

QUEENSLAND BUDGET 2019–20

Service Delivery Statements

Department of Transport
and Main Roads

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2019–20 Queensland Budget Papers

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Budget Highlights

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

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Service Delivery Statements

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Department of Transport and Main Roads

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Transport and Main Roads:

Minister for Transport and Main Roads

The Honourable Mark Bailey MP

Department of Transport and Main Roads

Director-General: Neil Scales

Service area 1: Transport System Investment Planning and Programming

Service area 2: Transport Infrastructure Management and Delivery

Service area 3: Transport Safety and Regulation

Service area 4: Customer Experience

Service area 5: Passenger Transport Services

The Minister for Transport and Main Roads is also responsible for:

Gold Coast Waterways Authority

Chief Executive Officer: Hal Morris

Objective: To provide better management of, and access to, the Gold Coast waterways.

RoadTek

General Manager: William Lansbury

Objective: RoadTek provides transport infrastructure solutions, including construction and maintenance services to enable the Department of Transport and Main Roads to deliver on Queensland Government priorities and outcomes for the community.

Additional information about these agencies can be sourced from:

www.tmr.qld.gov.au

www.translink.com.au

www.msq.qld.gov.au

www.gcwa.qld.gov.au

Departmental overview

The Department of Transport and Main Roads' vision and purpose is 'Creating a single integrated transport network accessible to everyone'. A well planned and managed transport network plays an essential role in the development of a healthy, robust and growing economy; bringing communities closer together; providing access to services and supporting commerce and industry throughout the State.

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

- Create jobs in a strong economy by supporting Queensland communities through inclusive connections
- Keep communities safe by designing, operating and maintaining a secure, safe, and resilient transport system
- Keep Queenslanders healthy by encouraging active and shared transport modes
- Protect the Great Barrier Reef by supporting low and zero emission transport technologies, modes and materials
- Be a responsive government by providing easy-to-use services including meeting customer expectations of digital by default.

To deliver its planned outcomes, the department focuses on the following strategic objectives:

- *Accessible* - Tailored connections for our customers and workforce to create an integrated and inclusive network
- *Safe* - Safe and secure customer journeys and department workplaces
- *Responsive* - Our network, services and workforce respond to current and emerging customer expectations
- *Efficient* - Partnerships, integration, innovation and technology advance the movement of people and goods
- *Sustainable* - Planning, investment and delivery outcomes support a more liveable and prosperous Queensland.

In 2019-20 the department will strengthen its focus on customer-centric, digitally-enabled transport solutions including:

- Mobility as a Service (MaaS) - moving towards aggregated, digitally-enabled transport and mobility solutions that are consumed as a service
- Customer Oriented Registration and Licensing (CORAL) - identifying opportunities to simplify registration and licensing policies and procedures and using technology to improve outcomes for our customers and staff
- Cooperative and Automated Vehicle Initiative (CAVI) - preparing for the emergence of advanced vehicle technologies with safety, mobility and environmental benefits onto Queensland roads.

Some of the external opportunities and challenges the department is addressing include (but are not limited to):

- the increasing pace of technological and social change
- changing customer and stakeholder expectations
- increasing volume and complexity of data and the ability to analyse it (Big Data)
- a diverse and geographically dispersed population.

The department is committed to maintaining safe and cost-efficient transport infrastructure that meets the current needs of Queensland and to deliver new infrastructure in the areas of greatest needs. We will manage the delivery of a substantial capital program in 2019-20 to meet these priorities. Key programs continuing in 2019-20 and beyond include:

- \$12.6 billion Queensland and Australian Government funded program to upgrade the Bruce Highway (2013-14 to 2027-28)
- Queensland and Australian Government funded upgrades on the M1 Pacific Motorway, including the following:
 - \$1.03 billion for Varsity Lakes to Tugun project
 - \$749 million for Eight Mile Plains to Daisy Hill project
 - \$197.5 million for Mudgeeraba to Varsity Lakes project
 - \$195.3 million for M1/M3 Gateway merge project
- \$279.7 million Queensland and Australian Government funding for the Queensland component of the Northern Australia Roads Program (2016-17 to 2020-21)
- \$76.1 million Queensland and Australian Government funding for the Queensland component of the Northern Australia Beef Roads Program (2016-17 to 2019-20).

Service Performance

Performance Statement

Transport System Investment Planning and Programming

Service Area Objective

To provide the direction for a single integrated transport network in Queensland, including the policy and planning framework to make informed investment decisions.

Description

Responsible transport system planning ensures Queensland's long-term transport needs are met in the most cost-effective way and other development impacts are managed effectively. This is achieved through developing and managing the:

- *Queensland Transport Strategy* (formerly the Queensland Transport Policy) — currently a draft 30-year, long-term transport strategy to prepare and position Queensland's transport for the future
- *Transport Coordination Plan* — provides a 10-year framework for strategic planning and management of transport resources in Queensland as required under the *Transport Planning and Coordination Act 1994*
- *The Future is Electric: Queensland Electric Vehicle Strategy* (the EV Strategy) details what the Queensland Government will do to support and prepare for the transition to EVs and is complemented by the Queensland Electric Super Highway, a series of fast chargers linking the Gold Coast to Cairns and Brisbane to Toowoomba
- The *Queensland Freight Strategy – Advancing Freight in Queensland* is a 10-year strategy that sets a shared vision for the state's freight system, guiding policy, planning and investment decision making over the next ten years, supporting economic growth
- *Queensland Cycling Strategy 2017–2027* and two-year Action Plan — guides and prioritises actions that encourage more cycling, more often in Queensland
- *Queensland Walking Strategy* and two-year Action Plan – currently a draft - will guide and prioritise actions that encourage more walking in Queensland
- Regional Transport Plans — these define the strategic direction of regional transport systems and guide the planning of Queensland's transport network over the next 15 years
- Transport System Planning Program to coordinate and prioritise planning across all modes of transport
- Queensland Transport and Roads Investment Program (QTRIP) — a four-year rolling program of priority transport infrastructure works which is published annually
- Active Transport Investment Program to encourage all forms of active transport as part of an integrated land use and transport system for Queensland
- Roads and Transport Alliance — the department's strategic funding and engagement partnership with local government and the Local Government Association of Queensland
- Queensland position on state and national transport policy reform agendas
- freight strategies and action plans to guide and prioritise activities supporting an integrated, safe and resilient freight system
- asset management plans for maintenance, preservation and operation of State-controlled road infrastructure
- investment strategies that inform priority road and transport infrastructure funding needs
- funding submissions to the Australian Government for upgrading nationally significant road and transport networks to improve network safety and support economic development and population growth.

The activities of the department delivered under this service area support:

- delivering best value investment in the transport system of the future and creating opportunities for innovation
- maximising the benefits from our investments through long-term (10 year) planning and prioritisation
- connecting and partnering with industry and community to design for the future

- major transport infrastructure project evaluation and assurance to ensure delivery on a value-for-money basis
- promoting community cohesion, economic development and environmental sustainability
- promoting and investing in active and public transport solutions that support broader community benefits
- preparing for the freight system requirements of the future.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
152,466	107,567	34,458	..	10,441

Staffing^{1,2}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
632	626	627

Notes:

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

2019-20 service area highlights

The department will build on its achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2019-20 highlights under this service area to include:

- implementation of the Queensland Freight Strategy – *Advancing Freight in Queensland*
- development of the two-year rolling Queensland Freight Action Plan
- development of the Queensland Freight Access Framework
- securing Australian Government investment to progress the delivery of priorities on the Bruce Highway, as per the Future-proofing the Bruce election commitments and establishing the Bruce Highway Trust that will develop a 15-year vision and initial Action Plan to identify those priorities
- progressing planning and delivery of road and other transport infrastructure upgrades announced in the 2019 Federal Budget
- working across the department to develop the rolling four-year investment and performance plan for maintenance, preservation and operation of the State-controlled road network
- maintaining an increased commitment to the Maintenance, Preservation and Operations program budget over the forward estimates period, in keeping with the department's investment priorities of running and maintaining the existing transport network
- continued research through the National Assets Centre of Excellence (a research collaboration between the department and the Australian Road Research Board) to improve asset management practice and identify innovative treatments to extend the life of infrastructure assets
- liaising with Building Queensland to progress business cases for major transport infrastructure projects, including the Bruce Highway (Rockhampton Ring Road)
- working with local governments that have formed 17 Regional Roads and Transport Groups across Queensland under the Roads and Transport Alliance, including the management of the Transport Infrastructure Development Scheme.

