

SERVICE DELIVERY STATEMENTS

Department of Employment, Small Business
and Training

2022–23 Queensland Budget Papers

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The budget papers are available online at budget.qld.gov.au

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Service Delivery Statements

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Department of Employment, Small Business and Training

Portfolio overview

**Minister for Employment and Small Business and
Minister for Training and Skills Development**
The Honourable Dianne Farmer MP

Department of Employment, Small Business and Training
Director-General: Warwick Agnew

The Minister for Employment and Small Business and Minister for Training and Skills Development is also responsible for:

TAFE Queensland
Chief Executive Officer: Mary Campbell

Additional information about these agencies can be sourced from:

www.desbt.qld.gov.au

www.tafeqld.edu.au

Department of Employment, Small Business and Training

Overview

The Department of Employment, Small Business and Training's (the department) vision is skilled Queenslanders and vibrant small businesses growing Queensland's economy.

The department's purpose is to support Queensland's future workforce by connecting all Queenslanders to learning opportunities through quality training, employment opportunities and by helping small businesses to start, grow and thrive.

The department supports the government's objectives for the community:

- More Jobs in More Industries: Good, secure jobs in our traditional and emerging industries
- Protecting Our Queensland Lifestyle: Protect and enhance our Queensland lifestyle as we grow
- Better Services: Delivering even better services right across Queensland.

The service areas within the department contribute to the following department objectives:

| Department's service areas | Department's objectives |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Connecting and supporting Queenslanders with employment programs and services To increase employment opportunities for Queenslanders, in particular disadvantaged cohorts. | Preparing Queensland's workforce for the demands of current and future industries. |
| Connecting Queensland small businesses to grants and support programs To ensure small businesses can seamlessly interact with government and are supported to start, grow and thrive. | Helping small businesses to start, grow and thrive. |
| Connecting Queenslanders to training and skills programs and initiatives To regulate Queensland apprenticeships and traineeships, and facilitate access to and participation in vocational education and training pathways, enabling Queenslanders to gain employment in current and future industries. | Connecting people to quality training and skills. |

Department highlights

In 2022–23, the department will:

- deliver a Queensland Workforce Strategy to position Queensland's workforce as a key enabler of the state's prosperity, by helping to build the workforce that the state needs now and in the future
- continue to strengthen capability of small businesses through the Big Plans for Small Business grants programs and other small business services to support small businesses at various stages, from new and emerging to fast growing
- continue to implement the Queensland Social Enterprise Strategy and Social Enterprise Jobs Fund
- continue to contribute to Queensland's economic recovery by funding quality skills pathways and opportunities, including Free TAFE and apprenticeships for Queenslanders under 25 in priority skills areas
- implement the vocational education and training (VET) Emerging Industries \$15 million investment in skills development, including for the agribusiness, energy, manufacturing, and the screen and digital sectors
- deliver investment in infrastructure through the Equipping TAFE for Our Future program to meet significant growth in training demand and ensuring that our training facilities are equipped to provide these emerging skills

- develop a First Nations Training Strategy to support Aboriginal and Torres Strait Islander communities to develop skills relevant to local needs and be able to compete for jobs in the future economy
- continue the Skilling Queenslanders for Work initiative to assist up to 15,000 disadvantaged Queenslanders each year through a suite of targeted skills and training programs
- deliver targeted employment programs to assist employers and disadvantaged job seekers as well as supporting innovative solutions to industry-specific employment challenges through the revitalised Back to Work program.

Budget highlights

In the 2022–23 Queensland Budget, the government is providing:

- increased funding of \$10.1 million over 4 years and \$3.2 million per annum ongoing to establish a permanent Queensland Small Business Commissioner's office. The Queensland Small Business Commissioner provides information and advocacy support to small businesses and assist in resolving commercial tenancy disputes
- increased funding of \$39.1 million over 4 years and \$12.6 million per annum ongoing to continue to provide small business grants and the mentoring for growth program. These programs will support digital capability and upgrades, strategic business and marketing advice, staff management and future business development and planning
- additional funding of \$100.6 million over 2 years to support the delivery of vocational education and training (VET) services by Queensland's public training providers
- additional funding of \$3.3 million over 4 years to support the implementation of several key initiatives included in the Queensland Resources Industry Development Plan (QRIDP). This includes the Queensland Future Skills for All program (to assist industry, businesses and individuals seeking to enter, upskill and reskill in autonomous technologies fields) and to develop pathways into higher education courses for those interested in pursuing a career in automation

Further information about new policy decisions can be found in *Budget Paper No. 4: Budget Measures*.

