inventories		..	..	..
Other		487	176	176
Non-financial assets held for sale		..	..	..
Total current assets		912,069	931,901	947,430
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15	417	276	3,299
Intangibles	10,16	9,569	8,470	7,425
Other		105	10	10
Total non-current assets		10,091	8,756	10,734
TOTAL ASSETS		922,160	940,657	958,164
CURRENT LIABILITIES				
Payables	11,17	890,292	912,461	933,353
Accrued employee benefits	12	3,187	2,423	2,045
Interest bearing liabilities and derivatives	18	..	..	2,910
Provisions		..	..	..
Other		..	..	..
Total current liabilities		893,479	914,884	938,308
NON-CURRENT LIABILITIES				
Payables		181	181	..
Accrued employee benefits		838	743	743
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		1,019	924	743
TOTAL LIABILITIES		894,498	915,808	939,051
NET ASSETS/(LIABILITIES)		27,662	24,849	19,113
EQUITY				
TOTAL EQUITY		27,662	24,849	19,113

Cash flow statement

Residential Tenancies Authority	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		(45)	(108)	(161)
Grants and other contributions	
Interest and distribution from managed funds received		26,626	24,558	27,873
Taxes	
Other		24	..	..
Outflows:				
Employee costs		(22,539)	(22,484)	(21,023)
Supplies and services		(11,047)	(12,010)	(8,737)
Grants and subsidies	
Borrowing costs		(102)
Other		26,419	38,982	20,941
Net cash provided by or used in operating activities		19,438	28,938	18,791
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(87)	(19)	(1,200)
Payments for investments		(50,627)	(52,456)	(19,564)
Loans and advances made	
Net cash provided by or used in investing activities		(50,714)	(52,475)	(20,764)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments		(2,324)
Equity withdrawals	
Net cash provided by or used in financing activities		(2,324)
Net increase/(decrease) in cash held		(31,276)	(23,537)	(4,297)
Cash at the beginning of financial year		75,862	60,661	37,124
Cash transfers from restructure	
Cash at the end of financial year		44,586	37,124	32,827

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The decrease in interest revenue is due to lower forecasted rates of return.
2. The decrease in employee expenses is due to the timing of the appointment of an external ICT Services provider.
3. The increase in supplies and services is due to the timing of the appointment of an external ICT Services provider.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

4. The increase in interest revenue is due to expected improved investment return forecast.
5. The decrease in employee expenses is due to the assumed successful implementation of efficiency projects which are expected to reduce temporary employee expenses.
6. The decrease in supplies and services is due to changes in AASB 16 with reclassified rental costs to amortisation.
7. The increases in depreciation and amortisation is due to changes in AASB 16 with reclassified rental costs to amortisation.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

8. The decrease in cash is due to reduced investment returns and movement of cash to other financial assets to maximise investment earnings.
9. The increase in other financial assets is due to movements of cash to other financial assets to maximise investment earnings.
10. The decrease in intangibles is due to the impairment of internally developed software no longer in use.
11. The increase in current payables is due to increased numbers of bonds lodged and increases in the value of bonds.
12. The decrease in accrued employee benefits is due to changes in amounts of leave held by staff.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

13. The decrease in cash is due to forecast income statement deficits.
14. The increase in other financial assets is due to bond lodgements.
15. The increase in property, plant and equipment is due to the changes in AASB 16 with the recognition of lease assets.
16. The decrease in intangibles is due to the amortisation of intangible assets.
17. The increase in current payables is due to forecast number of bond lodgements and the value of bonds increasing.
18. The increase in interest bearing liabilities and derivatives is due to the changes in AASB 16 with the recognition of lease liabilities.

Commercialised business units

Building and Asset Services

Overview

Building and Asset Services' role is to deliver on the priorities of the Government focusing on delivering state-wide building, construction and maintenance programs for Queensland Government agencies, while ensuring a healthy and safe workplace.

Building and Asset Services contributes to the Government's objective for the community *Our Future State: Advancing Queensland's Priorities* of Create jobs in a strong economy through managing the Building and Asset Services apprenticeship program and working directly with industry to maximise local supplier participation building Queensland's regional capability.

Through our extensive geographic presence across Queensland, including six regional offices and a network of district offices, operational service centres and depots, Building and Asset Services contributes to the Queensland Government's objective to Be a responsive government, providing immediate response to communities affected by natural disasters and other major events. This is achieved by Building and Asset Services working with government agencies to ensure assets become operational quickly and services returned to Queenslanders.

The key factors influencing Building and Asset Services will be strengthening collaboration with Queensland Government agencies to achieve greater efficiencies and implementing strategies to improve safety compliance.

Service summary

In 2018-19, Building and Asset Services:

- aligned implementation activities with the *Queensland Procurement Policy* and *Buy Queensland* procurement strategy requirements to help drive local employment and build prosperity in our regions
- created employment opportunities and supported the pathways to training, skills and jobs through continued revitalisation of the Building and Asset Services apprenticeship program
- continued to deliver the Smoke Alarm Program to Queensland Government agencies housing assets meeting the Queensland Fire and Emergency Services legislative requirements.

