QUEENSLAND BUDGET 2018–19

Service Delivery Statements

Department of Housing and Public Works

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Queensland Government

2018–19 Queensland Budget Papers

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Service Delivery Statements
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Queensland Government

Department of Housing and Public Works

Summary of portfolio

Portfolio overview

Ministerial and portfolio responsibilities

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

Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport
The Honourable Mick de Brenni MP

Department of Housing and Public Works
Director-General: Liza Carroll
Service area 1: Housing and Homelessness
Service area 2: Government Accommodation and Building Policy
Service area 3: Procurement
Service area 4: Sport and Recreation
Service area 5: Digital Capability and Information
Service area 6: Strategic Information and Communication Technology

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

Queensland Building and Construction Commission
Commissioner: Brett Bassett
Objective: To build trust and confidence in the building and construction industry by promoting integrity and probity in the industry, and providing effective and efficient regulatory and customer services.

Residential Tenancies Authority

Chief Executive Officer: Jennifer Morgan

Objective: To regulate the residential rental housing and rooming accommodation sector and provide high quality client services that balances the rights and responsibilities of all parties in the residential rental sector.

Building and Asset Services

Deputy Director-General: Graham Atkins

Objective: To partner with Queensland Government agencies to strategically manage and deliver their building, construction and maintenance activities and programs state-wide.

CITEC

General Manager CITEC Information and Communication Technology: Sarah Baster

Executive Director CITEC Information Brokerage: Charlotte Crabtree

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

QFleet

Assistant Director-General: Kimberley Swords

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

Queensland Shared Services

Assistant Director-General: Irene Violet

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

Queensland Government Chief Information Office

Queensland Government Chief Information Officer: Andrew Mills

Objective: To set government policy and frameworks for ICT governance and assurance and investigate ICT transformation opportunities to prepare for the future. The office also provides independent advice to government Ministers, Directors-General and agencies on ICT governance, investment and cyber security matters. For the purposes of this document, the financials and full-time equivalents of this office are reported under service area Strategic Information and Communication Technology.

Additional information about these agencies can be sourced from:

www.hpw.qld.gov.au

www.qbcc.qld.gov.au

www.rta.qld.gov.au

www.qgcio.qld.gov.au

Departmental overview

The Department of Housing and Public Works portfolio unifies diverse services to benefit Queenslanders and support Government service delivery including housing and homelessness, building policy, public works, sports and recreation, digital and information technology and government corporate services. Our focus for the future is to drive toward building better connected, healthier communities supported by a responsive government.

Our strategic objectives commit our portfolio to achieve:

- services for Queenslanders that are responsive, citizen-centric, integrated, accessible and easy to use
- services for Government that support government agencies to effectively and efficiently deliver their services
- strategies that are future facing
- a unified organisation that is citizen-centric, responsive, collaborative and a great place to work.

The department is proud to play a key role in the achievement of the Queensland Government's objectives, including to:

- be a responsive Government to make it easier for citizens to access and use government services and to do business with government
- create jobs in a strong economy through significant building and public works programs
- keep Queenslanders healthy through sport and recreational activities
- keep communities safe by focusing on opportunities for vulnerable young Queenslanders.

The department operates within a complex environment that is influenced by changing citizen demands and expectations in a digital age, changing demographics and the impact on community service design and delivery, and the need for increasing vigilance and capability to respond to emerging cyber security issues.

The department’s key priorities for 2018-19 are to:

- drive the delivery of responsive government including supporting the delivery of simple and easy to access services across government
- deliver improved housing outcomes for all Queenslanders by continuing to implement the *Queensland Housing Strategy 2017-27* and *Queensland Housing Strategy 2017-20 Action Plan*, including driving the delivery of the Housing Construction Jobs Program
- deliver reforms arising from the release of the *Queensland Building Plan 2017*
- deliver on the Non-Conforming Building Products Audit Taskforce Report
- drive improvement in the delivery of sport and recreation opportunities for all Queenslanders by developing a Queensland sports and recreation strategy
- embed the Queensland Government Procurement Policy and *Queensland Government Procurement Strategy Backing Queensland Jobs,* including enhancements announced in 2018.

The department's total capital expenditure program for 2018-19 is $592 million which comprises purchases of $409.5 million and capital grants of $182.5 million as detailed in *Capital Statement (Budget Paper 3)*.

Service performance

The service area structure presented reflects the machinery-of-government changes, effective 8 February 2018.

As part of the machinery-of-government changes:

- Sport and Recreation was transferred from the (former) Department of National Parks, Sport and Racing
- Digital Capability and Information, Strategic Information and Communication Technology, Queensland Shared Services and CITEC were transferred from the (former) Department of Science, Information Technology and Innovation.

Housing and Homelessness

Service area objective

To deliver safe, secure and affordable housing by providing funding and improving housing and homelessness services and support for Queenslanders.