Performance statement

Connecting and supporting Queenslanders with employment programs and services¹

Objective

To increase employment opportunities for Queenslanders, in particular disadvantaged cohorts.

Description

This area undertakes policy and strategic engagement activities, as well as the delivery of key government employment programs.

| Service standards | 2021–22 Target/Est. | 2021–22 Est. Actual | 2022–23 Target/Est. |
|----------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Effectiveness measure | | | |
| Overall customer satisfaction with employment programs | 90% | 93.3% | 90% |
| Efficiency measure | | | |
| Administrative cost per \$1,000 of employment program support ² | \$103.80 | \$49.29 | \$103.80 |

Notes:

1. The Service Area name has been amended, from 'Employment' to 'Connecting and supporting Queenslanders with employment programs and services' to improve clarity and meaning for the general reader.
2. The variance between the 2021–22 Target/Estimate and 2021–22 Estimated Actual is due to delivery of 2 iterations of the Back to Work program in one year.

Connecting Queensland small businesses to grants and support programs¹

Objective

To ensure small businesses can seamlessly interact with government and are supported to start, grow, and thrive.

Description

This service area focuses on products and services that are delivered to small businesses to better enable them to grow and make it easier to interact with government. This is delivered through connecting small businesses to resources and initiatives which help them comply with regulation, to compete by increasing capabilities and innovation and to capitalise on opportunities.

| Service standards | 2021–22 Target/Est. | 2021–22 Est. Actual | 2022–23 Target/Est. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Effectiveness measures | | | |
| Percentage of new or existing businesses reporting increased capability, (including digital), as a direct result of participation in small business grant programs | 98% | 99.1% | 98% |
| Percentage of businesses assisted by small business programs that report a projected increase in either employment, turnover or profitability | 98% | 95.9% | 98% |
| Average score out of 5 by customers for how easy it is to use the Business Queensland website | 3.5 | 3.2 | 3.5 |
| Efficiency measure | | | |
| Administrative cost per \$1,000 for program support ² | \$130.60 | \$27.02 | \$130.60 |

Notes:

1. The Service Area name has been amended, from 'Small Business' to 'Connecting Queensland small businesses to grants and support program' to improve clarity and meaning for the general reader.
2. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is due to an increase in the amount of grants issued, and includes the 2021 COVID-19 Business Support Grants.

Connecting Queenslanders to training and skills programs and initiatives¹

Objective

To regulate Queensland apprenticeships and traineeships, and facilitate access to and participation in vocational education and training pathways, enabling Queenslanders to gain employment in current and future industries.

Description

Improving the skills profile of Queensland through delivery of diverse and inclusive vocational education and training programs that deliver on industry skills demands of today and the future and support publicly funded training providers to deliver high quality training.

| Service standards | 2021–22 Target/Est. | 2021–22 Est. Actual | 2022–23 Target/Est. |
|-------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Effectiveness measures | | | |
| Proportion of all attempted competencies successfully completed | 93% | 90.4% | 93% |
| Proportion of Queenslanders with higher qualifications | 62% | 64.9% | 65% |
| Proportion of vocational and education training (VET) graduates in employment or further study ² | 87% | 79.1% | 87% |
| Number of completions: | | | |
| • Apprenticeships ³ | 11,500 | 10,300 | 11,500 |
| • Traineeships ⁴ | 13,500 | 12,000 | 13,500 |
| • school-based apprenticeships and traineeships (SATs) ⁵ | 5,000 | 4,300 | 5,000 |
| Proportion of graduates satisfied with the overall quality of their training | 89% | 88.5% | 89% |
| Proportion of employers satisfied with graduates of: | | | |
| • national accredited training ⁶ | 85% | 80.6% | 85% |
| • apprenticeships and traineeships ⁷ | 83% | 73.9% | 83% |
| Efficiency measure | | | |
| Average cost per competency successfully completed ⁸ | \$595 | \$730 | \$595 |