In 2019-20, Building and Asset Services will:

- contribute to local employment and prosperity in our regions through supporting local procurement activities aligning with the *Queensland Procurement Policy*
- cultivate a robust and comprehensive workplace health and safety strategy with focus on keeping our staff, contractors, customers and Queenslanders safe
- continue to create employment opportunities and support the pathways to training, skills and jobs through continued revitalisation of the Building and Asset Services apprenticeship program
- work with Queensland Government agencies to effectively manage asset portfolios, creating value for money partnerships and enabling agencies to deliver more services to Queenslanders.

Service performance

Building and Asset Services

Service Area Objective

To partner with and support Queensland Government agencies to effectively and efficiently deliver their core services to Queenslanders, by strategically managing and delivering their building, construction and maintenance activities and programs state-wide.

Description

Building and Asset Services (BAS) delivers strategic and responsive asset management to its Queensland Government agency customers, by managing risks for diverse building asset portfolios and providing expertise in planning, procurement and delivery of new building infrastructure, building maintenance and asset and facilities management. BAS provides agency customers access to professional, technical and ancillary services, and works closely with industry and suppliers to maximise value for money procurement and contract management outcomes.

Staffing^{1,2,3}

2018-19 Adjusted Budget	2018-19 Estimated Actual	2019-20 Budget
1,247	1,276	1,287

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between the 2018-19 Adjusted Budget and 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and 2019-20 Budget is due to the revitalisation of the Building and Asset Services Apprenticeship Program.

Building and Asset Services	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Overall customer satisfaction ¹	..	..	81%
Percentage of maintenance spend on BAS' customer's facilities with Local Zone 1 suppliers (based on physical location of contractor's workplace) ²	80%	74.5%	80%
<i>Efficiency measures</i>			
Gross profit as a percentage of revenue generated from work delivered on behalf of BAS customers ³	8.3%	8.7%	8.5%
Net profit before tax and dividends as a percentage of sales ⁴	0.1%	0.8%	0.1%
Current ratio ⁵	1.8:1	1.7:1	1.8:1

Notes:

1. The 2018-19 Target Estimate and 2018-19 Estimated Actual is not published as this is a biennial survey with the next survey to be undertaken in 2019-20.
2. The variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to contracts awarded prior to the introduction of *Buy Queensland* Strategy on 1 September 2017 where the definition of local was not aligned with the new Local Zone 1 definition, and expenses under those contracts occurred in the 2018-19 period. As and when these contracts come up for review, Local Zone 1 requirements will be incorporated.
3. This measure is calculated as sales less direct costs associated with providing its services. The costs do not include overhead and administrative costs. Gross profit as a percentage of sales is a standard financial measure. The variance between 2018-19 Target/Estimate to 2018-19 Estimated Actual and 2019-20 Target/Estimate mainly reflects the products and services delivered and the related gross profits achieved.

4. This measure represents the gross profit less overhead and administrative costs. Net profit as a percentage of sales is a standard financial measure. The variance between 2018-19 Target/Estimate to 2018-19 Estimated Actual and 2019-20 Target/Estimate mainly reflects the movement in contribution from expected changes in the volume of sales.
5. This measure reflects the ability to meet short-term debt obligations and is measured by comparing the level of Current Assets to Current Liabilities at a point in time. Current ratio is a standard financial measure. The slight variance between 2018-19 Target/Estimate to 2018-19 Estimated Actual and 2019-20 Target/Estimate mainly reflects the general movements in business operational activity.

Income statement

Building and Asset Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
User charges and fees	1,7	937,522	1,008,284	975,591
Grants and other contributions	8	4,453	4,005	5,573
Interest and distributions from managed funds		711	1,121	1,121
Other revenue	2,9	5,345	7,632	3,957
Gains on sale/revaluation of assets		..	..	..
Total income		948,031	1,021,042	986,242
EXPENSES				
Employee expenses	10	123,022	120,819	130,820
Supplies and services	3,11	815,713	886,250	845,853
Grants and subsidies	12	3,500	3,069	5,400
Depreciation and amortisation	4	3,386	1,955	1,948
Finance/borrowing costs		..	..	..
Other expenses		1,314	1,309	1,330
Losses on sale/revaluation of assets		8	8	7
Total expenses		946,943	1,013,410	985,358
Income tax expense/revenue	5,13	326	2,290	265
OPERATING SURPLUS/(DEFICIT)	6,14	762	5,342	619

Balance sheet

Building and Asset Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	15,21	113,884	125,102	117,851
Receivables	16	110,554	118,151	116,785
Other financial assets		..	..	..
Inventories		44,143	42,788	41,402
Other		131	131	131
Non-financial assets held for sale		..	..	..
Total current assets		268,712	286,172	276,169
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		903	586	512
Deferred tax assets		306	1,353	910
Intangibles	17,22	1,214	3,326	1,652
Other		..	..	..
Total non-current assets		2,423	5,265	3,074
TOTAL ASSETS		271,135	291,437	279,243
CURRENT LIABILITIES				
Payables	18,23	92,930	99,549	90,645
Current tax liabilities	19,24	326	2,291	266
Accrued employee benefits		4,631	4,573	5,436
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	20,25	52,195	61,505	59,511
Total current liabilities		150,082	167,918	155,858
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		1,000	876	433
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		1,000	876	433
TOTAL LIABILITIES		151,082	168,794	156,291
NET ASSETS/(LIABILITIES)		120,053	122,643	122,952
EQUITY				
TOTAL EQUITY		120,053	122,643	122,952