Service area description

Housing and Homelessness delivers the Government's responsibility for the management of the social housing portfolio and its tenants. Housing and Homelessness prioritises the work in the *Queensland Housing Strategy 2017-27* including the Housing Construction Jobs Program and key policy implementation activities. Housing and Homelessness provides housing assistance and homelessness support services to Queenslanders most in need, for the duration of their need, through a mix of direct delivery and arrangements with funded service providers. This includes remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services and crisis accommodation.

Housing and Homelessness also partners with other governments, not for profit and private organisations to support the provision of affordable housing and increase the supply of housing.

Housing and Homelessness also includes regulatory services which regulates residential services, residential parks and retirement villages industries and monitors and regulates Queensland's community housing providers.

Services

- Housing
- Homelessness

2018-19 service area highlights

In 2018-19, Housing and Homelessness will support government and departmental commitments and priorities by:

- continuing to implement the *Queensland Housing Strategy 2017-27* and *Queensland Housing Strategy 2017-20 Action Plan* to deliver improved housing outcomes for Queenslanders
- delivering additional social and affordable housing in identified growth areas across the state through the Housing Construction Jobs Program
- developing new flexible housing assistance products and services to deliver greater person-centred service delivery including enabling people to better access and sustain private housing
- transforming frontline service delivery to be more person-centred including adopting new technologies such as mobile offices, assisted service kiosk solutions, EFTPOS terminals, and upgrading the Housing Queensland app to improve customer experience and outcomes
- providing housing and support to vulnerable people, in particular young people through investing in homelessness support services across Queensland and new youth foyers in Townsville and Gold Coast
- delivering a new accommodation facility in Townsville to enable young Aboriginal and Torres Strait Islander women from remote communities to access education and employment opportunities

- enhancing consumer protections and providing certainty for industry through improved regulatory frameworks for residential services, retirement villages and manufactured homes
- engaging with clients and landlords on ways to improve housing stability for people in the private market
- providing housing services and increasing home ownership outcomes for Aboriginal and Torres Strait Islander people in remote communities
- delivering an Aboriginal and Torres Strait Islander Housing Action Plan aimed at improving housing outcomes and addressing complex challenges in urban, regional, and remote areas and in discrete communities
- supporting the *Domestic and Family Violence Prevention Strategy 2016-26* and implementing the Government's response to the Domestic and Family Violence Taskforce *Not Now, Not Ever* Report including continuing work to deliver new shelters in Roma and Charters Towers, commencing work to deliver new shelters in Caboolture and the Gold Coast and replacing shelters in Cherbourg, Pormpuraaw and Woorabinda
- improving the environmental sustainability and performance of the social housing portfolio through the design and amenity of new construction projects
- continuing the shared implementation of the Department of Natural Resources, Mines and Energy trials to install solar panels on public housing in a remote location (Lockhart River), regional locations (Cairns and Rockhampton) and leading the implementation of the solar trial in a metropolitan location (Logan)
- providing further funding through the Dignity First Fund to support innovative responses that help Queenslanders experiencing homelessness to live with dignity, as well as preventing or reducing homelessness
- delivering a tenant engagement program for people living in social housing to promote participation and inclusion in the community.

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Housing and Homelessness				
Service: Housing				
Service standards *Effectiveness measures* Level of overall client satisfaction				
Public Housing	1	..	..	85%
Community Housing	1	..	..	80%
Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need	2	90%	94%	92%
Percentage of department owned social rental housing dwellings in acceptable condition	3	New measure	New measure	95%
Proportion of total new households assisted to access rental accommodation who moved into the private rental market	4	New measure	New measure	86%
Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards	5	50%	84%	50%
Average wait time to allocation for assistance (months) with government-owned and managed social rental	6	8	7	8

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
housing for clients in very high or high need				
Percentage of under occupied government-owned and managed social rental housing	7	15%	16%	15%
Proportion of government-owned social rental housing stock matched to greatest demand		54%	54%	54%
Efficiency measure Average tenancy and property management administration cost per households assisted with social rental housing	8	New measure	New measure	$1,271
Service: Homelessness				
Service standards *Effectiveness measures* Percentage of clients who were homeless or at risk of homelessness who needed assistance to obtain or maintain independent housing and obtained or maintained independent housing after support		66%	67%	67%
Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance		87%	88%	87%
Efficiency measure Recurrent cost per client accessing homelessness services	9	$2,800	$3,082	$3,100

Notes:

1. This service standard is based on a biennial survey, with the next survey to be undertaken in 2018-19. The overall client satisfaction in 2016-17 was 85.8 per cent for public housing and 78.3 per cent for community housing.
2. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is positive and reflects the continued commitment to assist clients in greatest need. Variance between 2017-18 Estimated Actual and 2018-19 Target/Estimate allows households with moderate need to be allocated social housing, where necessary.
3. This service standard replaces the measure by the same name - ‘Percentage of department owned social rental housing dwellings in acceptable condition’, due to a change in data scope applied to the Property Standards Index. A slight reduction in the results is expected due to the data cleansing exercise currently underway and the target reflects the anticipated change.
4. This is a new effectiveness service standard that measures new households provided with assistance to access private rental accommodation as an alternative housing solution to social rental housing. This measure replaces the discontinued measure ‘Proportion of total new households assisted to remain in or move to the private housing rental market that were assisted through National Rental Affordability Scheme, RentConnect, Rental Grants, Bond Loans, Housing and Employment Program or Queensland Statewide Tenant Advice and Referral Service’. The new measure does not include the Housing and Employment Program or Queensland Statewide Tenant Advice and Referral Service. It focuses on the products and services that directly provide an alternative housing solution to people instead of social rental housing. The 2018-19 Target/Estimate is based on the data for three years.
5. Variances between 2017-18 and 2018-19 Target/Estimates and 2017-18 Estimated Actual is due to the adoption of an innovative design approach. Several two-storey projects in the 2017-18 program have had lifts incorporated (where traditionally lifts have only been included on projects of three or more storeys). For these projects, 100 per cent of apartments met the Livable Housing Design Guidelines. The 2018-19 Target/Estimate remains at 50 per cent and is set under the *Queensland Housing Strategy 2017- 2020 Action Plan*. A review of the target is planned in 2018-19.
6. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is generally due to the rate of tenants moving in and out of properties and the number of properties that require maintenance, major upgrades or disability modifications before being re-tenanted. The

2018-19 Target/Estimate was retained due to potential external market conditions, such as a possible tightening of the rental market that may have an effect on tenancy turnovers.

7. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to the rate of under-occupancy fluctuating depending on household circumstances (as household members move in and out of public housing properties). In order to facilitate improvements in the use of housing stock, the department is developing an under-occupancy plan which will enable the department to better match housing stock to a person's needs.
8. This service standard replaces the measure by the same name - 'Average tenancy and property management administration cost per households assisted with social rental housing', due to an ICT system change which allowed tenancy and property management costs to be assessed more accurately.
9. Variances between 2017-18 Target/Estimate and Estimated Actual and 2018-19 Target/Estimate is due to market variations impacting costs incurred to deliver services. The measure calculates total recurrent allocation expenditure on homelessness services divided by the number of clients provided with a service. The data is sourced from the Report on Government Services, and results as at 30 June of the reporting year are available annually by the end of January in the following year.

Government Accommodation and Building Policy

Service area objective

To ensure safe, fair industry building standards and environmental sustainability in the building construction industry; to support the delivery of government services to communities by providing safe, secure and appropriate government office and employee housing accommodation.

Service area description

Building Policy supports government and industry by developing building and plumbing related policy including for industry fairness, legislation and codes; administering building tribunals; managing a pre-qualification system for contractors and consultants to tender for government building work; and developing best practice tendering and contracts for government building contracts.

Government Accommodation delivers office accommodation and employee housing solutions for the Queensland Government, as well as managing significant strategic building and portfolio initiatives. Services include strategic asset management of the government owned portfolio of approximately 3,200 properties, ranging from government employee residences to large office buildings, particularly in regional centres. The portfolio also includes a broad range of special use properties, such as heritage buildings, convention centres, cultural facilities, industrial properties and bridges.

2018-19 service area highlights

In 2018-19, Government Accommodation and Building Policy will support government and departmental commitments and priorities by:

- progressing reforms arising from the 2017 release of the Queensland Building Plan including:
  - progressing the roll out of Project Bank Accounts (PBAs) and evaluating Phase 1 of PBA implementation
  - commencing provisions of the *Building Industry Fairness (Security of Payment) Act 2017*
  - progressing the *Plumbing and Drainage Bill 2018* to promote efficiency and improve regulatory processes (saving time and money) while continuing to safeguard public health, safety and the environment
  - collaboratively working with the Australian Government, states and territories, industry and relevant regulators to address issues raised by the Building Ministers Forum
- delivering on the Non-Conforming Building Products Audit Taskforce Report
- continuing a targeted and accelerated four-year capital, maintenance and upgrade program to deliver safe and secure government employee housing in regional and remote locations across the state, including Aboriginal and Torres Strait Islander communities, thereby enabling police, teachers, medical professionals and associated government employees to deliver critical frontline services to the people of Queensland
- enabling Queensland Government departments to construct and maintain Queensland's building infrastructure through effective programming and management of the building, construction and maintenance category
- completing the construction of 22 residences in rural and remote communities to provide new accommodation for government employees
- delivering the $20 million Household Resilience Program to assist low income households to increase the resilience of their home against cyclone wind damage.