Notes:

1. The Service Area name has been amended, from 'Training and Skills' to 'Connecting Queenslanders to training and skills programs and initiatives' to improve clarity and meaning for the general reader.
2. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual reflects the significant effects of COVID-19 on respondents' employment levels. The 2021–22 Estimated Actual for this measure is based on survey results from 2020 graduates surveyed in mid-2021.
3. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is consistent with national results affected by COVID-19 global economic conditions impacting employers and their ability to retain apprentices and provide work.
4. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is consistent with national results with uptake and retention of new traineeships impacted by COVID-19.
5. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is directly related to changeable labour market conditions due to the impact of COVID-19. This has resulted in a softening of the school-based apprenticeship and traineeship market.
6. The variance between the 2021–21 Target/Estimate and the 2021–22 Estimated Actual reflects a national trend of lower satisfaction with nationally accredited training reported at 78.7 per cent nationally.
7. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual reflects a national trend of lower satisfaction with apprenticeship training reported at 74.2 per cent nationally.
8. The variance between the 2021–22 Target/Estimate, the 2021–22 Estimated Actual and the 2022–23 Target/Estimate is due to COVID-19 related expenditure. The training budget was revised higher than the growth in successfully completed competencies.

Departmental budget summary

The table below shows the total resources available in 2022–23 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

| Department of Employment, Small Business and Training | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|-------------------------------------------------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| CONTROLLED | | | |
| Income | | | |
| Appropriation revenue ¹ | 1,245,822 | 1,519,512 | 1,279,340 |
| Other revenue | 22,536 | 49,422 | 20,347 |
| Total income | 1,268,358 | 1,568,934 | 1,299,687 |
| Expenses | | | |
| Connecting and supporting Queenslanders with employment programs and services | 58,973 | 55,185 | 39,260 |
| Connecting Queensland small businesses to grants and support programs | 36,940 | 380,454 | 30,845 |
| Connecting Queenslanders to training and skills programs and initiatives | 1,172,445 | 1,133,295 | 1,229,582 |
| Total expenses | 1,268,358 | 1,568,934 | 1,299,687 |
| Operating surplus/deficit | .. | .. | .. |
| Net assets | 1,342,477 | 1,319,447 | 1,345,657 |

Note:

1. Includes State and Commonwealth funding.

Staffing

The table below shows the Full Time Equivalents (FTEs) as at the 30 June in the respective years.

| Service area | 2021–22 Budget | 2021–22 Est. Actual | 2022–23 Budget |
|-------------------------------------------------------------------------------|----------------|---------------------|----------------|
| Connecting and supporting Queenslanders with employment programs and services | 44 | 44 | 44 |
| Connecting Queensland small businesses to grants and support programs | 72 | 72 | 72 |
| Connecting Queenslanders to training and skills programs and initiatives | 481 | 471 | 471 |
| Total FTEs² | 597 | 587 | 587 |

Notes:

1. Corporate FTEs are allocated across the service to which they relate.
2. Variance between 2021–22 Target/Estimate and the 2021–22 Estimated Actual is primarily due to contribution to the whole-of-government pool of unallocated FTE positions.

Capital program

The 2022–23 \$84.5 million capital program for the Department of Employment, Small Business and Training includes \$43.3 million of the \$100 million Equipping TAFE for our Future program. This program seeks to build on the outcomes of the previous Advancing our Training Infrastructure commitment. It supports training requirements of emerging industries while strengthening the productivity of existing industries as Queensland transitions from the impacts of COVID-19.

Equipping TAFE for our Future 2022–23 projects include Eagle Farm Robotics and Advanced Manufacturing Centre, Bundamba Metal Trades, Manufacturing and Robotics Centre, Bohle Advanced Manufacturing Skills Laboratory, Bundaberg Agriculture and Horticulture Centre, Bowen Agricultural Centre of Excellence, and the commencement of Bohle Renewable Energy Centre.