Cash flow statement

Building and Asset Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		986,958	1,050,967	1,030,166
Grants and other contributions		4,453	4,005	5,573
Interest and distribution from managed funds received		711	1,084	1,121
Other		31,154	33,424	30,072
Outflows:				
Employee costs		(123,318)	(122,446)	(130,032)
Supplies and services		(897,753)	(996,344)	(928,439)
Grants and subsidies		(3,500)	(3,069)	(5,400)
Borrowing costs	
Taxation equivalents paid		(1,764)	(2,521)	(2,290)
Other		(1,607)	(7,773)	(5,151)
Net cash provided by or used in operating activities		(4,666)	(42,673)	(4,380)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(200)	(300)	(200)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(200)	(300)	(200)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals		(4,133)	(5,883)	..
Dividends paid		(2,059)	(4,204)	(2,671)
Net cash provided by or used in financing activities		(6,192)	(10,087)	(2,671)
Net increase/(decrease) in cash held		(11,058)	(53,060)	(7,251)
Cash at the beginning of financial year		124,942	178,162	125,102
Cash transfers from restructure	
Cash at the end of financial year		113,884	125,102	117,851

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The increase in user charges and fees is mainly due to increased maintenance and upgrade works including refurbishment and facilities maintenance for correctional centres and restoration works in North Queensland due to the monsoon event.
2. The increase in other revenue is mainly due to additional funding received for the Non-Conforming Building Products Taskforce.
3. The increase in supplies and services is mainly due to increased payments to contractors reflecting the higher volume of work.
4. The decrease in depreciation and amortisation is mainly due to changes in the amortisation of capitalised system software.
5. The increase in income tax expense mainly reflects the increased operating surplus resulting from delivery of a higher volume of work.
6. The increase in surplus mainly reflects the increase from delivery of a higher volume of work.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

7. The decrease in user charges and fees is mainly due to reduced volume of work.
8. The increase in grants and other contributions is mainly due to the phasing of the North Queensland Strata Title Inspection Program.
9. The decrease in other revenue is mainly due to the funding received in 2018-19 for the Non-Conforming Building Products Taskforce program.
10. The increase in employee expenses is mainly due to Enterprise Bargaining Agreement increments and full year effect of positions filled in 2018-19 including the revitalisation of the Apprentice Program.
11. The decrease in supplies and services is mainly due to decreased payments to contractors reflecting the lower volume of work.
12. The increase in grants and subsidies expense is mainly due to the phasing of the North Queensland Strata Title Inspection Program.
13. The decrease in income tax expense mainly reflects the reduced operating surplus resulting from delivery of a lower volume of work.
14. The decrease in operating surplus mainly reflects the impact of the reduced volume of work.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

15. The increase in cash assets is mainly due to cash balances at the start of the year being higher than originally budgeted and the anticipated timing of payments to contractors and receipts from customers at the end of the year.
16. The increase in receivables is mainly due to anticipated increase in invoices reflecting the higher volume of work performed at end of financial year.
17. The increase in intangibles is mainly due to changes in the amortisation of capitalised system software.
18. The increase in payables is mainly due to anticipated increase in contractor invoices reflecting the higher volume of work performed at the end of the financial year.
19. The increase in current tax liabilities is mainly due to anticipated increase in operating surplus.
20. The increase in other current liabilities is mainly due to the anticipated increase in unearned revenue due to timing of invoices from contractors.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

21. The decrease in cash assets is mainly due to the anticipated timing of payments to contractors and receipts from customers at the end of financial year.
22. The decrease in intangibles is mainly due to the amortisation of capitalised systems software costs.
23. The decrease in payables is mainly due to anticipated decrease in contractor invoices reflecting the lower volume of work performed at the end of the financial year.
24. The decrease in current tax liabilities is mainly due to anticipated decrease in operating surplus.
25. The decrease in other current liabilities is mainly due to the anticipated decrease in unearned revenue due to timing of invoices from contractors.

CITEC

Overview

CITEC is a key supplier to the Queensland Government for information and communication technology (ICT) services and information solutions.

CITEC enables a digital government through innovative, reliable and connected people and technology. With a focus on transformation and continuous improvement, CITEC is committed to developing its highly-skilled workforce and putting customers at the centre of its service design and delivery.

Key factors impacting on CITEC include continually evolving expectations for trusted and better value ICT as well as the increasing adoption of as-a-service utility and cloud models of ICT which is driving a shift in skills towards brokering and orchestration capabilities.

CITEC ICT contributes to the Queensland Government's objective for the community *Our Future State: Advancing Queensland's Priorities* of Be a responsive government by managing key Queensland Government assets including data centres, networks, infrastructure and essential ancillary services that enable agencies to deliver better front-line services. CITEC ICT runs two secure data centres which provide highly resilient infrastructure for government systems as well as a secure government network that allows departments to exchange information easily and securely.

CITEC Information Brokerage also provides a number of secure and commercial information services.