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Government Accommodation and Building Policy				
Service standards *Effectiveness measures* Return on investment				

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
commercial properties included in the office portfolio	1	≥6.5%	6.3%	≥6.5%
government employee housing		≥1.5%	1.6%	≥1.5%
Vacancy rate				
office portfolio		≤3.5%	1.8%	≤3.5%
government employee housing		≤6%	5.3%	≤6%
Percentage of government-owned employee housing with an acceptable facility condition index rating		≥90%	91%	≥90%
Energy performance – percentage of occupied government office accommodation achieving a rating ≥ 4 star under the National Australian Built Environmental Rating System	2	>80%	95%	>95%
Efficiency measures Work point density				
average		13.5m² per person	13.5m² per person	13.5m² per person
new fitout		12m² per person	12.4m² per person	12m² per person

Notes:

1. This measure monitors the return (net profit) to the Queensland Government on the level of assets employed/owned by the department for providing office accommodation. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to increased expense related to backlog maintenance during the financial year and transitional space vacancy in a number of buildings.
2. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual resulted from changes in the portfolio mix during 2017-18 that increased the proportion of space with better energy efficiency. Variance between 2017-18 Target/Estimate and 2018-19 Target/Estimate is due to higher than anticipated results achieved in 2017-18 and the improved energy efficiency of the portfolio mix.

Procurement

Service area objective

To provide expert advisory, enabling and support services to agencies, suppliers and the community in the achievement of procurement outcomes.

Service area description

Procurement manages the Queensland Government's procurement policy and related frameworks. It provides expert advice to stakeholders and helps enable agencies to achieve their procurement outcomes by sharing procurement information, best practice and innovation; developing whole-of-government frameworks in areas including capability, accreditation and performance.

In addition to policy and framework management, Procurement provides category management for General Goods and Services. Procurement applies a lifecycle approach to managing General Goods and Services spend and common use supply arrangements.

2018-19 service area highlights

In 2018-19, Procurement will support government and departmental commitments and priorities by:

- embedding the Queensland Government Procurement Policy and *Queensland Government Procurement Strategy Backing Queensland Jobs,* including enhancements announced in 2018
- implementing the whole-of-government Procurement Reporting Framework
- monitoring compliance with the Building and Construction Training Policy
- reporting emissions for short term vehicle hire and flight travel
- providing an agency led, centrally enabled function that takes a best practice category management approach to the procurement of general goods and services, such as electricity, contingent workforce and travel
- providing advice, support, frameworks and tools to enable agencies to increase opportunities for local suppliers, to grow regional economies and embed non-price considerations, including social procurement into government procurement processes to facilitate opportunities for improved outcomes for targeted social groups.

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Procurement				
Service standards *Effectiveness measures* Overall satisfaction with advice and support provided by the Office of the Chief Advisor – Procurement (internal to government)	1	61%	90%	90%
Overall satisfaction with the way the Office of the Chief Advisory – Procurement engages with the Procurement Industry Advisory Group (external to government)	2	80%	70%	80%
Efficiency measure	3			

Notes:

1. Variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual is due to improved collaboration with agencies.
2. Variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual is due to increased expectations of the Procurement Industry Advisory Group members.
3. An efficiency measure is being developed for this service area and will be included in a future *Service Delivery Statement*.

Sport and Recreation

Service area objective

To support and encourage participation in physical activity through sport and active recreation.

Service area description

The service area is responsible for a wide range of initiatives including:

- developing and delivering a suite of funding programs to support community sport and active recreation needs
- providing education and training programs that contribute to building the capacity of the sport and recreation sector
- providing resources for parents, carers and teachers aimed at encouraging all Queenslanders, particularly young people, to be more physically active
- managing purpose-built sport and active recreation facilities, including the Queensland Recreation Centres
- developing and supporting elite athletes at the Queensland Academy of Sport.

Services

- Community support
- Facilities

2018-19 service area highlights

In 2018-19, Sport and Recreation will support Government and departmental commitments and priorities by:

- developing a Queensland sports and recreation strategy to drive improvement in the delivery of sport and recreation opportunities for all Queenslanders and promote healthier and more active lifestyles and ensure some Queenslanders are not missing out
- continuing partnerships with industry to develop its capacity to deliver quality sport and recreation services state-wide
- ensuring cultural diversity and social cohesion is not a barrier to participation in sport and recreation, through targeted approaches and direct service delivery to support identified Aboriginal and Torres Strait Islander peoples' communities
- supporting grassroots sport and recreation participation to encourage opportunities for all Queenslanders, particularly those that can least afford it
- delivering new or upgraded sport and recreation places and spaces, including Underwood Sports Park, Zillmere Sports Centre and the University of the Sunshine Coast Stadium
- supporting the state's elite athletes to continue to perform at the highest standard of competition nationally and internationally
- encouraging women to enter, participate and have greater involvement in sport at the grassroot and elite levels
- enhancing management and operations of the State's premier sporting facilities through implementation of the findings of the Stadiums Taskforce Report.