The capital program also includes up to \$500,000 for the finalisation of projects delivered in partnership with the Australian Government's Revitalising TAFE Campuses Across Australia initiative and a further \$40.7 million for the Annual Training Infrastructure Program to renew and revitalise training infrastructure across the state, to improve accessibility to the necessary skills and training required to boost labour market productivity and aid economic recovery.

The table below shows the capital purchases by the agency in the respective years.

| | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|------------------------------|--------------------------|-------------------------------|--------------------------|
| Capital purchases | 53,808 | 50,922 | 76,011 |
| Capital grants | 34,616 | 29,450 | 8,482 |
| Total capital outlays | 88,424 | 80,372 | 84,493 |

Further information about the Department of Employment, Small Business and Training capital outlays can be found in *Budget Paper No. 3: Capital Statement*. There may be variations between the capital program figure quoted across papers as payments across Queensland Government agencies are excluded from *Budget Paper No. 3: Capital Statement* and may be included in the figure quoted above.

Budgeted financial statements

Departmental income statement

The Department of Employment, Small Business and Training's 2022–23 total budget is \$1.3 billion of which 98.4 per cent is appropriation revenue. Other revenue mainly relates to TAFE Queensland contributions for the Southbank Education Training Precinct Public Private Partnership (SETP PPP).

The decrease in total revenue from 2021–22 Estimated Actual to the 2022–23 Budget is mainly due to the end of several one-off programs established in response to COVID-19, including the 2021 COVID-19 Business Support Grants program, jointly funded by the Australian Government. There is also a slight decrease in capital grants funding in relation to the Equipping TAFE for our Future program.

Grants and subsidies account for 79.3 per cent of the department's 2022–23 expenditure budget and mainly relate to vocational education and training (VET) programs. Employee expenses account for 5.9 per cent of the total budget and support 587 FTEs. Supplies and services include costs to support and maintain state-owned training facilities, contractual arrangements for the SETP PPP, and general departmental support costs including delivery of government initiatives. Finance/borrowing costs relate to repayments of SETP PPP finance liability.

Total expenditure in the 2022–23 Budget has decreased in line with revenue, with the decreases mainly in grants and subsidies due to a number of COVID-19 related programs in 2021–22, including the 2021 COVID-19 Business Support Grants program, jointly funded by the Australian Government. As well as a decrease in capital grants expense in relation to the Equipping TAFE for our Future program.

Departmental balance sheet

In 2022–23, the department's net assets are projected to be \$1.346 billion, with total assets of \$1.729 billion offset by liabilities of \$383.7 million. The department's major assets are in property, plant and equipment with \$1.547 billion primarily comprised of land (\$419.5 million) and buildings (\$1.128 billion) held for TAFE Queensland. In 2022–23, \$76 million is allocated to capital works (buildings) for state-owned training assets.

Controlled income statement

| Department of Employment, Small Business and Training | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|-------------------------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| INCOME | | | |
| Appropriation revenue | 1,245,822 | 1,519,512 | 1,279,340 |
| Taxes | .. | .. | .. |
| User charges and fees | 1,705 | 1,705 | 1,705 |
| Royalties and land rents | .. | .. | .. |
| Grants and other contributions | 3,700 | 3,277 | 1,200 |
| Interest and distributions from managed funds | .. | .. | .. |
| Other revenue | 17,131 | 44,440 | 17,442 |
| Gains on sale/revaluation of assets | .. | .. | .. |
| Total income | 1,268,358 | 1,568,934 | 1,299,687 |
| EXPENSES | | | |
| Employee expenses | 70,508 | 70,182 | 76,194 |
| Supplies and services | 113,925 | 119,724 | 114,653 |
| Grants and subsidies | 1,010,591 | 1,300,536 | 1,030,796 |
| Depreciation and amortisation | 49,108 | 54,266 | 54,266 |
| Finance/borrowing costs | 21,726 | 21,726 | 21,278 |
| Other expenses | 2,500 | 2,500 | 2,500 |
| Losses on sale/revaluation of assets | .. | .. | .. |
| Total expenses | 1,268,358 | 1,568,934 | 1,299,687 |
| OPERATING SURPLUS/(DEFICIT) | .. | .. | .. |

