

SERVICE DELIVERY STATEMENTS

Department of Regional Development,
Manufacturing and Water

2022–23 Queensland Budget Papers

1. Budget Speech
2. Budget Strategy and Outlook
3. Capital Statement
4. Budget Measures

Service Delivery Statements

Appropriation Bills

Budget Highlights

Regional Action Plans

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

© The State of Queensland (Queensland Treasury) 2022

Copyright

This publication is protected by the Copyright Act 1968

Licence

This document is licensed by the State of Queensland (Queensland Treasury) under a Creative Commons Attribution (CC BY 4.0) International licence.



In essence, you are free to copy, communicate and adapt this publication, as long as you attribute the work to the State of Queensland (Queensland Treasury). To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>

Attribution

Content from this publication should be attributed to:

© The State of Queensland (Queensland Treasury) - 2022–23 Queensland Budget



Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from all cultural and linguistic backgrounds. If you have difficulty in understanding this publication, you can contact us on telephone (07) 3035 3503 and we will arrange an interpreter to effectively communicate the report to you.

Service Delivery Statements

ISSN 1445-4890 (Print)

ISSN 1445-4904 (Online)



Department of Regional Development, Manufacturing and Water

Portfolio overview

Minister for Regional Development and Manufacturing and Minister for Water
The Honourable Glenn Butcher MP

Department of Regional Development, Manufacturing and Water
Director-General: Graham Fraine

Additional information about this department can be sourced from:

www.rdmw.qld.gov.au

Department of Regional Development, Manufacturing and Water

Overview

The vision for the Department of Regional Development, Manufacturing and Water (the department) is for a Queensland where communities, businesses and water resources are sustainable and resilient. The department's purpose is to drive growth for Queensland by managing sustainable water resources, leading innovation in manufacturing, and developing our regions.

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 align with the following department objectives:

Department's service areas	Department's objectives
Grow the economy Create jobs that provide enduring economic benefit by delivering regional economic development opportunities, water infrastructure and supporting the manufacturing industry in Queensland	Drive investment, economic growth and jobs in Queensland communities Encourage innovation and unlock new opportunities Leverage the strength of our partners
Water resource management services The sustainable management of Queensland's water resources as well as regulation of water service providers and water infrastructure owners	Lead water resource management to achieve sustainability and public safety outcomes Leverage the strength of our partners

Department highlights

In 2022–23, the department will:

- support local supply chains and import replacement/local manufacturing of goods where possible, including support for the local manufacture of component parts for Zero Emission Vehicles and associated charging infrastructure
- deliver manufacturing industry capability and capacity development by:
 - readying manufacturers for large-scale opportunities including the Brisbane 2032 Olympic and Paralympic Games
 - increasing the participation of Women in Manufacturing
 - adopting automation, digitisation and robotics, including through the Advanced Robotics for Manufacturing Hub
 - implementing Industry 4.0 initiatives to support manufacturers transition to become advanced manufacturers which connect big data and analytics with automation and robotics, improving cost, productivity, profitability and operations
 - increased local manufacturing of products in renewable energy technology supply chains and support manufacturers to move to a carbon neutral and environmentally sustainable operation
- will continue the successful Building our Regions program enabling Queensland's regional local governments to deliver improvements to their water supply and sewerage systems
- facilitate and invest in the assessment and construction of major water infrastructure projects and release water for economic development, for projects such as Rookwood Weir, Paradise Dam Improvement Project, Big Rocks Weir, Fitzroy to Gladstone Pipeline and Toowoomba to Warwick Pipeline

- progress regional water assessments across the three priority areas of the Tablelands, the Bundaberg and Burnett area and the Southern and Darling Downs
- set South East Queensland bulk water prices for 2022–23 to 2025–26
- facilitate the completion of feasibility studies (and capital grant funding for projects) already underway under the Australian Government's National Water Grid Fund (NWGF) and facilitate advice to Queensland Government on potential new projects under the NWGF
- improve fairness, transparency and accountability of water management through the Rural Water Futures program
- ensure that Queensland's catchment plans consider the impacts of climate change and provide sustainable water allocation for the environment, agriculture, industries and population centres
- improve compliance monitoring and non-compliance response to address recommendations made in the Queensland Audit Office's December 2021 audit '*Regulating Dam Safety*'
- improve the department's water resource measurement capability through evaluation and deployment of innovative applications of remote sensing and water modelling tools.