Service summary

In 2018-19, CITEC:

- provided cyber security intelligence and protection to the Queensland Government, preventing several high-severity cyber-attacks from impacting government services, by collecting and analysing more than 400 million events per day
- implemented the coastal and inland route for the regional connectivity initiative, with more than 60 live client services enabling reduced telecommunications costs, improved connectivity and increased collaboration for partner agencies
- maximised financial performance and improved customer experience through a review of the 26 services CITEC currently provides and set of recommendations for an improved future state for each service line
- created a more efficient use of data centre capacity and achieved a significant reduction in costs through establishment of a flexible and future-oriented Data Centre as-a-Service panel arrangement and renegotiation of a major data centre lease
- made it easier for clients to complete their online transactions through the design and development of a brand new CITEC Confirm website including a new content management system
- built and implemented a new system to facilitate improved electronic filing of court documents in partnership with the Victorian County Court.

In 2019-20, CITEC will continue to deliver high quality services while progressing key initiatives including:

- providing better support to agencies in the delivery of front-line services through extending regional connectivity
- delivering Responsive Government program support functions and implementing recommendations from the internal reviews of CITEC's service lines in consultation with agencies
- continuing to mature processes and service offerings in cyber security operations
- collaborating with agencies to deliver data insights and analytics projects
- continuing to work on an improved access control platform that will streamline CITEC Information Brokerage business processes for the future.

Service performance

CITEC

Service Area Objective

To provide Queensland Government departments, statutory bodies and commercial clients with ICT infrastructure and information brokerage services that support the delivery of quality frontline services to Queensland communities and businesses.

Services

- CITEC information and communication technology (ICT)
- CITEC information brokerage (IB).

Description

CITEC delivers consolidated, core ICT infrastructure services for the Queensland Government, covering data centre, network, storage, data protection, and ICT platform and solution integration services. CITEC also delivers information solutions to customers in business and the community Australia-wide on a fully commercial basis.

Staffing^{1,2,3}

2018-19 Adjusted Budget	2018-19 Estimated Actual	2019-20 Budget
361	355	351

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between the 2018-19 Adjusted Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and 2019-20 Budget is due to natural attrition and a realignment of the workforce to match future capability requirements.

CITEC	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service: CITEC ICT			
Service standards			
<i>Effectiveness measures</i>			
CITEC ICT customer satisfaction ¹	>70%	87%	>75%
CITEC ICT service availability ²	>99.9%	99.99%	99.9%
<i>Efficiency measure</i>			
CITEC ICT Earnings before interest and tax less Depreciation and Amortisation (EBITDA) ³	\$1.775m	(\$3.982m)	(\$0.691m)
Service: CITEC IB			
Service standards			
<i>Effectiveness measure</i>			
CITEC IB customer satisfaction ⁴	>80%	89%	>80%
<i>Efficiency measure</i>			
CITEC IB EBITDA ⁵	(\$3.347m)	(\$0.136m)	(\$0.295m)

Notes:

1. This is a measure of overall satisfaction. It shows the percentage of customers satisfied with CITEC ICT's services to support the delivery of quality front line services to Queensland communities. In 2018-19 CITEC ICT continued implementation of the dedicated program of work to improve services and outcomes for its customers. This has been successfully delivered again for 2018-19 and the 2019-20 Target/Estimate has been updated to reflect a new baseline.
2. This service standard is an industry accepted benchmark and shows the percentage of uptime (i.e. operational functionality of services) of Queensland Government's underpinning data centre and network services provided directly by CITEC ICT. This measure demonstrates how well CITEC delivers on its objective of providing available ICT infrastructure.
3. This measure shows the net income with interest, taxes, depreciation and amortisation added back to the operating position, effectively eliminating the effects of financing and accounting decisions for CITEC ICT. The variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual is mainly due to faster than anticipated uptake of the Queensland Government Regional Network (QGRN) and associated timing difference between costs outlaid to establish the QGRN and incoming revenue from customer agencies to offset these costs. The 2019-20 Target/Estimate is an improvement on the 2018-19 Estimated Actual mainly due to a reduction in expenses, as well as revenue recouped from customer agencies to offset costs outlaid in 2018-19 to establish the QGRN.
4. This is a measure of overall satisfaction. It shows the percentage of customers satisfied with CITEC IB's service. The positive result for 2018-19 is attributed to high levels of customer satisfaction with the CITEC Confirm Service Centre as well as the quality and timeliness of the CITEC Confirm service.
5. This measure shows the net income with interest, taxes, depreciation and amortisation added back to the operating position, effectively eliminating the effects of financing and accounting decisions for CITEC IB. The variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to efficient management of costs and revenue streams.

Income statement

CITEC	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
User charges and fees		146,859	149,405	150,934
Grants and other contributions		..	..	..
Interest and distributions from managed funds		92	133	118
Other revenue		..	12	..
Gains on sale/revaluation of assets		..	..	..
Total income		146,951	149,550	151,052
EXPENSES				
Employee expenses		40,174	40,859	41,859
Supplies and services	1	107,490	111,929	109,322
Grants and subsidies		..	..	..
Depreciation and amortisation	2	5,154	4,236	4,483
Finance/borrowing costs		81	84	57
Other expenses		764	747	740
Losses on sale/revaluation of assets		..	..	..
Total expenses		153,663	157,855	156,461
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT)		(6,712)	(8,305)	(5,409)