Controlled balance sheet

| Department of Employment, Small Business and Training | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|-------------------------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| CURRENT ASSETS | | | |
| Cash assets | 155,654 | 166,529 | 164,594 |
| Receivables | 10,320 | 15,259 | 15,259 |
| Other financial assets | .. | .. | .. |
| Inventories | .. | .. | .. |
| Other | 652 | 1,562 | 1,562 |
| Non-financial assets held for sale | .. | .. | .. |
| Total current assets | 166,626 | 183,350 | 181,415 |
| NON-CURRENT ASSETS | | | |
| Receivables | .. | .. | .. |
| Other financial assets | .. | .. | .. |
| Property, plant and equipment | 1,552,092 | 1,525,684 | 1,547,429 |
| Intangibles | (246) | 467 | 467 |
| Other | .. | .. | .. |
| Total non-current assets | 1,551,846 | 1,526,151 | 1,547,896 |
| TOTAL ASSETS | 1,718,472 | 1,709,501 | 1,729,311 |
| CURRENT LIABILITIES | | | |
| Payables | 172,006 | 185,729 | 183,794 |
| Accrued employee benefits | 1,917 | 1,918 | 1,918 |
| Interest bearing liabilities and derivatives | 4,465 | 4,464 | 4,963 |
| Provisions | .. | .. | .. |
| Other | 89 | 424 | 424 |
| Total current liabilities | 178,477 | 192,535 | 191,099 |
| NON-CURRENT LIABILITIES | | | |
| Payables | .. | .. | .. |
| Accrued employee benefits | .. | .. | .. |
| Interest bearing liabilities and derivatives | 197,518 | 197,519 | 192,555 |
| Provisions | .. | .. | .. |
| Other | .. | .. | .. |
| Total non-current liabilities | 197,518 | 197,519 | 192,555 |
| TOTAL LIABILITIES | 375,995 | 390,054 | 383,654 |
| NET ASSETS/(LIABILITIES) | 1,342,477 | 1,319,447 | 1,345,657 |
| EQUITY | | | |
| TOTAL EQUITY | 1,342,477 | 1,319,447 | 1,345,657 |

Controlled cash flow statement

| Department of Employment, Small Business and Training | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|-------------------------------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Inflows: | | | |
| Appropriation receipts | 1,245,822 | 1,418,410 | 1,277,405 |
| User charges and fees | 1,705 | 1,705 | 1,705 |
| Royalties and land rent receipts | .. | .. | .. |
| Grants and other contributions | 3,700 | 3,277 | 1,200 |
| Interest and distribution from managed funds received | .. | .. | .. |
| Taxes | .. | .. | .. |
| Other | 17,131 | 44,440 | 17,442 |
| Outflows: | | | |
| Employee costs | (70,508) | (70,182) | (76,194) |
| Supplies and services | (113,925) | (119,724) | (114,653) |
| Grants and subsidies | (1,010,591) | (1,300,536) | (1,030,796) |
| Borrowing costs | (21,726) | (21,726) | (21,278) |
| Other | (2,500) | (2,500) | (2,500) |
| Net cash provided by or used in operating activities | 49,108 | (46,836) | 52,331 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Inflows: | | | |
| Sales of non-financial assets | .. | .. | .. |
| Investments redeemed | .. | .. | .. |
| Loans and advances redeemed | .. | .. | .. |
| Outflows: | | | |
| Payments for non-financial assets | (53,808) | (50,922) | (76,011) |
| Payments for investments | .. | .. | .. |
| Loans and advances made | .. | .. | .. |
| Net cash provided by or used in investing activities | (53,808) | (50,922) | (76,011) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Inflows: | | | |
| Borrowings | .. | .. | .. |
| Equity injections | 47,825 | 24,242 | 80,476 |
| Outflows: | | | |
| Borrowing redemptions | (4,017) | (4,017) | (4,465) |
| Finance lease payments | .. | .. | .. |
| Equity withdrawals | (49,108) | (59,889) | (54,266) |
| Net cash provided by or used in financing activities | (5,300) | (39,664) | 21,745 |
| Net increase/(decrease) in cash held | (10,000) | (137,422) | (1,935) |
| Cash at the beginning of financial year | 165,654 | 303,951 | 166,529 |
| Cash transfers from restructure | .. | .. | .. |
| Cash at the end of financial year | 155,654 | 166,529 | 164,594 |