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Sport and Recreation	1			
Service: Community Support	2			
Service standards *Effectiveness measures* Participants' overall satisfaction with the department's education and training programs	3	90%	96%	95%

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Percentage of young people redeeming a Get Started voucher who have not played club sport before	4	15%	20%	15%
Percentage of athletes selected for national teams supported by the Queensland Academy of Sport	5	25%	30%	25%
Co-contribution ratio of partnership investment to the Queensland Academy of Sport investment in grants research projects	6	1:1	1:2.2	1:1
Efficiency measure	7			
Service: Facilities				
Service standards *Effectiveness measure* Utilisation of Queensland Recreation Centres accommodation facilities		42%	43%	42%
Efficiency measure Queensland Recreation Centres operational bed cost per night		<$45	$45	<$45

Notes:

1. This service area was transferred from the (former) Department of National Parks, Sport and Racing following machinery-of-government changes.
2. The service ‘Community Support’ has been consolidated with the former ‘Queensland Academy of Sport’ (QAS) service.
3. As Sport and Recreation continues to exceed participant expectations (the 2016-17 Estimated Actual was 95 per cent), the target has been increased from 90 per cent to 95 per cent for 2018-19.
4. This program operates on a calendar year. The 2018-19 Target/Estimates remains at 15 per cent based on consideration of variables related to identifying and engaging new recipients for the Get Started Vouchers program in 2018-19.
5. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to better than expected representation from Queensland on the Commonwealth Games team.
6. This service standard measures how effectively QAS grant research resources are leveraged to form successful grant research partnerships, to achieve greater research outcomes. While QAS funding of collaborative research projects continues to exceed expectations, amendments to the National High Performance Sport Funding Framework (Australian Institute of Sport) has the potential to impact on future funding available to national sporting organisations and ability to invest with QAS led research. Although the funding investment ratio increased from 1:0.5 to 1:1 in recent years and the partner contribution exceeded the target for 2017-18, further increases from the 1:1 ratio are likely to be unsustainable for investment partners going forward.
7. A new efficiency measure is being developed for this service and will be included in a future *Service Delivery Statement*. An action plan has been developed to research and develop a new measure for inclusion in the 2019-20 *Service Delivery Statement*.

Digital Capability and Information

Service area objective

To provide citizens and businesses with simple and easy access to integrated Queensland Government services and to ensure Queensland public records are preserved for the benefit of current and future generations.

Service area description

The service area develops and delivers innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels. The service area leads a major program of work to accelerate the delivery of proactive and personalised services, designed around the customer.

The service area drives digital economy development and digital capability programs.

The service area leads Queensland public authorities in managing and preserving Queensland public records in a useable form and improves public access to the collection by embracing digital government practices.

The service area is also responsible for implementing the Government's commitment to making government data open for anyone to access, use and share.

Services

- Whole-of-government customer service
- Government recordkeeping and archives
- Digital economy
- Open data

2018-19 service area highlights

In 2018-19, Digital Capability and Information will support Government and departmental commitments and priorities by:

- continuing to support agencies to deliver simple and accessible services
- partnering with organisations to provide responsive services making it simpler, faster and easier for customers to access government services, including through improved counter services and online application based services
- continuing to improve the customer experience of responsive government services delivered through qld.gov.au
- developing and supporting programs that encourage Queenslanders to build digital skills
- developing a digital infrastructure plan for Queensland to guide the planning, coordination and investment required to deliver the digital infrastructure outcomes
- continuing to deliver responsive government services by providing service excellence to Queenslanders via 13QGOV (13 64 78) and in person at Queensland Government Agent Program locations and Queensland Government Service Centres
- rolling out a recordkeeping transformation program with the aim to improve the standard of recordkeeping in government
- delivering open data policy and services and engaging with key stakeholders to encourage the release of high quality and high value datasets.

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Digital Capability and Information	1			
Service: Whole-of-government customer service	2			

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service standards *Effectiveness measure* Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies		≥85%	94%	≥85%
Efficiency measure Cost per customer service interaction (all interaction)	3	$1.10	$0.75	$1.10
Service: Government recordkeeping and archives				
Service standards *Effectiveness measures* Overall customer satisfaction with Queensland State Archives delivery of services to the public	4	..	..	≥91%
Percentage of clients satisfied with the services provided by Queensland State Archives		≥80%	78%	≥80%
Efficiency measure Average cost to Queensland State Archives per record accessed	5	$10.00	$4.38	$6.00
Service: Digital economy	6			
Service standards *Effectiveness measure* Proportion of stakeholders who are satisfied with digital economy and productivity services, consultative and engagement processes		≥85%	84%	≥85%
Service: Open data	7			
Service standards *Effectiveness measure* Percentage of data sets available on qld.gov.au with an Open Data Certificate	8	New measure	New measure	65%
Efficiency measure	9			