Balance sheet

CITEC	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	6	11,610	11,345	7,236
Receivables		16,045	16,172	16,459
Other financial assets		..	..	..
Inventories		..	..	..
Other		4,089	3,982	4,072
Non-financial assets held for sale		..	..	..
Total current assets		31,744	31,499	27,767
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	7	9,383	10,254	8,349
Deferred tax assets		..	..	..
Intangibles	3,8	2,239	1,655	577
Other		161	168	168
Total non-current assets		11,783	12,077	9,094
TOTAL ASSETS		43,527	43,576	36,861
CURRENT LIABILITIES				
Payables		8,212	8,957	8,365
Current tax liabilities		..	..	..
Accrued employee benefits		1,764	1,829	2,163
Interest bearing liabilities and derivatives	4	1,958	1,100	1,125
Provisions		..	..	..
Other		1,647	1,620	1,672
Total current liabilities		13,581	13,506	13,325
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		905	403	403
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	5,9	3,272	2,035	910
Provisions		..	..	..
Other		99	..	..
Total non-current liabilities		4,276	2,438	1,313
TOTAL LIABILITIES		17,857	15,944	14,638
NET ASSETS/(LIABILITIES)		25,670	27,632	22,223
EQUITY				
TOTAL EQUITY		25,670	27,632	22,223

Cash flow statement

CITEC	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		159,934	163,343	162,167
Grants and other contributions	
Interest and distribution from managed funds received		92	133	118
Other		6,628	7,410	7,594
Outflows:				
Employee costs		(40,174)	(40,787)	(41,525)
Supplies and services		(112,582)	(122,594)	(115,951)
Grants and subsidies	
Borrowing costs		(81)	(84)	(57)
Taxation equivalents paid	
Other		(15,175)	(11,962)	(12,055)
Net cash provided by or used in operating activities		(1,358)	(4,541)	291
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(3,600)	(3,000)	(3,300)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(3,600)	(3,000)	(3,300)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		2,500	..	..
Equity injections	
Outflows:				
Borrowing redemptions		(198)	..	..
Finance lease payments		(1,064)	(1,075)	(1,100)
Equity withdrawals	
Dividends paid	
Net cash provided by or used in financing activities		1,238	(1,075)	(1,100)
Net increase/(decrease) in cash held		(3,720)	(8,616)	(4,109)
Cash at the beginning of financial year		15,330	19,961	11,345
Cash transfers from restructure	
Cash at the end of financial year		11,610	11,345	7,236

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The increase in supplies and services is mainly due to higher than expected volumes of procurement of ICT equipment on behalf of Queensland Government agencies and Queensland Government Regional Network upfront establishment costs.
2. The decrease in depreciation and amortisation is mainly due to efficiencies from technological advancements and movement away from owned assets to "as a service" arrangements.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

3. The decrease in intangibles is mainly due to a change in the platform refresh program of work for Information Brokerage.
4. The decrease in current interest bearing liabilities and derivatives is due to lower borrowings than expected from Queensland Treasury Corporation (QTC).
5. The decrease in non-current interest bearing liabilities and derivatives is due to lower borrowings than expected from QTC.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

6. The decrease in cash assets reflects CITEC's projected operating deficit and capital investment for 2019-20.
7. The decrease in property, plants and equipment is mainly due to efficiencies from technological advancements and movement away from owned assets to "as a service" arrangements.
8. The decrease in intangibles is mainly due to a change in the platform refresh program of work for Information Brokerage.
9. The decrease in non-current interest bearing liabilities and derivatives mainly relates to the reclassification of CITEC ICT mainframe finance lease repayments to current liabilities.

QFleet

Overview

QFleet provides the Government with safe and efficient transport solutions, enabling the delivery of community services by agencies. In support of government priorities and initiatives, QFleet will lead agencies to achieve emissions reduction through best practice vehicle deployment and operation and the introduction of innovative technology such as low emission vehicles.

Responsible for approximately 10,000 passenger and light commercial motor vehicles, QFleet's focus is the delivery of an integrated package of fleet management services and value-adding solutions that reflect government policy. This supports the delivery of responsive government services and programs by equipping and enabling agencies to respond to the diverse and changing needs of the community.

Services are provided to core government agencies and are also available to government-owned corporations, statutory authorities and eligible non-government organisations. Services include motor vehicle contract management, fleet advisory services, in-service maintenance management, accident management, end-of-life repairs and motor vehicle remarketing. Tools and advice are provided to assist customers with fit-for-purpose motor vehicle selection and achieving optimal fleet utilisation. Specialised fit-for-purpose motor vehicle solutions are provided to agencies with particular transportation needs, such as wheelchair-carrying capability and harsh terrain operations.

Key factors impacting QFleet will be managing the introduction of electric vehicles into the fleet mix, industry willingness to introduce new technology and the provision of supporting infrastructure such as recharging and servicing networks.

Service summary

In 2018-19, QFleet:

- entered into a software-as-a-service fleet management contract under a Standing Offer Arrangement (SOA) framework implemented the car sharing model to in-scope Queensland Government departments
- continued implementation of the *QFleet Environmental Strategy for the Queensland Government motor fleet*, including a significant increase in the number of petrol/electric hybrid vehicles in the fleet
- continued implementation of the *QFleet Electric Vehicle Transition Strategy for the Queensland Government motor fleet*, including the purchase of full battery electric and plug-in hybrid vehicles.