Budget highlights

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

- additional funding of \$199.5 million over three years, to be held centrally and subject to conditions, for Regional Water Infrastructure projects. This includes funding for the following priority regional water infrastructure projects: Cairns Water Security Program, Hughenden Water Bank, Lansdown Eco-Industrial Precinct (enabling infrastructure) and Mt Morgan Pipeline
- increased funding of \$50 million over two years to extend the Made in Queensland and Manufacturing Hub Grant programs. These programs support Queensland's manufacturing industries to adopt leading-edge design, technologies, processes and practices that create sustainable jobs
- additional funding of \$24.5 million over five years to upgrade and maintain nineteen recreation areas owned and operated by Sunwater across regional Queensland
- increased funding of \$17.7 million over four years and \$4.5 million per annum ongoing to permanently establish the Manufacturing Hub Program. Manufacturing hubs provide a place for local manufacturing businesses to receive expert advice and support to transition to advanced manufacturing
- additional funding of \$9.3 million over two years to ensure delivery of stage 2 of the Rural Water Futures program which will strengthen rural water regulation and management
- additional funding of \$7.1 million over four years to increase the capacity for water modelling and technical assessments and provide critical information on water availability
- additional funding of \$5.5 million over four years for the Queensland bulk water infrastructure assessment. It will include the development of a strategic water infrastructure plan to inform optimal decisions around infrastructure investment and the forward water infrastructure program.

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

Performance statement

Grow the economy

Objective

Create jobs that provide enduring economic benefit by delivering regional economic development opportunities, water infrastructure and support to the manufacturing industry in Queensland.

Description

This service area delivers programs and projects that contribute to job creation and stimulate regional economic development and investment in skills through:

- facilitating and investing in the assessment and construction of major water infrastructure projects and the release of water for economic development
- partnering with the Department of State Development, Infrastructure, Local Government and Planning to deliver the Regional Infrastructure Plans
- supporting manufacturers to implement new processes and systems
- supporting councils to provide essential water and sewerage services to communities
- planning and delivery of major water infrastructure projects.

Service standards	2021–22 Target/Est.	2021–22 Est. Actual	2022–23 Target/Est.
Effectiveness measures			
Value of total capital investment created through grants programs ^{1,2}	\$21.5M	\$28.6M	\$70.6M
Value of regional capital investment created through grants programs ^{1,2}	\$17.2M	\$15.7M	\$54.8M
Estimated number of jobs created through grants programs ^{1,2}	71	94	233
Efficiency measure			
Capital investment created per dollar spent on project facilitation ²	\$4.01	\$5.45	\$12.25

Notes:

1. The wording of this service standard has been amended from the *2021–22 Service Delivery Statements* (SDS) to remove the names of specific grants programs 'Made in Queensland' and 'Manufacturing Hubs'. The service area's grants programs relate to manufacturing and regional development grants.
2. The increased 2022–23 Target/Estimate is due to the inclusion of Building our Regions (Round 6).

Water resource management services

Objective

The sustainable management of Queensland's water resources as well as regulation of water service providers and water infrastructure owners.

Description

This service area delivers projects and programs that lead water resource management to achieve sustainability and public safety outcomes by:

- supporting economic activity by making water available for development
- regulation of dam owners to ensure communities are protected from the risks of dam failure
- developing and implementing legislation, policies and programs to manage Queensland's water resources
- monitoring surface and groundwater for the purposes of managing the water resource and meeting water planning outcomes
- regulation of drinking water service providers to ensure communities have access to reliable, safe and high-quality drinking water
- maintaining community confidence in the management of Queensland's surface and groundwater resources through effective licensing and regulation of water users
- transforming the management of Queensland's water resources through the Rural Water Futures program.