Notes:

1. This service area has been transferred from the (former) Department of Science, Information and Technology and Innovation and was previously named 'Services for Queenslanders' in the 2017-18 *Service Delivery Statements*.
2. Minor name change to the service name - previously Whole-of-government Customer Experience.
3. The positive 2017-18 result is due to increased online transactions. The target for this measure will be reviewed in subsequent years as trend and cost data matures.
4. This service standard is based on a biennial customer satisfaction survey conducted for Queensland State Archives (QSA), with the next survey to be conducted in 2019. The term 'customer' identifies members of the public or community. The 2018-19 Target/Estimate is based on the previous 2016-17 result.
5. This measure is designed to evidence the rate of expenditure of public funds per record assessed physically and digitally through QSA. The variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual reflects the success of QSA's move to a digital by default model, encouraging more access through digital channels. The number of records accessed digitally grew by more than 50% in 2017-18. The 2018-19 Target/Estimate has been adjusted to account for this successful transition.

6. This new service ‘Digital economy’ was established to reflect the transfer of the digital economy function from the (former) Department of Science, Information and Technology and Innovation (‘Advancing Queensland through Innovation’ service area) following machinery-of-government changes.
7. This new service ‘Open Data’ was established to reflect the transfer of the open data function from the (former) Department of Science, Information and Technology and Innovation (‘Advancing Queensland through Innovation’ service area) following machinery-of-government changes.
8. This new service standard demonstrates the Queensland Government’s progress to publish quality open data. The Open Data Certificate is an independent benchmark of quality against a set of tried and tested standards, to professionalise open data publication. Certification occurs when the dataset is confirmed to be openly licensed, available with no restrictions, accessible and legally reusable.
9. An efficiency measure is being developed for this service and will be included in a future *Service Delivery Statement*.

Strategic Information and Communication Technology

Service area objective

To deliver specialist Information and Communication Technology (ICT) services and advice across government and the ICT Industry, to support the achievement of Government priorities and assist Queensland Government agencies to deliver their services and legislative responsibilities.

Service area description

Strategic ICT supports the delivery of multi-agency ICT programs and projects, data analytics, and manages ICT strategic procurement arrangements and major ICT contracts.

Strategic ICT also delivers ICT infrastructure services through CITEC. In accordance with administered arrangements, these are reported separately in this *Service Delivery Statement*.

QGCIO provides advice to Government on digital ICT and digital investment.

2018-19 service area highlights

In 2018-19, Strategic Information and Communication Technology will support Government and departmental commitments and priorities by:

- improving whole-of-government cyber security capability through continual strengthening of information security process and practices, raising awareness and educating staff and vulnerability scanning of government information and technology assets
- delivering on the "Buy Queensland" procurement strategy through a new ICT contracting framework that makes it easier for industry, in particular for small to medium enterprises and startups, to do business with government
- administering the whole-of-government panel arrangements for ICT
- leading ICT category management and procurement activities across the Queensland Government to ensure whole-of-government needs are met
- managing large scale contracts on behalf of government agencies, including the Government Wireless Network (GWN) and the Mobile Black Spots Program
- enabling small to medium enterprises to collaborate with the Queensland Government on a range of business problems through the Testing within Government (TWiG) program.

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Strategic Information and Communication Technology	1			
Service standards *Effectiveness measure* Percentage of whole-of-government spend awarded to small to medium sized enterprises (transactions over $10,000)	2	≥16%	18%	≥18%
Efficiency measure Operating cost per $1,000 of managed spend on ICT products and services	3	≤$20	$13.2	≤$20

Notes:

1. This is a new service area introduced for the 2018-19 *Service Delivery Statement* which was transferred from the (former) Department of Science, Information Technology and Innovation ('Services for Government' service area) following machinery-of-government changes.
2. This service standard assesses the ongoing effectiveness of the ICT small to medium enterprise (SME) participation scheme policy by measuring the percentage of whole-of-government spend on transactions over $10,000 awarded to SMEs for ICT products and services. The policy ensures effective engagement with the ICT industry and SMEs by ensuring departments adopt a consistent procurement

process. Variance between the 2017-18 and 2018-19 Target/Estimates is due to higher performance achieved for the 2017-18 Estimated Actual.

3. Minor name change to the measure to ensure consistency with other published information regarding the ICT buying category and to more clearly distinguish from the General Goods and Services buying category. The methodology to calculate the result remains unchanged. This service standard measures the operating costs (i.e. expenses such as labour and supplies/services) of the business unit as a ratio of every $1,000 of whole-of-government spend awarded through the ICT supply arrangements it manages.