Transport System Investment Planning and Programming	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards <i>Effectiveness measures</i> Road system condition (the percentage of urban and rural State-controlled roads with condition better than the specified benchmark):			
Urban	97-99	97-99	97-99
Rural	95-97	95-97	95-97
Road ride quality – Traffic weighted roughness (percentage of the network in very poor/poor condition) ¹	10.7	10.9	10.7
<i>Efficiency measure</i> Administrative cost to plan, develop and manage the QTRIP as a percentage of the overall value of the program ²	1	0.3	1

Notes:

1. The effectiveness of planning for the investment in maintenance, preservation and operation of State-controlled transport infrastructure contributes to the level of service provided to transport infrastructure users. 'Road ride quality – Traffic weighted roughness' is a measure of fit-for-purpose service levels provided for State-controlled road infrastructure.
2. QTRIP is a four-year rolling program of priority transport infrastructure works published annually. This service standard measures how efficiently QTRIP is being developed and managed. It excludes Gold Coast Waterways Authority, Maritime Safety Queensland, School Bus Upgrade Program and Queensland Rail and Ports.

Performance Statement

Transport Infrastructure Management and Delivery

Service Area Objective

To construct, maintain and operate an integrated transport network accessible to all.

Services

- Transport Infrastructure Management
- Transport Infrastructure Delivery

Description

Activities undertaken in this service area relate to stewardship of the State road network and include:

- delivering, managing and maintaining transport infrastructure
- leading innovation in transport infrastructure delivery
- setting value for money standards for transport infrastructure
- managing road operations, including traffic incidents, traffic operations and traveller and traffic information
- managing use of the road corridor, including environmental preservation and third-party road access
- controlling access to and recovering the road network during and following emergency events.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
2,293,984	2,133,435	35,988	101,926	225,607

Staffing^{1,2}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
2,371	2,377	2,337 ³

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Decrease is due to the transfer of FTE positions to RoadTek to deliver services under the SEQ responsive maintenance contract.

2019-20 service area highlights

The department will build on its achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2019-20 highlights under this service area to include:

- continued construction activities of the \$812.9 million Queensland and Australian Government funded Bruce Highway six-laning upgrade between Caloundra Road and the Sunshine Motorway
- continue delivery of the \$550.8 million Queensland and Australian Government funded North Coast Line - Beerburrum to Nambour rail project
- continuing construction of the \$514.3 million Queensland and Australian Government funded Haughton River Floodplain project on the Bruce Highway, north of Ayr
- continued delivery of the \$497.4 million Queensland and Australian Government funded Mackay Ring Road (Stage 1) project

- commencing construction of the \$481 million Queensland and Australian Government funded Bruce Highway – Cairns Southern Access Corridor – Stage 3: Edmonton to Gordonvale
- continued delivery of the \$400 million Queensland and Australian Government funded Ipswich Motorway Upgrade: Rocklea to Darra – Stage 1 project
- continued delivery of the \$197.5 million Queensland and Australian Government funded M1 Pacific Motorway Upgrade: Mudgeeraba to Varsity Lakes
- continued delivery of the \$195.3 million Queensland and Australian Government funded Pacific Motorway Upgrade: M1/M3/Gateway merge upgrade project
- continued delivery of the \$121 million Queensland and Australian Government funded Bruce Highway Upgrade: Rockhampton Northern Access (Stage 1)
- continued delivery of the \$152 million Queensland Government funded Smithfield Bypass project
- commencing construction of the \$110.6 million Queensland and Australian Government funded Mackay Northern Access Upgrade project
- continued delivery of the \$104.1 million Queensland and Australian Government funded upgrade of the Bruce Highway - Cairns Southern Access Corridor (Stage 4) between Kate Street (renamed Links Drive) and Aumuller Street in Cairns
- continued delivery of the \$75 million Queensland and Australian Government funded Capricorn Highway (Rockhampton-Duaringa): Rockhampton to Gracemere Duplication project
- continued delivery of the \$63.6 million widening and applying wide centre line treatments on the Warrego Highway between Dalby and Miles
- continued delivery of stages 2, 3 and 4 of the Queensland Government funded \$17.2 million North Brisbane Bikeway
- continued delivery of the Marine Infrastructure and Targeted Road Safety programs
- restoration of transport network assets damaged by natural disaster events during 2018-19.

Transport Infrastructure Management and Delivery	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service: Transport Infrastructure Management			
Service standards			
<i>Effectiveness measures</i>			
Road network efficiency – Average travel time per 10km: ^{1,2}			
AM peak	11.5	11.7	11.5
Off peak	10.3	10.4	10.3
PM peak	11.9	12.1	11.9
Road network reliability – Percentage of the road network with reliable travel times: ^{1,3,4}			
AM peak	76	77	76
Off peak	87	89	87
PM peak	68	71	68
Road network productivity – Percentage of the road network with good productivity: ^{1,3,4}			
AM peak	68	68	68
Off peak	72	72	72
PM peak	64	65	64

Transport Infrastructure Management and Delivery	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Arterial intersection performance – Percentage of intersections congested less than 20 minutes per hour: ^{1,3,4}			
AM peak	82	82	82
Off peak	91	91	91
PM peak	76	77	76
<i>Efficiency measure</i> Administration/staff costs of operating and delivering the department's Road Operations Program as a percentage of the total value of the Road Operations Program (including operations, maintenance and projects) ⁵	12.5	12.5	12.5
Service: Transport Infrastructure Delivery			
Service standards			
<i>Effectiveness measure</i> Number of fatal crashes on State-controlled roads per 100 million vehicle kilometres travelled where the road condition was likely to be a strong contributing factor	0.05	0.05	0.05
<i>Efficiency measure</i> Administration costs of managing and delivering the QTRIP as a percentage of the current financial year QTRIP allocation ^{6,7}	<5.1	2.8	<5.1

Notes:

- These 2018-19 Estimated Actual figures are based on the results for the 12 months up to and including February 2019. These results are used to provide the best estimate of the performance for 2018-19. Some 2018-19 Estimated Actual results have not met the 2018-19 Target/Estimate figures mainly due to the high growth in registered vehicles and an increase in vehicle-kilometres-travelled. The network is performing relatively well given its rate of increase is slower (than the rate of growth in vehicles and travel) at less than one per cent over 2017-18. The department will continue to deliver a number of motorway and arterial initiatives to mitigate increasing congestion issues driven by increased vehicle usage.
- This measure is in minutes per 10 kilometres (lower is better).
- For these measures a higher value indicates better performance.
- Good road network productivity occurs under two scenarios of performance: (a) speeds are in excess of benchmark values (that is respectively 80 per cent and 65 per cent of the posted speed on motorways and arterials) irrespective of traffic flow; or (b) traffic flow is relatively high (for example 2,000 vehicles/hour/lane on motorways and 900 vehicles/hour/lane on arterials) in combination with moderately degraded speeds.
- Administration/staff costs included in the Road Operations performance metric are the administration of traffic signal/road lighting and Intelligent Transport Systems, maintenance contracts, other road operations service delivery costs (for example, placement of traffic detection tube counter equipment), asset performance analysis and reporting activities, the development and maintenance of operational and technical policies for enabling road operations, and other road operations system development and maintenance costs.
- Administration costs cover accommodation, information technology, some travel, other administration expenses, depreciation and insurance costs.
- The value of the QTRIP fluctuates each year depending on factors such as network needs, priority programs, election commitments and the impacts of severe weather events. The 2018-19 Estimated Actual of 2.7 per cent is ahead of the Target/Estimate of less than 5.1 per cent due to the higher value of the 2018-19 QTRIP allocation against stable administrative costs. The department has retained the Target/Estimate of less than 5.1 per cent for 2019-20 based on historical QTRIP allocations and administrative costs over many years. The department will continue to monitor this measure and will reassess the target, in the future, if warranted.

Performance Statement

Transport Safety and Regulation

Service Area Objective

To regulate the transport system safely, economically and sustainably without imposing unnecessary red tape.

Description

The safety of the transport network is critical to the health and wellbeing of all Queenslanders and the prosperity of Queensland. A safe, secure and resilient transport system aims to protect the lives and property of everyone who interacts with the network for business, employment and leisure.