Service standards	2021–22 Target/Est.	2021–22 Est. Actual	2022–23 Target/Est.
Effectiveness measures			
Accuracy and reliability of the State's water monitoring networks	90%	92%	90%
Percentage of the State's drinking water service providers compliant with drinking water regulatory requirements	90%	98%	90%
Efficiency measure			
Average cost per participant to implement and deliver workshops and support visits to Water Supply Providers	<\$400	\$344	<\$400

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 Regional Development, Manufacturing and Water	2021–22 Budget \$'000	2021–22 Est. Actual \$'000	2022–23 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹	178,725	203,328	251,061
Other revenue	8,264	19,226	9,447
Total income	186,989	222,554	260,508
Expenses			
Grow the economy	94,158	104,698	139,876
Water resource management services	92,831	120,533	121,191
Total expenses	186,989	225,231	261,067
Operating surplus/deficit	0	(2,677)	(559)
Net assets	360,969	331,081	345,722
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	37,205	35,779	44,357
Other administered revenue	8,312	8,312	6,812
Total revenue	45,517	44,091	51,169
Expenses			
Transfers to government	8,312	8,312	6,812
Administered expenses	37,205	35,779	44,357
Total expenses	45,517	44,091	51,169
Net assets	111,714	168,365	168,365

Note:

1. Includes State and Commonwealth funding.

Staffing¹

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
Grow the economy ^{2,3}	78	100	115
Water resource management services ^{2,3}	508	489	487
Total FTEs	586	589	602

Notes:

1. Corporate FTEs are allocated across the service to which they relate.
2. The movements in FTEs between service areas from 2021–22 Budget to 2021–22 Est. Actual is due to the water infrastructure and strategic coordination function moving from water resource management services into grow the economy and a revised allocation of corporate FTEs across the service areas.
3. The increase in the 2022–23 Budget is due to the permanent establishment of the Manufacturing Hubs program, partially offset by a contribution to the whole-of-government pool of unallocated FTE positions.

Capital program

Total capital purchases are \$119.5 million for 2022–23. The major component is \$116.9 million for construction of the Rookwood Weir. The project is delivered in partnership with the Australian Government, through the National Water Grid Fund.

Total capital grants are \$52.5 million for 2022–23. The major components are \$39 million for the Building our Regions grant program and \$6 million for improvements to existing community infrastructure assets that form part of the Rookwood Weir project.

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 ¹	142,600	109,900	119,507
Capital grants ²	31,164	27,909	52,536
Total capital outlays	173,764	137,809	172,043

Notes:

1. Construction of the Rookwood Weir is the primary project for the department with budgeted expenditure of \$106 million in 2021–22 and \$116.9 million in 2022–23. The project is delivered in partnership with the Australian Government, through the National Water Grid Fund.
2. Capital grants delivered in 2021–22 primarily relate to projects delivered in partnership with the Australian Government under the National Water Grid Fund including the Big Rocks Weir and the Emu Swamp Dam projects, the increase in 2022–23 principally relates to additional funding for the Building our Regions program (Round 6).

Further information about the Department of Regional Development, Manufacturing and Water 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

Controlled income statement

Total expenses are estimated to be \$261.1 million in 2022–23, an increase of \$35.8 million from the 2021–22 Estimated Actual. The increase is principally due to increased funding for:

- the Building our Regions program (Round 6)
- the Made in Queensland program
- the Manufacturing Hubs grant program
- the Rural Water Futures program.

The department raises approximately 4 per cent of its revenue from sources other than state appropriation, the most notable being industry charges which fund the Office of Groundwater Impact Assessment and rental income on properties held.

The department has recorded a deficit in 2022–23 to reflect the drawdown of prior year cash for the Great Artesian Basin Industry Partnership Program.

Administered income statement

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

The department administers funds on behalf of the state as follows:

- revenue collected on behalf of government:
 - Titles Lodgement Revenue: revenue is collected under the *Water Act 2000* for the lodgement of documents to secure water allocations
- Community Service Obligation (CSO) Payments:
 - CSO payments are made to Sunwater and Seqwater for the provision of rural irrigation services. A payment is also made to Sunwater for the Cloncurry Pipeline.

Departmental balance sheet

The department's major assets are in property, plant and equipment. Property, plant and equipment is estimated to be \$343.4 million in 2022–23, an increase of \$116.9 million from the 2021–22 Estimated Actual. The increase is due to continued construction works on the Rookwood Weir, the project has a total estimated cost of \$367.2 million and will add up to 86,000 megalitres of extra water supply for the Central Queensland region.