Discontinued measures

Performance measures included in the 2017-18 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of Housing and Public Works	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Housing and Homelessness				
Proportion of total new households assisted to remain in or move to the private housing rental market that were assisted through National Rental Affordability Scheme, RentConnect, Rental Grants, Bond Loans, Housing and Employment Program or Queensland Statewide Tenant Advice and Referral Service	1	71%	70%	Discontinued measure
Percentage of department owned social rental housing dwellings in acceptable condition	2	98%	98%	Discontinued measure
Average tenancy and property management administration cost per households assisted with social rental housing	3	$1,281	$1,234	Discontinued measure
Service area: Sport and Recreation				
Grant monies paid as a percentage of the total grant budget	4	80%	80%	Discontinued measure
Service area: Digital Capability and Information				
Percentage of clients satisfied with the services provided by Smart Service Queensland on their behalf	5,6	≥80%	81%	Discontinued measure
Percentage of clients satisfied with the One-Stop Shop Program	5,7	82%	85%	Discontinued measure

Notes:

1. This service standard is being discontinued due to the inclusion of a new replacement measure, ‘Proportion of total new household assisted to access rental accommodation who moved into the private rental market’, which better reflects the use of products and services as an alternative solution to social rental housing. This discontinued measure will be reported in the 2017-18 Annual Report.
2. This service standard is discontinued and is replaced by a new measure with the same name, due to a change in data scope applied to the Property Standards Index. 2017-18 Estimated Actual is based on the 2017-18 methodology.
3. This service standard is discontinued and is replaced by a new measure with the same name, due to an ICT system change which allowed tenancy and property management costs to be assessed more accurately. 2017-18 Estimated Actual is based on the new methodology.
4. This service standard has been discontinued as it does not meet the definition of ‘efficiency’ as described in the Queensland Government Performance Management Framework and is considered a measure of input only. This discontinued measure will be reported in the 2017-18 Annual Report.
5. This service standard was transferred from the (former) Department of Science, Information Technology and Innovation (‘Services for Queenslanders’ service area) following machinery-of-government changes to a new service area ‘Digital Capability and Information’.
6. This service standard is being discontinued as the approach to measuring client satisfaction via a survey tool is not achieving a satisfactory sample size. A replacement effectiveness measure will be introduced in a future *Service Delivery Statement*. The measure will continue to be reported internally to monitor performance and consider business process improvements.
7. This service standard is being discontinued as the *One Stop Shop Plan 2013-2018* concludes in 2017-18. A replacement whole-of-government customer experience measure will be developed. This discontinued measure will be reported in the 2017-18 Annual Report.

Administered items

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

The Department of Housing and Public Works administers funds on behalf of the State which for 2018-19 includes:

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

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 2018-19 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Housing and Public Works	2017-18 Adjusted Budget $'000	2017-18 Est. Actual $'000	2018-19 Budget $'000
CONTROLLED			
Income			
Appropriation revenue[1]			
Deferred from previous year/s	63,503	23,402	103,664
Balance of service appropriation	863,891	815,015	989,975
Other revenue	1,145,839	1,172,981	1,163,251
Total income	**2,073,233**	**2,011,398**	**2,256,890**
Expenses			
Housing and Homelessness	1,214,269	1,150,620	1,269,027
Government Accommodation and Building Policy	786,114	830,790	798,507
Procurement	14,186	18,092	16,205
Sport and Recreation	101,907	78,929	186,777
Digital Capability and Information	62,064	59,257	103,582
Strategic Information and Communication Technology (including QGCIO)	76,977	72,754	107,737
Corporate Services[2]	45,595	46,281	61,816
Eliminations[3]	(58,222)	(63,211)	(73,748)
Total expenses	**2,243,349**	**2,193,512**	**2,469,903**
Operating surplus/deficit	**(170,116)**	**(182,114)**	**(213,013)**
Net assets	**18,092,170**	**18,375,173**	**18,298,760**
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	12,389	21,712	47,978
Other administered revenue	114	114	114
Total revenue	**12,503**	**21,826**	**48,092**
Expenses			
Transfers to government	114	114	114
Administered expenses	14,440	23,892	52,079
Total expenses	**14,554**	**24,006**	**52,193**
Net assets	**14,916**	**18,414**	**14,313**

Notes:

1. Includes State and Commonwealth funding.
2. Corporate Services costs have been allocated to services. The amounts shown in the above table for corporate service costs mainly represent recoveries from the commercialised business units.
3. Eliminations are costs that represent internal trading transactions within the departmental entity such as rent that is charged by the accommodation office to the services shown. The services expenditure represents the gross cost before eliminations.