Regulatory and safety related activities undertaken in this service area include:

- measuring the broad social and economic impacts of road trauma on Queenslanders and the Queensland economy
- maintaining focus on our long-term vision as established in Queensland's Road Safety Strategy 2015–2021
- retaining alignment to the safe system principles where the system is safe at every level of road safety management thereby driving a fundamental change in the culture and attitudes to road safety
- implementing road safety initiatives encompassing education, community engagement, enforcement, new technologies, safer roads, roadsides and behaviours
- managing the movement of vessels using Queensland's waterways as well as the Great Barrier Reef and Torres Strait
- maritime safety and regulation activities for Queensland registered ships, pilotage and hydrographic services, and supporting safe port development
- maintaining effective maritime emergency preparedness, response, and recovery capability and capacity
- developing and implementing rail safety initiatives and legislation
- regulating vehicle safety in accordance with best practice and national vehicle standards
- delivering vehicle and vessel registration, driver and marine licensing and accreditation services.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
277,860	27,897	164,430	..	85,533

Staffing^{1,2}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
653	653	654

Notes:

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

2019-20 service area highlights

The department will build on its achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2019-20 highlights under this service area to include:

- improving road safety by delivering initiatives in the Queensland Road Safety Action Plan 2017-19 focused on safer roads for Queenslanders, getting people into safer vehicles, encouraging safer road use, and strengthening our partnerships including our work through the Heavy Vehicle Safety Action Plan 2019-21

- providing a safe and accessible transport network by ensuring contemporary policy and legislation frameworks, and by influencing behavioural change
- delivering safety treatments through the Targeted Road Safety Program, including high risk route actions, flashing school zone signs, discrete site treatments, township entry treatments and targeted safety interventions
- continuing to invest in innovative safety treatments including remediation measures to help prevent 'sign spearing' and a trial of 'hold the red' traffic signals and intelligent transport systems
- continuing to facilitate improved Heavy Vehicle Access while ensuring a safe environment for all users of Queensland's road network
- ensuring high levels of governance around the management of our external contracted partners and accredited service providers
- continuing to improve maritime safety and community satisfaction by facilitating the safe movement and interaction of vessels in Queensland waters including the protection of the marine environment from ship-sourced pollution
- continuing to educate recreational mariners and increase their awareness of responsibilities leading to safe, clean seas
- contributing to the environmentally sustainable development and planning of Queensland waters through the implementation of the Reef 2050 Plan
- as part of the outcomes from the work undertaken by the War on Wrecks taskforce, the department is continuing to work with owners to remove derelict vessels and promote a culture of responsible boat ownership.

Transport Safety and Regulation	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Fatalities per 100,000 population on State-controlled roads	3.10	2.80	2.70
Road fatalities per 100,000 population ¹	4.70	4.70	4.40
Hospitalised road casualties per 100,000 population ¹	121	135	110
Marine fatalities per 100,000 registered vessels regulated in Queensland ^{2,3}	3.19	2.34	3.26
Percentage of vessel movements without serious incidents:			
Pilotage areas	100	100	100
ReefVTS area	100	100	100
<i>Efficiency measure</i>			
Direct operational cost of Vessel Traffic Services per monitored vessel movement ⁴	\$496	\$443	\$460

Notes:

1. The 2019-20 Target/Estimate is consistent with the targets outlined in the Queensland Road Safety Strategy 2015–2021 as well as taking into account historic trends and the economic outlook.
2. Under the National System for Domestic Commercial Vessel Safety, the Australian Maritime Safety Authority has assumed regulatory responsibility for the State's domestic commercial vessels. This service standard excludes vessels that are not regulated under Queensland legislation.
3. The 2018-19 Estimated Actual reflects two less marine fatalities than the 2018-19 Target/Estimate. Target/Estimates are forecast based on almost two decades of actual data.
4. The 2018-19 Estimated Actual and the 2019-20 Target/Estimate reflect an increase in ship movements in several ports over the original estimate for 2018-19. The 2019-20 Target/Estimate reflects a minor increase in 2019-20 budget for vessel traffic services (VTS) over the 2018-19 estimated actual expenditure for VTS. The direct operational cost of Vessel Traffic Services includes the costs of operating the five VTS centres located around Queensland and the cost of providing and maintaining the VTS network, including the operation of radars and sensors used to monitor vessel movements.

Performance Statement

Customer Experience

Service Area Objective

To put customers at the centre of the design and delivery of the department's products and services, to understand evolving customer needs and expectations, to improve customer experiences and reduce complaints.

Description

The department is committed to delivering products and services with a 'customers first' approach. We engage with customers to better understand their needs, expectations and behaviours regarding all of our services including: roads usage; maritime safety and information; licensing services; registration services; and passenger transport services. The department provides flexible service and delivery methods and channels for its customers; including but not limited to, the ability to self-serve online 24/7.

The department regularly undertakes thorough and robust customer research and insight activities to understand the voice of the customer, capture customer perspectives, motivations and expectations, and to guide the development of product and service delivery across the department. This work is done in alignment with the department's Customer Value Proposition and Customer Charter.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
384,782	376,507	3,762	..	4,513

Staffing^{1,2}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
2,209	2,183	2,184

Notes:

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

2019-20 service area highlights

The department will build on its achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2019-20 highlights under this service area to include:

- continuing to refine online services through identifying usability challenges affecting customer's satisfaction with and usage of the department's online and mobile app services and developing remedies to these challenges during 2019-20 and subsequent years
- pursuit of improvements to the Queensland Compliance Information System used by the department's transport inspectors, to improve quality and efficiency of service delivery to drivers and operators of heavy and passenger transport vehicles

- expanding the use of automation tools which offer customer service staff improved timeliness, speed and consistency of service when helping customers - such as automated assessment of submissions via the Learner Logbook mobile app - while providing the technology to support more rigorous service delivery procedures - such as cross-checking trip, supervisor and vehicle details across multiple learner's logbooks
- pursuing systems which are likely to reduce customer wait times and allow customer service centres to better manage queues by allowing customers to pre-book an appointment for complex and lengthy transactions via a digital (online) service, while aiming to also address a major business continuity risk for the in-house system used to book vehicle inspections and driving examinations.

Customer Experience	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Overall customer satisfaction with transactional services (on a scale of 1 to 10) ¹	8	8	8
Customer experience ratings of passenger transport service by type (on a scale of 1 to 5): ^{2,3}			
South East Queensland bus	New measure	New measure	≥ 3.5
South East Queensland rail	New measure	New measure	≥ 3.5
South East Queensland ferry	New measure	New measure	≥ 3.5
South East Queensland tram	New measure	New measure	≥ 3.5
Regional urban bus	New measure	New measure	≥ 3.5
Customer service complaints in SEQ per 10,000 trips	< 3	2.17	< 3
<i>Efficiency measures</i>			
Average unit cost per transaction in a Customer Service Centre ⁴	\$20.47	\$22.04	\$22.59
Average cost per customer enquiry - TransLink Contact Centre ⁵	\$4.80	\$5.10	\$5.25

Notes:

- This service standard is based on customer surveys which capture overall satisfaction rates of all channels including Customer Service Centres, Call Centre, website, mail, e-mail, Australia Post and Queensland Government Agency Program. Responses from the surveys rate satisfaction based on multiple dimensions which include net promoter score, channel experience and channel preferences.
- The department has undertaken a major review of the way in which our passenger transport customers are surveyed. The upgraded survey and methodology leverages contemporary and developing technologies allowing easier response from customers, greater flexibility to add emerging products and services into the survey questionnaire and vary the survey length or content over time. The new customer experience measures replace the discontinued customer satisfaction measures.
- The 2019-20 Target/Estimate figures are based on initial data captured through the pilot phase of the Customer Experience Survey.
- Average unit cost per transaction is calculated using costs relating to registration and licensing conducted at Customer Service Centres and includes technology, accommodation, staff and general administration costs. With gradually increasing administrative costs, the estimated actual recognises that there were fewer actual face to face transactions and therefore a greater cost per transaction than was anticipated when the 2018-19 Target/Estimate was developed in early 2018.
- The higher 2018-19 Estimated Actual and 2019-20 Target/Estimate are attributed to annual increases in contract costs and a change in the number, composition and handling time of customer enquiries.

Performance Statement

Passenger Transport Services

Service Area Objective

To connect Queensland through the delivery of customer focused passenger transport services.

Description

Activities associated with this service area are undertaken to facilitate passenger mobility across the State and aim to provide a single integrated and safe transport network allowing fair access to everyone. Key transport activities managed through this service area include:

- providing funding for fair access to public transport to deliver economic, social and community benefits for Queenslanders
- connecting with customers and delivery partners to improve service integration, passenger information and ticketing products
- driving customer focused outcomes through network optimisation and next generation service contracts
- supporting public transport patronage increases by maximising our service offering, extending the passenger transport network and delivering innovative ticketing products
- overseeing and funding the School Transport Assistance Scheme.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
3,080,130	2,621,869	445,362	..	12,899

Staffing^{1,2}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
343	369	356 ³

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Decrease relates to a reduction in temporary FTEs provided for projects.

2019-20 service area highlights

The department will build on its achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2019-20 highlights under this service area to include:

- continuation of the design and implementation of an upgraded public transport ticketing system to be implemented across the TransLink network and urban buses in 18 regional centres
- implementation of actions within the Disability Action Plan 2018-2022 to improve the accessibility of the passenger transport network for people with disabilities, such as:
 - continuing the program of work of the Accessible Transport Networks team which reports directly to the department's Director-General
 - continuing to provide funding through dedicated programs to upgrade existing and provide new, accessible passenger transport infrastructure

- providing passenger transport concessions for people with disability, in accordance with the concessions framework
 - continuing the provision of taxi subsidies for National Disability Insurance Scheme (NDIS) eligible participants while interface issues with mainstream services are resolved to ensure an eventual smooth transition to the NDIS
 - providing additional funding for a grant program to ensure the sustainability of Queensland's wheelchair accessible taxi fleet through replacement of aged vehicles and converting some conventional vehicles to wheelchair accessible vehicles
- commencing the \$335.7 million roll-out of accessibility modifications to the 75 Next Generation Rollingstock trains to be delivered locally at Maryborough
- continuing other passenger transport initiatives such as the:
 - Demand Responsive Transport trial in Logan to make it easier for passengers to get around their local area when buses and trains aren't available
 - Local Fare Scheme in Far North Queensland to assist with affordability of air travel in those regional and remote areas
 - implementation of stage three personalised transport reforms
- commencement of the Fare Evasion Project as part of the Queensland Government's commitment to addressing deliberate fare evasion on public transport services in South East Queensland, which is estimated to cost taxpayers approximately \$25 million in lost revenue annually
- continuing to deliver the New Generation Bus Contracts for Regional Queensland.