In 2019-20, QFleet will:

- continue to implement the software-as-a-solution fleet management system in partnership with the Queensland Ambulance Service
- expand QFleet Car Sharing model to Queensland Government departments in selected regional areas
- continue to implement the *QFleet Environmental Strategy for the Queensland Government motor vehicle fleet* and *QFleet Electric Vehicle Transition Strategy for the Queensland Government motor vehicle fleet*, including increasing the range and number of low emission and electric vehicles in the fleet.

Service performance

QFleet

Service Area Objective

To provide a central pool of expertise in fleet management and fleet management services, to enable the Government and government-funded organisations to safely deliver frontline services to the community.

Description

QFleet is a commercialised business unit and is responsible for whole-of-government fleet management and advisory services. These services include vehicle procurement and contract management, fleet advisory services to public sector departments, as well as government-funded organisations, in-service maintenance, accident management, end-of-life repairs and vehicle remarketing.

Staffing^{1,2}

2018-19 Adjusted Budget	2018-19 Estimated Actual	2019-20 Budget
47	47	47

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Corporate FTEs are allocated across the service to which they relate.

QFleet	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Overall customer satisfaction ¹	..	..	85%
Percentage of total QFleet vehicles with a 5-star ANCAP safety rating ²	90%	94%	90%
<i>Efficiency measures</i>			
Current ratio ³	2.6:1	2.14:1	1.88:1
Return on net assets ⁴	2.8%	5.7%	3.0%
Gearing level ⁵	69%	67%	70%
Percentage of vehicle fleet utilisation compared to agreed lease parameters	90%	90%	90%

Notes:

1. The 2018-19 Target Estimate and 2018-19 Estimated Actual is not published as this is a biennial survey with the next survey to be undertaken in 2019-20.
2. The Australasian New Car Assessment Program (ANCAP) safety ratings indicate the level of safety a vehicle provides for occupants and pedestrians in the event of a crash, as well as its ability, through technology, to avoid a crash. ANCAP safety ratings are determined based on a series of internationally recognised, independent crash tests and safety assessments. To achieve the maximum 5-star ANCAP safety rating, a vehicle must perform to the highest level across all crash tests and assessments.
3. This measure reflects the ability to meet short-term debt obligations and is measured by comparing the level of Current Assets to Current Liabilities at a point in time. Current ratio is a standard financial measure. The variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is due to higher provisions for income tax and dividends resulting from a higher operating surplus than budgeted. The variance between 2018-19 Estimate Actual and 2019-20 Target/Estimate is mainly due to lower cash assets and higher payables as a result of higher planned vehicle purchases in June 2020.
4. This service standard is a measure of the level of financial return (as a percentage) the assets of the business are generating. Return on net assets is a standard financial measure. The variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is mainly due to a higher operating surplus. The variance between 2018-19 Estimated Actual and 2019-20 Target/Estimate is mainly due to lower operating surplus in 2019-20 due to additional costs expected to be incurred for the replacement of the Fleet Management system.

5. This measure represents the level of debt as a percentage of the business' total capital. Gearing level is a standard financial measure. The variance between 2018-19 Target/Estimate and 2018-19 Estimated Actual is mainly due to higher operating surplus after tax and dividend resulting in higher equity. The variance between 2018-19 Estimated Actual and 2019-20 Target/Estimate is mainly due to new borrowings to finance vehicles purchases in 2019-20.

Income statement

QFleet	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
User charges and fees	1,5	135,777	142,013	157,844
Grants and other contributions		..	..	..
Interest and distributions from managed funds		275	258	236
Other revenue		397	417	397
Gains on sale/revaluation of assets		..	..	..
Total income		136,449	142,688	158,477
EXPENSES				
Employee expenses	6	5,149	4,680	5,337
Supplies and services	2,7	85,586	82,843	103,107
Grants and subsidies		..	..	..
Depreciation and amortisation	3	38,113	40,055	41,561
Finance/borrowing costs		6,202	6,112	6,140
Other expenses		133	114	142
Losses on sale/revaluation of assets		..	..	..
Total expenses		135,183	133,804	156,287
Income tax expense/revenue		380	2,665	657
OPERATING SURPLUS/(DEFICIT)	4,8	886	6,219	1,533

Balance sheet

QFleet	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	9,13	23,409	27,771	17,136
Receivables		10,386	10,588	11,543
Other financial assets		..	..	..
Inventories		12,604	12,033	12,881
Other		5,631	6,299	6,541
Non-financial assets held for sale		..	..	..
Total current assets		52,030	56,691	48,101
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,14	243,537	248,917	266,100
Deferred tax assets		6	6	6
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		243,543	248,923	266,106
TOTAL ASSETS		295,573	305,614	314,207
CURRENT LIABILITIES				
Payables	11	16,060	17,617	18,075
Current tax liabilities	12	(3,139)	1,797	105
Accrued employee benefits		166	165	173
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		6,837	6,942	7,248
Total current liabilities		19,924	26,521	25,601
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		15,351	15,552	14,299
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		186,512	186,512	196,512
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		201,863	202,064	210,811
TOTAL LIABILITIES		221,787	228,585	236,412
NET ASSETS/(LIABILITIES)		73,786	77,029	77,795
EQUITY				
TOTAL EQUITY		73,786	77,029	77,795