Statutory body

TAFE Queensland

Overview

TAFE Queensland's vision is to be the leading provider of vocational education and training that is at the heart of community success, with the purpose of delivering quality education and training that enables the careers of students and the development of the industries and communities we serve.

TAFE Queensland supports the government's objectives for the community:

- More Jobs in More Industries: Good, secure jobs in our traditional and emerging industries
- Protecting Our Queensland Lifestyle: Protect and enhance our Queensland lifestyle as we grow
- Better Services: Delivering even better services right across Queensland.

The service area within TAFE Queensland aligns with the following agency's objectives:

| Agency's service area | Agency's objectives |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TAFE Queensland To deliver education and training that enables students to increase their skills and knowledge to support employment or further study outcomes | TAFE Queensland is the trusted brand with an industry reputation that gives our employers a level of assurance around the skills, knowledge and quality of our students TAFE Queensland delivers contemporary skills and training to prepare students for the jobs of today and the required upskilling and reskilling for future work TAFE Queensland works collaboratively with governments, industry and our communities to deliver training to support economic growth and community prosperity |

Key deliverables

In 2022–23, TAFE Queensland will:

- partner with government, industry and local communities to contribute to the economic success of the state
- provide access to quality training for Queenslanders
- build on its strong reputation for innovative, technology-enhanced and future focused flexible training
- utilise market leading educators to equip our students with job ready skills and for the jobs of the future.

Performance statement

TAFE Queensland

Objective

To deliver education and training that enables students to increase their skills and knowledge to support employment or further study outcomes.

Description

To deliver practical and industry-relevant training, providing students and apprentices on-site, online, in the workplace or on campus learning to increase the skills they need that provides employment outcomes for students and employers.

| Service standards | 2021–22 Target/Est. | 2021–22 Est. Actual | 2022–23 Target/Est. |
|------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Effectiveness measures | | | |
| Proportion of attempted competencies successfully completed | 91% | 89.0% | 91% |
| Student post-training outcome (employed or in further study after training) | 83% | 83.9% | 83% |
| Proportion of graduates satisfied with the overall quality of their training | 89% | 89.9% | 89% |
| Proportion of employers satisfied with the overall quality of training | 89% | 92.1% | 89% |
| Efficiency measure | | | |
| Average cost per competency ¹ | \$797 | \$791 | \$835 |

Note:

1. The variance between the 2021–22 Target/Estimate and the 2022–23 Target/Estimate can be attributed mainly to increased staffing costs arising from Enterprise Bargaining.

Budgeted summary

Staffing

The table below shows the Full Time Equivalents (FTEs) as at the 30 June in the respective years.

| Service area | 2021–22 Budget | 2021–22 Avg. Est. Actual | 2022–23 Budget |
|-------------------|----------------|--------------------------|----------------|
| TAFE Queensland | 3,979 | 4,191 | 4,191 |
| Total FTEs | 3,979 | 4,191 | 4,191 |

Capital program

In 2022–23, TAFE Queensland's \$27.6 million capital program includes \$7.3 million for the acquisition, replacement and modernisation of training and operational equipment, \$12.0 million for the ICT program of work, and \$6.6 million on the development of training product and materials to support delivery.

The 2021–22 Estimated Actual includes \$64.2 million for right of use assets mainly relating to the lease of new purpose built training facilities at Robina.

| | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|------------------------------|--------------------------|-------------------------------|--------------------------|
| Capital purchases | 23,880 | 104,728 | 27,593 |
| Capital grants | .. | .. | .. |
| Total capital outlays | 23,880 | 104,728 | 27,593 |

Further information about TAFE capital outlays can be found in *Budget Paper No. 3: Capital Statement*. There may be variations between the capital program figure quoted across papers as payments across Queensland Government agencies are excluded from *Budget Paper No. 3: Capital Statement* and may be included in the figure quoted above.