Passenger Transport Services	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Patronage on Government contracted services (millions):			
SEQ: ^{1,2}	186.36	189.64	193.91
Bus	115.67	117.00	119.80
Rail	53.55	55.11	56.24
Tram	10.20	10.88	11.16
Ferry ³	6.94	6.65	6.71
Rest of Queensland: ⁴	11.90	11.31	13.75
Regional air	0.16	0.16	0.17
Long distance bus	0.06	0.06	0.06
Regional urban bus	11.33	10.74	10.98
TravelTrain	0.35	0.35	0.36
Regional ferry ⁵	New measure	New measure	2.18
Average on-time running performance in peak times - CityTrain	95%	95%	95%
Percentage of scheduled services delivered - CityTrain	99.5	99.5	99.5
<i>Efficiency measure</i>			
Cost per passenger trip to administer state-wide Government contracted passenger transport services ⁶	\$12.07	\$13.19	\$12.92

Notes:

1. The 2018-19 Estimated Actual is expected to be 3.3 million above the 2018-19 Target/Estimate due to a number of factors: above budget population growth with increased economic activity, an increase in the adult user group particularly on rail and increased tertiary student trips supported by strong growth in international tertiary students studying in South East Queensland.
2. The 2019-20 Target/Estimate is expected to be 4.3 million above the 2018-19 Estimated Actual due to a number of factors: population growth, the continued upward trend in use of public transport and the positive impact from calendar changes in the financial year (extra day in February 2020 as it is a leap year and one less public holiday as Anzac Day will fall on a Saturday).
3. The 2018-19 Estimated Actual and 2019-20 Target/Estimate for Ferry patronage is expected to be marginally below the 2018-19 Target/Estimate due to ongoing speed restrictions on Brisbane City Council ferries as part of the Queens Wharf Development.
4. Rest of Queensland total for 2019-20 Target/Estimate now includes regional ferry. The way trips are recorded has changed as a result of the smart ticketing project in regional Queensland, which has had an impact on overall recorded patronage. In addition, significant weather events in regional Queensland have impacted patronage in 2018-19.
5. Results for patronage on Government contracted regional ferry services have been introduced to complement this overall patronage measure.
6. The increase in the 2018-19 Estimated Actual over the 2018-19 Target/Estimate is predominantly attributable to the increase in the Queensland Rail Transport Service Contract not previously included in the 2018-19 Target/Estimate. The 2019-20 Target/Estimate is lower than the 2018-19 Estimated Actuals due to increased forecast patronage in SEQ (4.3 million above 2018-19 Estimated Actual).

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 Transport and Main Roads	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service area: Customer Experience			
Customer satisfaction ratings of public transport by service type (using a 0 - 100 index – 100 being excellent) ¹ :			Discontinued measure
South East Queensland (SEQ):			
Bus	≥ 70	73	
Rail	≥ 70	71	
Ferry	≥ 70	79	
Rest of Queensland			
Regional urban bus	≥ 70	76	

Notes:

1. The department has undertaken a major review of the way in which our passenger transport customers are surveyed. The upgraded survey and methodology leverages contemporary and developing technologies allowing easier response from customers, greater flexibility to add emerging products and services into the survey questionnaire and vary the survey length or content over time. The new customer experience measures replace these discontinued customer satisfaction measures.

Administered items

The Department of Transport and Main Roads administers funds on behalf of the State which include the State-wide driver licensing system, marine licensing system and vehicle and vessel registration systems. The aim of these activities is to manage access to, and use of, the transport network including protection of the network from misuse.

Recent achievements:

- Major administered revenue items for 2018-19 were:
 - vehicle registration (\$1.854 billion)
 - transport and traffic fees (\$445.1 million).

Future developments:

- Major administered revenue items for 2019-20 are:
 - vehicle registration (\$1.914 billion)
 - transport and traffic fees (\$464.3 million).

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 Transport and Main Roads	2018-19 Budget \$'000	2018-19 Est Actual \$'000	2019-20 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	33,582	37,807	(22,757)
Balance of service appropriation	5,097,895	5,236,952	5,391,958
Other revenue	942,945	873,014	1,022,993
Total income	6,074,422	6,147,773	6,392,194
Expenses			
Transport System Investment Planning and Programming	133,447	151,568	152,466
Transport Infrastructure Management and Delivery	2,102,922	2,241,126	2,293,984
Transport Safety and Regulation	268,100	275,448	277,860
Customer Experience	386,504	394,428	384,782
Passenger Transport Services	2,994,733	3,023,040	3,080,130
Total expenses	5,885,706	6,085,610	6,189,222
Operating surplus/deficit	188,716	62,163	202,972
Net assets	68,495,277	63,317,969	65,147,547
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	..	..	..
Other administered revenue	2,640,755	2,656,319	2,764,662
Total revenue	2,640,755	2,656,319	2,764,662
Expenses			
Transfers to government	2,640,755	2,656,319	2,764,662
Administered expenses	..	..	..
Total expenses	2,640,755	2,656,319	2,764,662
Net assets	268,569	262,963	262,963

Department of Transport and Main Roads	2018-19 Budget \$'000	2018-19 Est Actual \$'000	2019-20 Budget \$'000
CAPITAL			
Capital purchases ²			
Total land, buildings and infrastructure	3,151,246	3,636,149	2,728,783
Total plant and equipment	11,354	81,318	131,217
Total other capital	23,223	19,223	17,483
Total capital purchases	3,185,823	3,736,690	2,877,483

Note:

1. Includes State and Commonwealth funding.
2. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

Budgeted financial statements

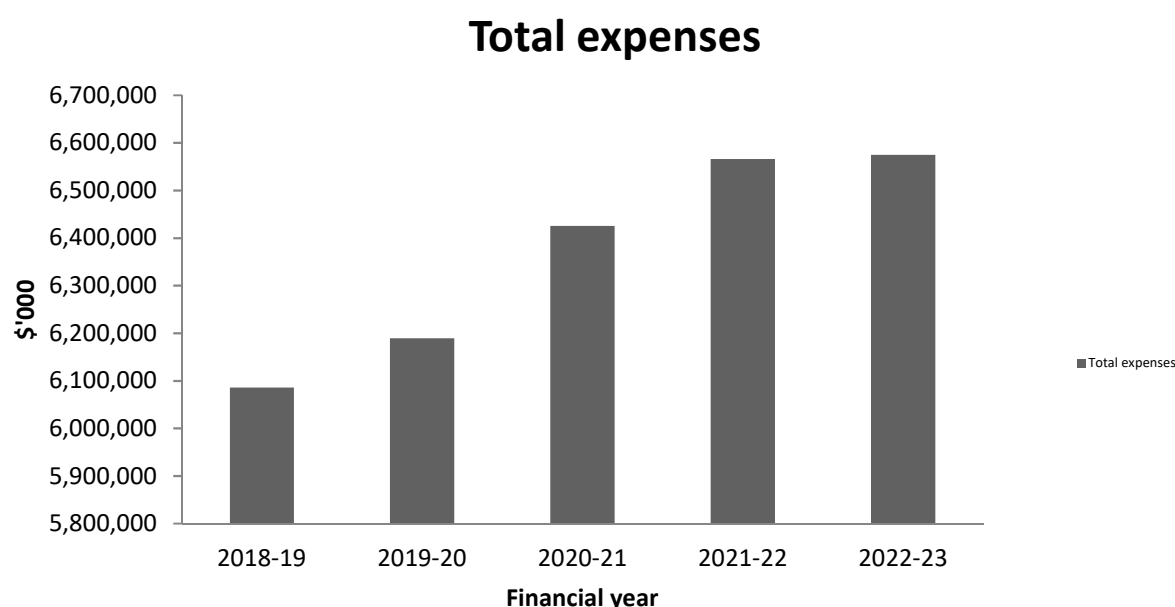
Analysis of budgeted financial statements

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

Departmental income statement

Total expenses are estimated to be \$6.189 billion in 2019-20, an increase of \$103.6 million from the 2018-19 financial year. The increase is mainly due to a budget reduction in 2018-19 due to the earlier than anticipated delivery of some works in 2017-18, increased grant expense for the paving and sealing of Pasha Road, Moranbah, an allowance for an enterprise bargaining increase and additional operational, maintenance and borrowing expenses associated with the continued delivery of the New Generation Rollingstock and the Toowoomba Second Range Crossing under public private partnership (PPP) arrangements. This is partially offset by decreased expenditure for emergency works associated with natural disasters which occurred in 2018-19 and reduced grants and subsidies expenditure associated with the completion of the Bridges Renewal Program and Off Network programs for Cape York Package and Road Projects.