Cash flow statement

QFleet	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		149,716	156,366	173,268
Grants and other contributions	
Interest and distribution from managed funds received		273	301	243
Other		12,389	12,174	15,332
Outflows:				
Employee costs		(5,179)	(4,695)	(5,329)
Supplies and services		(142,285)	(144,955)	(175,270)
Grants and subsidies	
Borrowing costs		(6,175)	(6,086)	(6,153)
Taxation equivalents paid		(3,087)	(1,243)	(3,602)
Other		(13,658)	(13,931)	(16,015)
Net cash provided by or used in operating activities		(8,006)	(2,069)	(17,526)
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		10,000	10,000	10,000
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals		(3,681)	(3,681)	..
Dividends paid		(3,659)	(4,234)	(3,109)
Net cash provided by or used in financing activities		2,660	2,085	6,891
Net increase/(decrease) in cash held		(5,346)	16	(10,635)
Cash at the beginning of financial year		28,755	27,755	27,771
Cash transfers from restructure	
Cash at the end of financial year		23,409	27,771	17,136

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The increase in user charges and fees is mainly due to higher proceeds on vehicle sales and lease revenue.
2. The decrease in supplies and services is mainly due to the phasing of the replacement of the Fleet Management system.
3. The increase in depreciation and amortisation expense is mainly due to higher than budgeted fleet size.
4. The increase in operating surplus is mainly due to higher proceeds on vehicle sales, higher lease revenue and lower than budgeted spend for Fleet Management system replacement project costs.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

5. The increase in user charges and fees is mainly due to higher proceeds on vehicle sales.
6. The increase in employee expenses is mainly due to the annual Enterprise Bargaining Agreement increments and the timing of filling positions.
7. The increase in supplies and services is mainly due to a higher written down value on sale of vehicles as a result of additional vehicles being sold in 2019-20 and higher budgeted costs for the replacement of the Fleet Management system.
8. The decrease in operating surplus is mainly due to higher budgeted costs for the replacement of the Fleet Management system.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

9. The increase in cash assets is mainly due to the timing of payments for the replacement of the Fleet Management system.
10. The increase in property, plant and equipment is mainly due to higher than budgeted fleet size.
11. The increase in payables is mainly due to increase in the dividend provision on the higher anticipated surplus in 2018-19.
12. The increase in current tax liabilities is mainly due to the increase in the operating surplus.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

13. The decrease in cash assets is mainly due to a higher number of vehicles to be purchased in 2019-20 and timing of payments for the replacement of the Fleet Management system.
14. The increase in property, plant and equipment is mainly due to the higher number of vehicles expected to be replaced in 2019-20.

Shared service provider

Queensland Shared Services

Overview

Queensland Shared Services (QSS) is a shared service provider of corporate transactional and advisory services to more than 70,000 public servants across 26 Queensland Government departments and agencies. QSS contributes to the department's strategic objectives by providing high quality services to government.

QSS is a modern and trusted digital corporate services partner that delivers comprehensive and streamlined services to its customers. QSS provides financial advisory and processing services; human resource management (including payroll) advisory and processing services; telecommunications services; and mail support services. It is also responsible for managing the key financial and human resource management/payroll technology solutions that support agencies and underpin their service delivery.

QSS is impacted by rapidly changing technologies and varied expectations from a diverse customer base. As the largest shared service provider in Government, QSS works closely with its customers to understand their future requirements and ensure they are supported by modern and efficient corporate service solutions.

With a focus on optimising and enhancing service delivery, QSS is contributing to the Queensland Government's objective for the community *Our Future State: Advancing Queensland's Priorities* of Be a responsive government by delivering efficiencies for its customers through increased automation, streamlined services and self-service opportunities.

Service summary

In 2018-19, QSS:

- transitioned Queensland Ambulance Services employees from an unsupported payroll solution to the core Queensland Government payroll solution
- implemented Single Touch Payroll legislative changes in one payroll system to enable compliance with the provision of tax and super information to the Australian Taxation Office each time employees are paid
- piloted single sign-on capability for staff in order to reduce the number of log-ons that staff require
- implemented Robotic Process Automation technology to support continued improvement in the quality and efficiency of business processes
- implemented maintenance releases for all systems to ensure currency and functionality is continually enhanced
- implemented nine enterprise bargaining agreements and the state wage case
- replaced more than 100 published phone numbers with 'one number' for customers to be able to easily contact QSS
- collaborated with other Department of Housing and Public Works divisions to deliver solutions for data provision and analytics for agencies.

In 2019-20, QSS will:

- continue to maintain and improve the finance and payroll systems to enhance functionality and increase automation
- partner with agencies to continue to migrate their remaining out-of-support payroll systems and facilitate consolidation to the core Queensland Government finance and payroll systems
- collaborate with agencies to identify further opportunities to support data analytics initiatives through provision of HR and Finance data solutions
- work with agencies to optimise transactional corporate services, delivering efficiencies to customers through more streamlined services and self-service opportunities
- continue to implement single sign-on capability for widely-used corporate systems solutions.