Budgeted financial statements

Income statement

TAFE Queensland's overall income is \$727.9 million in 2022–23, which is an increase of \$29.9 million, or 4.3 per cent, compared to 2021–22 Estimated Actual due largely to an increase in User Fees and Charges. This category of income which is budgeted at \$269.1 million in 2022–23 includes fees primarily payable by domestic students (38.8 per cent) and international students (12.4 per cent) as well as income from the Australian Pacific Training Coalition (14.3 per cent) and Australian Government funded training programs (21.8 per cent). The main increase in this category is in VET Student Loans which are expected to increase sharply following the cessation of enrolments in courses funded by JobTrainer.

Grants and subsidies are expected to remain consistent overall in 2022–23 compared to 2021–22 Estimated Actual at \$449.6 million. Within this category, government subsidies for training provided to eligible students are expected to account for 46.9 per cent of income with the remainder relating to the State Contribution Grant received from DESBT and other minor grants and contributions.

Overall expenses in 2022–23 are budgeted at \$769.4 million, 66 per cent of which relate to employee expenses the same proportion as 2021–22 Estimated Actual. In 2022–23, TAFE Queensland expects Employee expenses to increase by approximately \$19.5 million as a result of the full year impact of additional Enterprise Bargaining increases seen in 2021–22 after being deferred from 2020–21.

Other expenses are budgeted at \$261.7 million in 2022–23 which includes a \$9.8 million increase in depreciation and other financing costs as a result of the capitalisation of long-term major ICT and Cyber security investment as well as the 'right of use assets' cost relating to the new leased training facilities at Robina.

Balance sheet

TAFE Queensland is anticipating total assets of \$433.4 million at the end of 2022–23.

TAFE Queensland's anticipated value of receivables at the end of 2022–23 is \$94.7 million and remains consistent with 2021–22 Estimated Actual. While this is a significant value it should be noted that approximately \$64.1 million or 68 per cent will relate to the value of government training subsidies receivable from the Queensland Government for training commenced but not completed by the end of the financial year. The remainder relates to VET Student Loans receivable from the Australian Government as well as fees due from individual students and organisations

Income statement

| TAFE Queensland | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|-----------------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| INCOME | | | |
| Taxes | .. | .. | .. |
| User charges and fees | 247,871 | 239,763 | 269,075 |
| Grants and other contributions ¹ | 425,710 | 447,854 | 449,579 |
| Interest and distributions from managed funds | 115 | 49 | 59 |
| Other revenue | 9,077 | 10,349 | 9,160 |
| Gains on sale/revaluation of assets | 31 | 1 | .. |
| Total income | 682,804 | 698,016 | 727,873 |
| EXPENSES | | | |
| Employee expenses ¹ | 463,852 | 464,998 | 507,637 |
| Supplies and services | 213,342 | 214,157 | 226,477 |
| Grants and subsidies | .. | .. | .. |
| Depreciation and amortisation | 21,039 | 18,628 | 26,616 |
| Finance/borrowing costs | 2,303 | 2,132 | 3,977 |
| Other expenses | 3,027 | 2,876 | 3,045 |
| Losses on sale/revaluation of assets | 1,204 | 1,766 | 1,614 |
| Total expenses | 704,767 | 704,557 | 769,366 |
| OPERATING SURPLUS/(DEFICIT) | (21,963) | (6,541) | (41,493) |

Note:

1. The 2021–22 Estimated Actual for this item reflects the 2021–22 Budget FTEs. This does not impact the Operating Surplus/(Deficit) position.