Chart: Total departmental expenses across the Forward Estimates period



In 2020-21, the increase is primarily due to increased expenditure under the transport service contract with Queensland Rail, allowance for an enterprise bargaining increase, increased expenditure for park and ride recoverable works and increased Australian Government grant payments. This is partially offset by finalisation of grant payments for the paving and sealing of Pasha Road, Moranbah.

In 2021-22, the increase is primarily due to increased expenditure under the transport service contract with Queensland Rail, allowance for an enterprise bargaining increase and increased Australian Government grant payments for various transport initiatives. This is partially offset by reduced grant payments for Blackspots, Heavy Vehicle Safety Program, Off Network Road projects and Reid Park Pedestrian Rail Bridge.

In 2022-23, the increase is mainly due to an allowance for an enterprise bargaining increase and bus contract service payments partially offset by reduced grant payments for the Eastern Transitway and the Urban Congestion Fund.

Departmental balance sheet

The value of the department's assets in 2019-20 is estimated to total \$67.444 billion. This is primarily comprised of the value of transport infrastructure (\$60.993 billion) and land (\$4.658 billion). Over the next three years it is expected that the value of infrastructure assets will increase by 17% due to continuing investment in the transport system and that the value of land will increase by 6.6% due to acquisitions for future projects less any land sold that is surplus to requirements.

Total departmental liabilities in 2019-20 are estimated to be \$2.296 billion. This is mainly comprised of payables of \$0.579 billion and finance lease liabilities of \$1.301 billion. Total liabilities are anticipated to decrease over the next three years to \$2.199 billion. Payables are expected to remain at about the same level over the next three years while debt is expected to decrease to \$1.187 billion as debt repayments are made.

Controlled income statement

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue		5,131,477	5,274,759	5,369,201
Taxes		..	..	..
User charges and fees	6	639,578	648,509	684,000
Royalties and land rents		..	..	..
Grants and other contributions	1,7	176,430	84,431	215,647
Interest and distributions from managed funds		1,590	1,590	1,598
Other revenue	2,8	122,847	135,984	119,248
Gains on sale/revaluation of assets		2,500	2,500	2,500
Total income		6,074,422	6,147,773	6,392,194
EXPENSES				
Employee expenses		543,402	544,037	561,565
Supplies and services	9	3,681,607	3,738,024	3,870,284
Grants and subsidies	3,10	465,197	524,710	449,683
Depreciation and amortisation	4	1,031,765	1,144,587	1,144,587
Finance/borrowing costs	5,11	124,297	93,798	121,773
Other expenses		24,316	26,106	26,718
Losses on sale/revaluation of assets		15,122	14,348	14,612
Total expenses		5,885,706	6,085,610	6,189,222
OPERATING SURPLUS/(DEFICIT)		188,716	62,163	202,972

Controlled balance sheet

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	12,23	457,924	273,324	384,359
Receivables	13	124,968	160,101	161,029
Other financial assets		..	..	..
Inventories		3,644	4,316	4,449
Other	14	13,981	24,468	24,495
Non-financial assets held for sale	15	5,000	15,449	15,449
Total current assets		605,517	477,658	589,781
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		601	601	601
Property, plant and equipment	16,24	70,583,918	65,010,355	66,704,568
Intangibles	17	105,100	84,885	83,957
Other	25	1,191	996	64,996
Total non-current assets		70,690,810	65,096,837	66,854,122
TOTAL ASSETS		71,296,327	65,574,495	67,443,903
CURRENT LIABILITIES				
Payables		633,770	574,686	578,829
Accrued employee benefits		21,099	21,598	21,701
Interest bearing liabilities and derivatives	18,26	238,052	143,079	34,049
Provisions	19	187,794	134,080	134,080
Other		83,728	89,470	90,616
Total current liabilities		1,164,443	962,913	859,275
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits	20	5,402	..	..
Interest bearing liabilities and derivatives	21,27	1,553,041	1,123,054	1,266,522
Provisions	19	78,164	154,271	154,271
Other	22	..	16,288	16,288
Total non-current liabilities		1,636,607	1,293,613	1,437,081
TOTAL LIABILITIES		2,801,050	2,256,526	2,296,356
NET ASSETS/(LIABILITIES)		68,495,277	63,317,969	65,147,547
EQUITY				
TOTAL EQUITY	16,24	68,495,277	63,317,969	65,147,547

Controlled cash flow statement

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		5,131,477	5,332,788	5,369,201
User charges and fees		700,973	727,904	745,395
Royalties and land rent receipts	
Grants and other contributions		176,430	80,924	214,380
Interest and distribution from managed funds received		1,590	1,590	1,598
Taxes	
Other		769,346	782,483	765,747
Outflows:				
Employee costs		(543,299)	(543,934)	(561,462)
Supplies and services		(4,323,344)	(4,377,761)	(4,576,021)
Grants and subsidies		(465,197)	(524,710)	(449,683)
Borrowing costs		(124,297)	(91,494)	(121,773)
Other		(87,036)	(88,826)	(89,438)
Net cash provided by or used in operating activities		1,236,643	1,298,964	1,297,944
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		52,000	39,830	28,000
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(2,345,069)	(2,786,695)	(2,698,436)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(2,293,069)	(2,746,865)	(2,670,436)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections		2,335,308	3,067,363	2,773,043
Outflows:				
Borrowing redemptions		(54,576)	(14,022)	..
Finance lease payments		(416,505)	(467,754)	(143,079)
Equity withdrawals		(822,666)	(1,146,087)	(1,146,437)
Net cash provided by or used in financing activities		1,041,561	1,439,500	1,483,527
Net increase/(decrease) in cash held		(14,865)	(8,401)	111,035
Cash at the beginning of financial year		472,789	281,725	273,324
Cash transfers from restructure	
Cash at the end of financial year		457,924	273,324	384,359

Administered income statement

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue		..	..	..
Taxes		..	..	..
User charges and fees	28	2,435,527	2,455,749	2,539,476
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest and distributions from managed funds		50	50	50
Other revenue	29	205,178	200,520	225,136
Gains on sale/revaluation of assets		..	..	..
Total income		2,640,755	2,656,319	2,764,662
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		2,640,755	2,656,319	2,764,662
Total expenses		2,640,755	2,656,319	2,764,662
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	30	56,535	69,509	69,600
Receivables	31	36,876	41,525	41,626
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		93,411	111,034	111,226
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		268,335	262,729	262,729
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		268,335	262,729	262,729
TOTAL ASSETS		361,746	373,763	373,955
CURRENT LIABILITIES				
Payables	32	44,426	50,774	50,782
Transfers to Government payable	30	42,940	54,305	54,425
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		5,811	5,721	5,785
Total current liabilities		93,177	110,800	110,992
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		93,177	110,800	110,992
NET ASSETS/(LIABILITIES)		268,569	262,963	262,963
EQUITY				
TOTAL EQUITY		268,569	262,963	262,963

Administered cash flow statement

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	
User charges and fees		2,437,990	2,458,212	2,541,939
Royalties and land rent receipts	
Grants and other contributions	
Interest and distribution from managed funds received		50	50	50
Taxes	
Other		205,158	200,500	225,116
Outflows:				
Employee costs	
Supplies and services		20	20	20
Grants and subsidies	
Borrowing costs	
Other		(2,492)	(2,492)	(2,492)
Transfers to Government		(2,640,635)	(2,656,199)	(2,764,542)
Net cash provided by or used in operating activities		91	91	91
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		..	89,817	40,000
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals		..	(89,817)	(40,000)
Net cash provided by or used in financing activities	
Net increase/(decrease) in cash held		91	91	91
Cash at the beginning of financial year		56,444	69,418	69,509
Cash transfers from restructure	
Cash at the end of financial year		56,535	69,509	69,600

Explanation of variances in the financial statements

The operating surplus in the Income Statement represents revenues received from developers and other parties towards the cost of capital projects (including Gateway Upgrade North project and Waterford Tamborine Road Upgrade project). It also includes reimbursements from the Queensland Reconstruction Authority (QRA) for Disaster Recovery Funding Arrangements (DRFA) capital works.

Income statement

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

1. Decrease reflects lower than anticipated reimbursement from QRA due to timing in the claim process for the cost of restoration works associated with Severe Tropical Cyclone Debbie.
2. Increase primarily reflects increased dividend from RoadTek due to an increased program of works.
3. Increase mainly reflects higher than anticipated expenditure on local government roads as part of cost of delivering transport capital projects.
4. Increase is due to a reassessment of the remaining useful life of transport infrastructure assets to better reflect the optimal replacement timeframe for those assets.
5. Decrease primarily reflects the transfer of Queensland Treasury Corporation (QTC) loans from the department to Queensland Treasury and reduced finance lease payments associated with the Toowoomba Second Range Crossing project.