The departments administered entity balance sheet includes state-owned land and water infrastructure assets totalling \$167.6 million.

Controlled income statement

Department of Regional Development, Manufacturing and Water	2021–22 Budget \$'000	2021–22 Est. Actual \$'000	2022–23 Budget \$'000
INCOME			
Appropriation revenue	178,725	203,328	251,061
Taxes	..	..	..
User charges and fees	8,186	8,834	7,668
Royalties and land rents	..	..	..
Grants and other contributions	..	10,392	1,779
Interest and distributions from managed funds	..	..	..
Other revenue	78	..	..
Gains on sale/revaluation of assets	..	..	..
Total income	186,989	222,554	260,508
EXPENSES			
Employee expenses	69,490	75,067	78,938
Supplies and services	41,572	53,380	64,039
Grants and subsidies	72,226	92,925	114,231
Depreciation and amortisation	2,600	2,600	2,600
Finance/borrowing costs	..	..	..
Other expenses	1,101	1,259	1,259
Losses on sale/revaluation of assets	..	..	..
Total expenses	186,989	225,231	261,067
OPERATING SURPLUS/(DEFICIT)	..	(2,677)	(559)

Controlled balance sheet

Department of Regional Development, Manufacturing and Water	2021–22 Budget \$'000	2021–22 Est. Actual \$'000	2022–23 Budget \$'000
CURRENT ASSETS			
Cash assets	35,924	7,974	7,407
Receivables	10,755	108,430	11,784
Other financial assets	..	..	..
Inventories	1,770	1,324	1,324
Other	76	569	569
Non-financial assets held for sale	..	..	..
Total current assets	48,525	118,297	21,084
NON-CURRENT ASSETS			
Receivables	..	737	737
Other financial assets	..	..	..
Property, plant and equipment	319,817	226,532	343,439
Intangibles	1,212	1,783	1,783
Other	..	..	..
Total non-current assets	321,029	229,052	345,959
TOTAL ASSETS	369,554	347,349	367,043
CURRENT LIABILITIES			
Payables	2,041	11,592	16,645
Accrued employee benefits	2,124	1,757	1,757
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	..	..
Other	4,420	669	669
Total current liabilities	8,585	14,018	19,071
NON-CURRENT LIABILITIES			
Payables	..	..	..
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	..	..
Other	..	2,250	2,250
Total non-current liabilities	..	2,250	2,250
TOTAL LIABILITIES	8,585	16,268	21,321
NET ASSETS/(LIABILITIES)	360,969	331,081	345,722
EQUITY			
TOTAL EQUITY	360,969	331,081	345,722

Controlled cash flow statement

Department of Regional Development, Manufacturing and Water	2021–22 Budget \$'000	2021–22 Est. Actual \$'000	2022–23 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Appropriation receipts	178,725	172,184	251,061
User charges and fees	7,777	8,834	7,668
Royalties and land rent receipts	..	..	..
Grants and other contributions	..	10,392	1,779
Interest and distribution from managed funds received	..	..	..
Taxes	..	..	..
Other	2,398	..	..
Outflows:			
Employee costs	(69,490)	(75,067)	(78,938)
Supplies and services	(43,827)	(53,380)	(64,039)
Grants and subsidies	(72,226)	(92,925)	(114,231)
Borrowing costs	..	..	..
Other	(1,992)	(1,259)	(1,259)
Net cash provided by or used in operating activities	1,365	(31,221)	2,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of non-financial assets	..	..	..
Investments redeemed	..	..	..
Loans and advances redeemed	..	..	..
Outflows:			
Payments for non-financial assets	(142,600)	(109,900)	(119,507)
Payments for investments	..	..	..
Loans and advances made	..	(40,478)	101,699
Net cash provided by or used in investing activities	(142,600)	(150,378)	(17,808)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings	..	..	..
Equity injections	140,000	146,910	18,100
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	..	..	..
Equity withdrawals	..	..	(2,900)
Net cash provided by or used in financing activities	140,000	146,910	15,200
Net increase/(decrease) in cash held	(1,235)	(34,689)	(567)
Cash at the beginning of financial year	37,159	42,663	7,974
Cash transfers from restructure	..	..	..
Cash at the end of financial year	35,924	7,974	7,407