Balance sheet

| TAFE Queensland | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|----------------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| CURRENT ASSETS | | | |
| Cash assets | 112,706 | 122,650 | 81,210 |
| Receivables | 93,006 | 94,701 | 94,675 |
| Other financial assets | .. | .. | .. |
| Inventories | 798 | 595 | 595 |
| Other | 7,305 | 11,102 | 9,922 |
| Non-financial assets held for sale | .. | .. | .. |
| Total current assets | 213,815 | 229,048 | 186,402 |
| NON-CURRENT ASSETS | | | |
| Receivables | .. | .. | .. |
| Other financial assets | 4,091 | 5,422 | 6,809 |
| Property, plant and equipment | 125,515 | 191,593 | 191,088 |
| Intangibles | 38,441 | 46,470 | 47,937 |
| Other | 1,139 | 1,139 | 1,139 |
| Total non-current assets | 169,186 | 244,624 | 246,973 |
| TOTAL ASSETS | 383,001 | 473,672 | 433,375 |
| CURRENT LIABILITIES | | | |
| Payables | 31,608 | 39,360 | 41,342 |
| Accrued employee benefits | 16,281 | 14,486 | 15,030 |
| Interest bearing liabilities and derivatives | 2,419 | 2,181 | 2,174 |
| Provisions | .. | .. | .. |
| Other | 29,308 | 32,889 | 32,961 |
| Total current liabilities | 79,616 | 88,916 | 91,507 |
| NON-CURRENT LIABILITIES | | | |
| Payables | .. | .. | .. |
| Accrued employee benefits | .. | 345 | 345 |
| Interest bearing liabilities and derivatives | 68,052 | 132,626 | 131,231 |
| Provisions | 251 | .. | .. |
| Other | 1,820 | 580 | 580 |
| Total non-current liabilities | 70,123 | 133,551 | 132,156 |
| TOTAL LIABILITIES | 149,739 | 222,467 | 223,663 |
| NET ASSETS/(LIABILITIES) | 233,262 | 251,205 | 209,712 |
| EQUITY | | | |
| TOTAL EQUITY | 233,262 | 251,205 | 209,712 |

Cash flow statement

| TAFE Queensland | 2021–22 Budget \$'000 | 2021–22 Est. Actual \$'000 | 2022–23 Budget \$'000 |
|-------------------------------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Inflows: | | | |
| User charges and fees | 246,382 | 247,737 | 274,408 |
| Grants and other contributions | 427,799 | 435,853 | 449,579 |
| Interest and distribution from managed funds received | 115 | 49 | 59 |
| Taxes | .. | .. | .. |
| Other | 21,090 | 26,231 | 23,422 |
| Outflows: | | | |
| Employee costs | (462,454) | (463,987) | (507,093) |
| Supplies and services | (229,622) | (230,168) | (241,769) |
| Grants and subsidies | .. | .. | .. |
| Borrowing costs | (2,303) | (2,132) | (3,977) |
| Other | (9,508) | (8,702) | (9,074) |
| Net cash provided by or used in operating activities | (8,501) | 4,881 | (14,445) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Inflows: | | | |
| Sales of non-financial assets | 5 | 1 | .. |
| Investments redeemed | 3,800 | 2,500 | 2,000 |
| Loans and advances redeemed | .. | .. | .. |
| Outflows: | | | |
| Payments for non-financial assets | (23,880) | (40,529) | (27,108) |
| Payments for investments | .. | .. | .. |
| Loans and advances made | .. | .. | .. |
| Net cash provided by or used in investing activities | (20,075) | (38,028) | (25,108) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Inflows: | | | |
| Borrowings | .. | .. | .. |
| Equity injections | .. | .. | .. |
| Outflows: | | | |
| Borrowing redemptions | .. | .. | .. |
| Finance lease payments | (2,353) | (2,405) | (1,887) |
| Equity withdrawals | .. | .. | .. |
| Net cash provided by or used in financing activities | (2,353) | (2,405) | (1,887) |
| Net increase/(decrease) in cash held | (30,929) | (35,552) | (41,440) |
| Cash at the beginning of financial year | 143,635 | 158,202 | 122,650 |
| Cash transfers from restructure | .. | .. | .. |
| Cash at the end of financial year | 112,706 | 122,650 | 81,210 |

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 departments 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 2022–23

Service Delivery Statements

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