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

6. Increase reflects the effect of indexation applied to public transport fare revenue and toll revenue from the operation of the Toowoomba Second Range Crossing.
7. Increase reflects increased reimbursement from QRA for expenditure incurred for Disaster Recovery Funding Arrangements (DRFA) works related to 2017-18 and 2018-19 natural disaster events partially offset by reduced contribution for the Gateway Upgrade North project which will not recur in 2019-20.
8. Decrease primarily reflects an estimated reduction in RoadTek dividend in 2019-20 due to a lower volume of work undertaken and decreased revenue received from developers' contributions.
9. Increase primarily reflects an increase in the operating component of project expenditure that had previously been recognised as capital expenditure and additional expenditure for operations and maintenance payments for New Generation Rollingstock units and Toowoomba Second Range Crossing project partially offset by reduced expenditure as a result of completion of repairs to the road network from natural disasters in previous years.
10. Decrease is mainly due to decreased grant payments for works undertaken on local government roads as part of various programs such as the Bridges Renewal Program and the Cape York Region Package Program and a reduction in project expenditure on local government roads as part of the cost of delivering transport capital projects.
11. Increase primarily reflects the finance lease interest cost for New Generation Rollingstock and Toowoomba Second Range Crossing project.

Balance sheet

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

12. Decrease primarily reflects the timing of future planned transport operations and maintenance expenditure, the timing of the delivery of prior year capital works expenditure and increased expenditure associated with restoration of the road network following recent natural disaster damage.
13. Increase is mainly due to a change in timing of the recovery of user charges for the cost associated with transport services.
14. Increase is predominately due to the recognition of a prepayment made for the accessibility modifications for New Generation Rollingstock train sets.
15. Increase is primarily due to higher than anticipated number of properties that are surplus to requirements that are to be sold.
16. Decrease primarily reflects a devaluation of infrastructure and land assets that occurred in 2017-18 which was not known at the time of budget preparation.

17. Decrease reflects a lower than anticipated value of computer software acquired.
18. Decrease primarily reflects the transfer of QTC loans from the department to Queensland Treasury and the reduction in payments in the next 12 months due to higher than anticipated delivery of New Generation Rollingstock train sets in 2018-19.
19. Decrease reflects a reclassification of the value of land resumptions between current and non-current provisions.
20. Decrease reflects a change in the Civil Construction, Operation and Maintenance General Award - State 2016. The department is no longer required to recognise a provision for resignation benefits for employees employed under this award.
21. Decrease primarily reflects the transfer of QTC loans from the department to Queensland Treasury and partially offset by an increase in finance lease liability due to earlier than anticipated delivery of New Generation Rollingstock train sets in 2018-19.
22. Increase reflects a recognition of a lease incentive received in 2017-18 from Queensland Investment Corporation for the fit out of 61 Mary Street, Brisbane.

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

23. Increase primarily reflects the timing of reimbursement from QRA for expenditure associated with restoration of the road network following recent natural disaster damage.
24. Increase reflects the continued investment in transport infrastructure.
25. Increase reflects a prepayment for accessibility upgrades for New Generation Rollingstock train sets.
26. Decrease primarily reflects a reduction in finance lease payments in 2019-20 due to higher than anticipated delivery of New Generation Rollingstock train sets in 2018-19.
27. Increase primarily reflects an increase in the finance lease liability for New Generation Rollingstock project due to the continued delivery of the train sets.

Administered income statement

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

28. Increase reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
29. Increase is mainly due to additional speed camera trailers, red light speed camera locations, upgrades of red light cameras to red light speed cameras and additional point to point cameras.

Administered balance sheet

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

30. Increase reflects the timing of the registration, licensing and traffic fine revenue collected which is yet to be remitted to the Consolidated Fund.
31. Increase reflects a higher than anticipated volume of unpaid infringements at the end of the year.
32. Increase reflects the timing of the Compulsory Third Party insurance premiums collected which are yet to be remitted to the insurers.

Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of Transport and Main Roads (excluding Administered)
- RoadTek.

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 Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue		5,131,477	5,274,759	5,369,201
Taxes	
User charges and fees		697,116	688,198	720,599
Royalties and land rents	
Grants and other contributions		176,430	84,431	215,647
Interest and distributions from managed funds	
Other revenue		107,856	112,473	103,940
Gains on sale/revaluation of assets		3,221	3,498	3,455
Total income		6,116,100	6,163,359	6,412,842
EXPENSES				
Employee expenses		673,325	673,858	702,279
Supplies and services		3,576,011	3,610,672	3,734,734
Grants and subsidies		465,197	524,710	449,683
Depreciation and amortisation		1,044,144	1,153,953	1,154,210
Finance/borrowing costs		122,431	92,117	120,090
Other expenses		25,064	27,834	28,506
Losses on sale/revaluation of assets		15,517	14,693	14,987
Total expenses		5,921,689	6,097,837	6,204,489
Income tax expense/revenue		5,884	7,894	6,035
OPERATING SURPLUS/(DEFICIT)		188,527	57,628	202,318

Reporting entity balance sheet

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets		546,334	363,700	467,440
Receivables		89,014	152,180	150,220
Other financial assets	
Inventories		2,544	13,106	13,740
Other		14,523	25,135	25,162
Non-financial assets held for sale		5,000	15,449	15,449
Total current assets		657,415	569,570	672,011
NON-CURRENT ASSETS				
Receivables	
Other financial assets		601	601	601
Property, plant and equipment		70,630,930	65,056,796	66,760,486
Deferred tax assets		6,168	6,908	6,523
Intangibles		105,100	84,885	83,957
Other		1,191	996	64,996
Total non-current assets		70,743,990	65,150,186	66,916,563
TOTAL ASSETS		71,401,405	65,719,756	67,588,574
CURRENT LIABILITIES				
Payables		559,318	542,976	547,788
Current tax liabilities		3,302	775	170
Accrued employee benefits		23,643	24,735	24,838
Interest bearing liabilities and derivatives		238,052	143,079	34,049
Provisions		187,794	134,080	134,080
Other		83,728	89,470	90,616
Total current liabilities		1,095,837	935,115	831,541
NON-CURRENT LIABILITIES				
Payables	
Deferred tax liabilities	
Accrued employee benefits		5,402	..	..
Interest bearing liabilities and derivatives		1,553,041	1,123,054	1,266,522
Provisions		78,164	154,271	154,271
Other		..	16,288	16,288
Total non-current liabilities		1,636,607	1,293,613	1,437,081
TOTAL LIABILITIES		2,732,444	2,228,728	2,268,622
NET ASSETS/(LIABILITIES)		68,668,961	63,491,028	65,319,952
EQUITY				
TOTAL EQUITY		68,668,961	63,491,028	65,319,952

Reporting entity cash flow statement

Department of Transport and Main Roads	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		5,131,477	5,332,788	5,369,201
User charges and fees		762,059	779,141	789,448
Royalties and land rent receipts	
Grants and other contributions		176,430	80,924	214,380
Interest and distribution from managed funds received	
Taxes	
Other		784,355	788,972	780,439
Outflows:				
Employee costs		(673,222)	(673,755)	(702,176)
Supplies and services		(4,252,291)	(4,292,632)	(4,474,829)
Grants and subsidies		(465,197)	(524,710)	(449,683)
Borrowing costs		(122,431)	(89,813)	(120,090)
Taxation equivalents paid		(6,111)	(6,481)	(6,255)
Other		(87,784)	(90,554)	(91,226)
Net cash provided by or used in operating activities		1,247,285	1,303,880	1,309,209
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		53,276	39,433	28,530
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(2,360,159)	(2,798,105)	(2,717,526)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(2,306,883)	(2,758,672)	(2,688,996)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections		2,335,308	3,067,363	2,773,043
Outflows:				
Borrowing redemptions		(54,576)	(14,022)	..
Finance lease payments		(416,505)	(467,754)	(143,079)
Equity withdrawals		(822,666)	(1,146,087)	(1,146,437)
Dividends paid	
Net cash provided by or used in financing activities		1,041,561	1,439,500	1,483,527
Net increase/(decrease) in cash held		(18,037)	(15,292)	103,740
Cash at the beginning of financial year		564,371	378,992	363,700
Cash transfers from restructure	
Cash at the end of financial year		546,334	363,700	467,440

Statutory body

Gold Coast Waterways Authority

Overview

The Gold Coast Waterways Authority's (the Authority) vision is to sustain, enhance, promote and manage the waterways to showcase this wonderful asset to our community and visitors. The Authority achieves this by delivering on the objectives as stated in its 2017-21 Strategic Plan (revised for 2019-20):

- promote the safe, sustainable and efficient use and enjoyment of the Gold Coast waterways
- improve access to Gold Coast waterways through investments that balance diversity of use with consideration to the protection of environmental values
- provide localised decision-making through the Board and CEO, which is guided by community engagement
- take an innovative approach to the long-term sustainable management of Gold Coast waterways to ensure resilience.