Administered income statement

Department of Regional Development, Manufacturing and Water	2021–22 Budget \$'000	2021–22 Est. Actual \$'000	2022–23 Budget \$'000
INCOME			
Appropriation revenue	37,205	35,779	44,357
Taxes	..	..	..
User charges and fees	8,312	8,312	6,812
Royalties and land rents	..	..	..
Grants and other contributions	..	..	..
Interest and distributions from managed funds	..	..	..
Other revenue	..	..	..
Gains on sale/revaluation of assets	..	..	..
Total income	45,517	44,091	51,169
EXPENSES			
Employee expenses	..	..	..
Supplies and services	..	..	..
Grants and subsidies	37,205	35,779	44,357
Depreciation and amortisation	..	..	..
Finance/borrowing costs	..	..	..
Other expenses	..	..	..
Losses on sale/revaluation of assets	..	..	..
Transfers of Administered Revenue to Government	8,312	8,312	6,812
Total expenses	45,517	44,091	51,169
OPERATING SURPLUS/(DEFICIT)	..	..	..

Administered balance sheet

Department of Regional Development, Manufacturing and Water	2021–22 Budget \$'000	2021–22 Est. Actual \$'000	2022–23 Budget \$'000
CURRENT ASSETS			
Cash assets	3,125	6,663	6,663
Receivables	1,634	583	583
Other financial assets	..	..	..
Inventories	..	..	..
Other	..	..	..
Non-financial assets held for sale	..	..	..
Total current assets	4,759	7,246	7,246
NON-CURRENT ASSETS			
Receivables	..	716	716
Other financial assets	..	..	..
Property, plant and equipment	111,714	167,598	167,598
Intangibles	..	..	..
Other	..	..	..
Total non-current assets	111,714	168,314	168,314
TOTAL ASSETS	116,473	175,560	175,560
CURRENT LIABILITIES			
Payables	3,125	4,567	4,567
Transfers to Government payable	1,634	2,477	2,477
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	..	..
Other	..	151	151
Total current liabilities	4,759	7,195	7,195
NON-CURRENT LIABILITIES			
Payables	..	..	..
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	..	..
Other	..	..	..
Total non-current liabilities	..	..	..
TOTAL LIABILITIES	4,759	7,195	7,195
NET ASSETS/(LIABILITIES)	111,714	168,365	168,365
EQUITY			
TOTAL EQUITY	111,714	168,365	168,365

Administered cash flow statement

Department of Regional Development, Manufacturing and Water	2021–22 Budget \$'000	2021–22 Est. Actual \$'000	2022–23 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Appropriation receipts	37,205	29,021	44,357
User charges and fees	8,312	8,312	6,812
Royalties and land rent receipts	..	..	..
Grants and other contributions	..	..	..
Interest and distribution from managed funds received	..	..	..
Taxes	..	..	..
Other	..	..	..
Outflows:			
Employee costs	..	..	..
Supplies and services	..	..	..
Grants and subsidies	(37,205)	(35,779)	(44,357)
Borrowing costs	..	..	..
Other	..	..	..
Transfers to Government	(8,312)	(8,312)	(6,812)
Net cash provided by or used in operating activities	..	(6,758)	..
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of non-financial assets	..	..	..
Investments redeemed	..	..	..
Loans and advances redeemed	..	..	..
Outflows:			
Payments for non-financial assets	..	..	..
Payments for investments	..	..	..
Loans and advances made	..	..	..
Net cash provided by or used in investing activities	..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings	..	..	..
Equity injections	..	..	..
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	..	..	..
Equity withdrawals	..	..	..
Net cash provided by or used in financing activities	..	..	..
Net increase/(decrease) in cash held	..	(6,758)	..
Cash at the beginning of financial year	3,125	13,421	6,663
Cash transfers from restructure	..	..	..
Cash at the end of financial year	3,125	6,663	6,663

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

budget.qld.gov.au