Service performance

Queensland Shared Services

Service Area Objective

To provide modern and trusted corporate services and advice to other government departments and statutory bodies to enable them to meet government policies and objectives.

Services

- Human Resources
- Finance.

Description

Queensland Shared Services (QSS) provides a range of corporate services for finance, human resource management and supporting technology functions to government departments and statutory bodies.

Staffing^{1,2,3}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
1,090	1,084	1,080

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2019.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between the 2018-19 Adjusted Budget and 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget is due to efficiencies gained through payroll standardisation and automation.

Queensland Shared Services	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service: Human Resources			
Service standards			
<i>Effectiveness measures</i>			
Percentage of Payroll Services delivered within Service Agreement standards	≥97%	99.9%	≥97%
Customer satisfaction with Human Resources Services ¹	80%	82%	80%
<i>Efficiency measure</i>			
Number of pays processed per full-time equivalent (FTE) per fortnight ²	≥325	314	≥325
Service: Finance			
Service standards			
<i>Effectiveness measures</i>			
Percentage of Finance Services delivered within Service Agreement standards	≥95%	95%	≥95%
Customer satisfaction with Finance Services ¹	80%	87%	80%
<i>Efficiency measure</i>			
Number of accounts payable transactions processed per FTE per annum	≥9,000	9,841	≥9,000

Notes:

1. These service standards are based on results from point in time customer surveys which reflect the service level standard as it occurs and is based on the proportion of survey respondents who were 'satisfied overall' and 'very satisfied overall' with Human Resources and

Finance Services. Point in time surveys have resulted in a larger response over the year, compared with a single survey, to allow QSS to monitor and respond to customer satisfaction in a timelier manner.

2. The variance between the 2018-19 Target/Estimate and 2018-19 Estimated Actual is primarily due to an increase in FTEs required to complete payroll activities as a result of machinery of government establishment changes and community recovery overtime processing.

Income statement

Queensland Shared Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
User charges and fees	1	137,733	141,369	134,481
Grants and other contributions		2,294	2,353	2,030
Interest and distributions from managed funds		..	..	..
Other revenue		103	103	103
Gains on sale/revaluation of assets		..	..	..
Total income		140,130	143,825	136,614
EXPENSES				
Employee expenses	2	84,616	86,719	81,256
Supplies and services		48,958	50,277	48,659
Grants and subsidies		..	..	..
Depreciation and amortisation		5,354	5,612	5,486
Finance/borrowing costs		..	14	10
Other expenses		1,202	1,203	1,203
Losses on sale/revaluation of assets		..	..	..
Total expenses		140,130	143,825	136,614
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance sheet

Queensland Shared Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	3,6	25,301	29,267	32,772
Receivables		13,280	12,757	12,163
Other financial assets		..	..	..
Inventories		..	..	..
Other	4	689	1,994	2,039
Non-financial assets held for sale		..	..	..
Total current assets		39,270	44,018	46,974
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		569	638	438
Intangibles	5,7	22,657	17,885	15,199
Other		..	..	..
Total non-current assets		23,226	18,523	15,637
TOTAL ASSETS		62,496	62,541	62,611
CURRENT LIABILITIES				
Payables		7,012	6,687	6,329
Accrued employee benefits		3,749	3,647	4,234
Interest bearing liabilities and derivatives		..	158	162
Provisions		..	..	..
Other		..	..	..
Total current liabilities		10,761	10,492	10,725
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	318	155
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	318	155
TOTAL LIABILITIES		10,761	10,810	10,880
NET ASSETS/(LIABILITIES)		51,735	51,731	51,731
EQUITY				
TOTAL EQUITY		51,735	51,731	51,731

Cash flow statement

Queensland Shared Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		155,893	157,863	145,961
Grants and other contributions		2,294	2,353	2,030
Interest and distribution from managed funds received	
Other		7,558	5,342	7,659
Outflows:				
Employee costs		(84,484)	(86,759)	(80,714)
Supplies and services		(56,522)	(53,868)	(53,788)
Grants and subsidies	
Borrowing costs		..	(14)	(10)
Other		(16,408)	(15,313)	(14,874)
Net cash provided by or used in operating activities		8,331	9,604	6,264
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(4,984)	(1,100)	(2,600)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(4,984)	(1,100)	(2,600)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments		..	(155)	(159)
Equity withdrawals	
Net cash provided by or used in financing activities		..	(155)	(159)
Net increase/(decrease) in cash held		3,347	8,349	3,505
Cash at the beginning of financial year		21,954	20,918	29,267
Cash transfers from restructure	
Cash at the end of financial year		25,301	29,267	32,772

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

1. The decrease in user charges and fees is mainly due to a reduction in revenue for agency funded projects.
2. The decrease in employee expenses mainly relates to reduced agency funded projects and vacancy management offset by enterprise bargaining.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

3. The increase in cash assets is due to a lower level of expenditure on system projects than planned.
4. The increase in other current assets is mainly due to the prepayment of software licences.
5. The decrease in intangibles is due to a lower level of capitalisation of system projects than planned.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

6. The increase in cash assets reflects the timing of funds received and the planned capital investment in 2019-20.
7. The net decrease in intangibles is principally due to the impact of amortisation.

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: <ul style="list-style-type: none"> • 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.
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.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	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.



Queensland Budget 2019–20

Service Delivery Statements

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