The Authority recognises the social, economic and environmental values of the Gold Coast waterways and, through delivering its' strategic objectives, contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*:

- Create jobs in a strong economy by delivering new infrastructure and investment through the implementation of our Waterways Management Program
- Keep Queenslanders healthy by protecting the waterways through innovation and planning to build knowledge and resilience of the system over the long term
- Keep communities safe by implementing integrated and reliable transport networks that improve and maintain safe navigational access, and providing safe and accessible public marine facilities
- Be a responsive government by delivering quality services and being an initial point of contact on matters affecting Gold Coast waterways users.

Service summary

In 2019-20, the Authority will manage the delivery of significant work programs to achieve its objectives including:

- keeping navigation channels accessible through dredging programs in the South and South Wavebreak Island channels, the Main Channel, and the West Crab Island Channel and ensuring navigational access is maintained through the Gold Coast Seaway by the efficient operation of the Sand Bypass System, upgrade of electrical switch equipment and the completion of the Sand Bypass Jetty Deck upgrade
- managing a network of beacons, buoys and marine signs to enhance safe navigation of Gold Coast waterways and protecting the marine environment through a first-strike capability to vessel-sourced oil pollution discharges
- undertaking research projects to enhance the resilience of the Gold Coast waterways and implementing an innovation plan that guides the Authority's operations and assists in delivering waterways solutions
- delivering better management of water traffic through targeted anchoring compliance programs, considered decisions for aquatic event and buoy mooring authorities and implementation of evidence-based problem solving for waterways issues
- promoting the waterways through participation in events and engaging with the community and key stakeholders.

During 2018-19, an independent review of the Authority's previous three years of operation was undertaken to consider the way the Authority has performed its functions and whether the functions of the Authority remain appropriate for giving effect to the purposes of the *Gold Coast Waterways Authority Act 2012*. Recommendations of the review will be considered and implemented, as appropriate, during 2019-20.

Service performance

Management of and access to the Gold Coast waterways

Service Area Objective

To provide better management of, and access to, the Gold Coast waterways.

Description

The Authority will deliver services to support the safe, sustainable and efficient use and enjoyment of the Gold Coast waterways, including dredging of channels, improving and maintaining navigational access and public marine facilities, management of development and planning approvals, authorisation of aquatic events, and promoting the value of the waterways to Gold Coast residents, visitors and businesses.

Staffing¹

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
30	30	32

Note:

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

Management of and access to the Gold Coast waterways	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Percentage of customer enquiries relating to the better management of and access to the waterways are responded to within customer service standards ¹	85	92	90
Percentage of community's overall satisfaction with Gold Coast Waterways Authority's implementation of the 10-year Waterways Management Strategy ²	80	75	80
<i>Efficiency measures</i>			
Cost per cubic metre of operating the Gold Coast Sand Bypass System ³	\$1.75	\$1.81	\$1.75
Average annual cost to manage and maintain each navigation aid in the Gold Coast waterways	\$342	\$343	\$342

Notes:

1. Customer service standards are published on the Authority's website and displayed at our public counter. They outline the quality, timeliness and level of support provided by the Authority. The Authority considers this to be a measure of effectiveness as it enables the Authority to monitor its responsiveness to customers. Feedback from stakeholders is used to effectively plan and deliver better management of and access to the waterways.
2. Since the Authority's establishment in 2012, this effectiveness measure has been based on stakeholder satisfaction feedback which is collected every second month via 'Meet the Board' community consultation sessions, boat show surveys, Facebook and includes measures on quality, staff, outcomes and overall satisfaction. A biennial client satisfaction survey was conducted in the late part of 2018-19 (results are being assessed) in accordance with the Better Practice Guideline for Measuring Customer Experience, published by the Department of the Premier and Cabinet, and included questions on timeliness, quality, access, staff, outcomes and overall satisfaction.
3. This service standard includes all costs to operate the Gold Coast Sand Bypass System, including salaries, maintenance, electricity and any other ancillary costs and is based on an annual average littoral drift of 500,000 m³ of sand per year.

Income statement

Gold Coast Waterways Authority	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees		13,064	12,907	12,995
Grants and other contributions		..	..	..
Interest and distributions from managed funds		89	89	89
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		13,153	12,996	13,084
EXPENSES				
Employee expenses		3,387	3,463	3,578
Supplies and services	1,3	4,650	4,309	4,064
Grants and subsidies		..	..	..
Depreciation and amortisation	4	3,985	3,985	4,288
Finance/borrowing costs		..	..	..
Other expenses	2,5	1,131	1,239	1,154
Losses on sale/revaluation of assets		..	..	..
Total expenses		13,153	12,996	13,084
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance sheet

Gold Coast Waterways Authority	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	6	4,029	4,854	4,607
Receivables		235	248	248
Other financial assets		..	..	..
Inventories		139	154	154
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		4,403	5,256	5,009
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	7,11	204,749	211,841	213,996
Intangibles	8	500	851	793
Other		..	..	..
Total non-current assets		205,249	212,692	214,789
TOTAL ASSETS		209,652	217,948	219,798
CURRENT LIABILITIES				
Payables		1,212	1,263	1,263
Accrued employee benefits		434	444	444
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	9	45	21	21
Total current liabilities		1,691	1,728	1,728
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		1,691	1,728	1,728
NET ASSETS/(LIABILITIES)		207,961	216,220	218,070
EQUITY				
TOTAL EQUITY	10,12	207,961	216,220	218,070

Cash flow statement

Gold Coast Waterways 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		13,064	12,907	12,995
Grants and other contributions	
Interest and distribution from managed funds received		89	89	89
Taxes	
Other	
Outflows:				
Employee costs		(3,387)	(3,463)	(3,578)
Supplies and services		(4,650)	(4,309)	(4,064)
Grants and subsidies	
Borrowing costs	
Other		(1,131)	(1,239)	(1,154)
Net cash provided by or used in operating activities		3,985	3,985	4,288
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(7,990)	(8,226)	(6,385)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(7,990)	(8,226)	(6,385)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections		1,500	5,485	5,910
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals		..	(3,985)	(4,060)
Net cash provided by or used in financing activities		1,500	1,500	1,850
Net increase/(decrease) in cash held		(2,505)	(2,741)	(247)
Cash at the beginning of financial year		6,534	7,595	4,854
Cash transfers from restructure	
Cash at the end of financial year		4,029	4,854	4,607

Explanation of variances in the financial statements

Income statement

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

1. Decrease in other supplies and services is primarily due to energy efficiency measures associated with operating the Gold Coast Seaway Sand Bypass System and decrease in payments made to contractors.
2. Increase in other expenses is primarily aligned to environmental offset payments associated with the delivery of the Authority's maintenance dredging program.

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

3. Decrease in supplies and services is primarily due to continued energy efficiencies following implementation of a small-scale green energy system at the Gold Coast Seaway Sand Bypass System and reduced projected payments to employment agency contractors and other contractors.
4. Increase in depreciation reflects the increased value of assets as a result of prior year investments associated with the delivery of the Gold Coast Waterways Management Program.
5. Decrease in other expenses is aligned to a projected reduction in environmental offset payments associated with the delivery of the Authority's maintenance dredging program.

Balance sheet

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

6. Increase in cash assets is a result of capital program carryover funding.
7. Increase is primarily attributed to an asset revaluation surplus following prior year asset valuations undertaken by a registered valuer.
8. Increase is associated with the development of an internally generated intangible asset being the Tidal Works (Development Applications) Information System.
9. Decrease in other current liabilities is related to lower than projected security deposits for contracts being held.
10. Increase is primarily attributed to an increase in balance of cash and an asset revaluation surplus following prior year asset valuations undertaken by a registered valuer.

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

11. Increase is primarily attributed to an asset revaluation surplus following prior year asset valuations undertaken by a registered valuer and projected capital investments in financial year 2019-20.
12. Increase is primarily attributed to a capital equity injection associated with the Gold Coast Seaway Sand Bypass jetty upgrade works.

Commercialised business unit

RoadTek

Overview

As a commercial Government business within the Department of Transport and Main Roads (the department), RoadTek continues to provide transport infrastructure solutions, including construction and maintenance services, to enable the department to deliver on Government priorities and community outcomes. RoadTek continues to work towards its vision of being a valued partner delivering transport solutions for Queensland and continues to assess its performance through partner surveys conducted twice a year, with the results and areas for improvement feeding into the business planning process.

RoadTek's value to the department, Government and the community is demonstrated by:

- specialising in the delivery of technically difficult and hard-to-scope projects for the State and local governments
- providing on-the-ground support to communities in times of need (emergency response and disruptive events)
- delivering a range of services including: civil, structural, Intelligent Transport Systems (ITS), electrical engineering and line-marking, supported by an internal construction fleet, strong project management and procurement practices
- providing services to most regional and remote locations, allowing our people to develop ongoing relationships with our customers, the community and local businesses (who also contribute to the delivery works as part of the supply chain)
- providing opportunities to develop technical, construction, ITS related and engineering skills within the department (our teams benefit from real 'hands on' experience in transport infrastructure construction and maintenance through rotation programs across the department)
- developing inclusive leaders and ensuring every employee in our team is well equipped with core skills
- partnering with regional and Indigenous communities to enhance training, development and creating job opportunities.

Key factors impacting RoadTek's performance include, meeting the program delivery requirements, having a highly skilled workforce on hand to meet tomorrow's expectations and leveraging emerging technologies at the right time.

The priority areas shaping RoadTek's direction in 2019-20, include:

- deliver quality outcomes for all - every time
- focus on what matters, to our people, partners and stakeholders
- enable our people to do their best - in their jobs today and tomorrow.

Service summary

RoadTek continues to focus on delivering quality transport infrastructure solutions that benefit the community. Major deliverables and initiatives for RoadTek for 2019-20 include:

- continued delivery of transport infrastructure projects such as the South East Queensland Road Maintenance Contract, the successful delivery of short term priority packages and state-wide initiatives and programs, including delivering works aligned to RoadTek's niche product lines to local governments
- working with regional councils and in remote communities to upskill local crews, create jobs and connect communities, for example, working with the Maranoa Regional Council, and supporting delivery of the Cape York Regional Program in Far North Queensland
- continuing to implement a number of mobile technology solutions to enable in the field data collection in real time to aid in the assessment and monitoring of the performance of the transport system
- progressing workforce capability development programs including diversity and indigenous initiatives with targeted training across our core capabilities.

Service performance

Transport Infrastructure Construction and Maintenance

Service Area Objective

RoadTek provides transport infrastructure solutions, including construction and maintenance services to enable the department to deliver on Queensland Government priorities and outcomes for the community.

Description

As a commercialised business unit within the department, RoadTek is instrumental in the delivery of numerous projects on the State's extensive road and bridge network. This includes emergency response and related activities as well as the delivery of projects that restore infrastructure and services after natural disasters.

Staffing¹

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
1,219	1,225	1,267 ²

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Increase is due to the transfer of FTEs from Transport Infrastructure Management and Delivery to deliver services under the SEQ responsive maintenance contract.

Transport Infrastructure Construction and Maintenance	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Lost Time Injury Frequency Rate ^{1,2}	<10	20	<10
Customers' and stakeholders' value of RoadTek (on a scale of 1 to 5) ³	>4	4.5	>4
<i>Efficiency measures</i>			
Long term debt / equity ⁴	10.9%	11.0%	11.0%
Long term debt / total assets ⁵	7.8%	7.4%	7.3%
Return on equity ⁶	7.9%	10.6%	8.2%
Return on revenue (after tax) ⁷	2.5%	3.1%	2.5%
Profit margin (earnings before income tax / user charges) ⁸	3.5%	4.4%	3.6%

Notes:

1. The Lost Time Injury Frequency Rate (LTIFR) is an industry standard measure and is defined by AS 1885.1–1990 as the number of lost time injuries multiplied by one million and divided by the number of person-hours actually worked. The standard defines a Lost Time Injury as an occurrence that results in a fatality, permanent disability or time lost from work of one day/shift or more. This measure is used to compare industry performance and to support the assessment of a company's safety performance as part of tendering and prequalification processes.
2. The LTIFR 2018-19 Estimated Actual figure is above target due to an increased number of lost time injuries occurring in the earlier part of the financial year. All RoadTek incidents are reviewed and damage assessments are completed. Investigations are undertaken based on the risk and consequence of the incident, regardless of the potential awarded through the LTIFR scale. Branch-wide improvements are rolled out to address emerging hazards and risks.
3. This measure is based on customer surveys completed at the end of projects and or annual contracts with RoadTek's customers (both internal and external to government). The survey facilitates feedback in relation to levels of overall satisfaction with RoadTek's delivery performance, across the four elements of the Balanced Scorecard methodology.
4. Long term debt remains stable against a slightly reduced equity position.
5. Long term debt remains stable against an improved asset position due to increased capital fleet program.

6. A slightly larger than budgeted after-tax profit figure against a slightly reduced equity position indicates an improved result for 2018-19.
7. The 2018-19 Estimated Actual figure is a result of an increased program. The 2019-20 Target/Estimate is in line with industry margins and a known program of work.
8. The 2019-20 Target/Estimate is reduced due to a reduction in the expected program of work.

Income statement

RoadTek	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
User charges and fees	1,5	551,845	588,787	562,794
Grants and other contributions		..	..	..
Interest and distributions from managed funds		1,866	1,681	1,683
Other revenue		1,305	992	1,020
Gains on sale/revaluation of assets		721	998	955
Total income		555,737	592,458	566,452
EXPENSES				
Employee expenses	6	129,923	129,821	140,714
Supplies and services	2,7	388,711	421,746	390,645
Grants and subsidies		..	..	..
Depreciation and amortisation	3	12,379	9,366	9,623
Finance/borrowing costs		1,590	1,590	1,598
Other expenses		3,123	3,275	3,379
Losses on sale/revaluation of assets		395	345	375
Total expenses		536,121	566,143	546,334
Income tax expense/revenue	4,8	5,884	7,894	6,035
OPERATING SURPLUS/(DEFICIT)		13,732	18,421	14,083

Balance sheet

RoadTek	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	9,13	88,410	90,376	83,081
Receivables	14	61,949	62,425	59,627
Other financial assets		..	..	..
Inventories	10	40,091	49,378	49,879
Other		542	667	667
Non-financial assets held for sale		..	..	..
Total current assets		190,992	202,846	193,254
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15	47,012	46,441	55,918
Deferred tax assets		6,168	6,908	6,523
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		53,180	53,349	62,441
TOTAL ASSETS		244,172	256,195	255,695
CURRENT LIABILITIES				
Payables	11	45,642	60,224	60,983
Current tax liabilities	12	3,302	775	170
Accrued employee benefits		2,544	3,137	3,137
Interest bearing liabilities and derivatives		19,000	19,000	19,000
Provisions		..	..	..
Other		..	..	..
Total current liabilities		70,488	83,136	83,290
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		70,488	83,136	83,290
NET ASSETS/(LIABILITIES)		173,684	173,059	172,405
EQUITY				
TOTAL EQUITY		173,684	173,059	172,405

Cash flow statement

RoadTek	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		555,303	600,245	570,158
Grants and other contributions	
Interest and distribution from managed funds received		1,866	1,681	1,683
Other		31,305	30,992	31,020
Outflows:				
Employee costs		(129,923)	(129,821)	(140,714)
Supplies and services		(423,254)	(463,969)	(425,003)
Grants and subsidies	
Borrowing costs		(1,590)	(1,590)	(1,598)
Taxation equivalents paid		(6,111)	(6,481)	(6,255)
Other		(3,123)	(3,275)	(3,379)
Net cash provided by or used in operating activities		24,473	27,782	25,912
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		1,276	(397)	530
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(15,000)	(11,320)	(19,000)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(13,724)	(11,717)	(18,470)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals	
Dividends paid		(13,921)	(22,956)	(14,737)
Net cash provided by or used in financing activities		(13,921)	(22,956)	(14,737)
Net increase/(decrease) in cash held		(3,172)	(6,891)	(7,295)
Cash at the beginning of financial year		91,582	97,267	90,376
Cash transfers from restructure	
Cash at the end of financial year		88,410	90,376	83,081

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 due to additional works associated with major repairs from Severe Tropical Cyclone (STC) Debbie (Mackay) and the emergent recovery work following STC Oma (North Queensland).
2. The increase in supplies and services is due to the additional work undertaken due to STC Debbie (Mackay) repairs and emergent works following STC Oma (North Queensland).
3. The decrease in depreciation and amortisation is due to a reduction in the acquisition of construction plant and equipment due to longer than usual delivery times.
4. The increase in income tax expense is due to an increased surplus from an increased program of work.

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

5. The decrease in user charges and fees is due to a reduction in the expected program of work.
6. The increase in employee expenses is due to the South East Queensland responsive maintenance contract, apprentices and trainees, women in construction and indigenous programs.
7. The decrease in supplies and services is due to reduced requirement for contractors.
8. The decrease in income tax expense/revenue is due to achieving an expected budget target.

Balance sheet

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

9. The increase in cash assets is due to reduced expenditure on construction plant and equipment.
10. The increase in inventories is due to increased number of smaller projects spread over a number of areas increasing inventory and work in progress totals.
11. The increase in payables is due to the increased works activity for this financial year.
12. The decrease in current tax liabilities is due to variability of the instalment rate for income tax equivalent payments.

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

13. The decrease in cash assets is due to increased expenditure on construction plant and equipment.
14. The decrease in receivables is due to a slightly reduced program of works in the forward year.
15. The increase in property plant and equipment is due to increased expenditure on construction plant and equipment.

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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