Service area sources of revenue[1]

Sources of revenue 2018-19 Budget					
Department of Housing and Public Works	**Total cost $'000**	**State contribution $'000**	**User charges and fees $'000**	**C'wealth revenue $'000**	**Other revenue $'000**
Housing and Homelessness	1,269,027	309,907	409,941	327,996	11,454
Government Accommodation and Building Policy	798,507	84,204	692,511	..	18,648
Procurement	16,205	14,693	..	..	1,512
Sport and Recreation	186,777	177,378	7,426	..	1,833
Digital Capability and Information	103,582	73,739	29,843	..	..
Strategic Information and Communication Technology (including QGCIO)	107,737	105,722	172	..	1,843
Total[2]	**2,481,835**	**765,643**	**1,139,893**	**327,996**	**35,290**

Notes:

1. Explanations of variances are provided in the financial statements.
2. The total cost column does not equal the total expenses in the departmental financial statements because transactions have been eliminated on consolidation in the departmental financial statements. These eliminations relate to rent on accommodation and corporate services. In addition, there are corporate services provided to the business units and the revenues and costs associated with these services are not included in the above service summary.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2017-18 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of Housing and Public Works	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures[1]					
Administered	..	..	..	..	..
Departmental	19,023	15,710	7,785	535	535
Capital measures					
Administered	..	..	..	..	..
Departmental	..	9,500	4,000	..	..

Note:

1. Figures reconcile with *Budget Measures (Budget Paper 4)*, including the whole-of-government expense measure 'Reprioritisations'.

Departmental capital program

The department's total capital expenditure program for 2018-19 is $409.5 million. In addition to this expenditure, the department provides funding for capital grants ($182.5 million) which are detailed in *Capital Statement (Budget Paper 3)*.

Under the Queensland Housing Strategy, the department delivers a range of programs that support the supply and improvement of social housing dwellings. In particular, the Housing Construction Jobs Program will fund the construction commencement target of up to 599 social housing dwellings through 519 commencements of property, plant and equipment and 80 commencements of capital grants. This delivery may need to be amended in recognition of the end of the National Partnership on Remote Housing funding, pending further negotiations with the Commonwealth.

Key property, plant and equipment program highlights for 2018-19 are listed below, (noting that capital grants highlights are found in *Capital Statement (Budget Paper 3)*):

- $270.1 million to deliver 423 social housing dwellings, commence construction of up to 519 social housing dwellings and upgrade existing social housing dwellings through the Housing Construction Jobs Program and the Queensland Housing Strategy.
- $7.2 million to continue with the development of 40 dwellings for the Townsville Youth Foyer.
- $61.7 million for social housing in Aboriginal and Torres Strait Islander communities (including $24 million from the expiring National Partnership on Remote Housing) to deliver 75 social housing dwellings, upgrade existing social housing and purchase eight dwellings for use as temporary accommodation to support the transfer of social housing to home ownership on Aboriginal and Torres Strait Islander land.
- $47.5 million for the provision of Government employee housing to support the attraction and retention of government employees in locations of high need where there is no alternative accommodation in rural and remote Queensland. This includes completing the construction of 22 residences in rural and remote communities to provide new accommodation for government employees.
- $9.5 million to meet the Queensland Government's contribution toward the $35 million refurbishment of the Thomas Dixon Centre, and to manage costs and associated works required to maintain and preserve the heritage listed centre.
- $4.5 million delivery of capital works program for the Gold Coast Recreation Centre.

Capital budget

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Actual $'000	2018-19 Budget $'000
Capital purchases	1			
Total land, buildings and infrastructure	2, 3	443,781	397,503	402,906
Total plant and equipment		3,730	7,870	6,643
Total other capital		..	..	..
Total capital purchases		**447,511**	**405,373**	**409,549**

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. The decrease from 2017-18 Adjusted Budget to 2017-18 Estimated Actual is mainly due to net deferral from 2017-18 to 2018-19 and out years due to changes in the timing for various programs including work in the remote Aboriginal and Torres Strait Islander communities. This is partially offset by funding for the Housing Construction Jobs Program and for capital fit-out costs relating to the LandCentre Relocation program.
3. The decrease from 2017-18 Adjusted Budget to 2018-19 Budget is mainly due to the cessation of the National Partnership on Remote Housing on 30 June 2018, and funding in 2018-19 of social housing programs in line with program expenditure. This is partially offset by net increases in expenditure including the Housing Construction Jobs Program, a student accommodation Facility for Young Women in Townsville and Youth Foyers.

Staffing[1, 2]

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget	2017-18 Est. Actual	2018-19 Budget
Housing and Homelessness		1,336	1,339	1,338
Government Accommodation and Building Policy		226	230	229
Procurement	3	57	57	67
Sport and Recreation		290	292	292
Digital Capability and Information	4, 5	717	720	727
Strategic Information and Communication Technology (including QGCIO)		143	142	143
TOTAL		**2,769**	**2,780**	**2,796**

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2018.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between 2017-18 Estimated Actual and 2018-19 Budget is due to additional roles required to ensure compliance with the Queensland Government Building and Construction Training Policy and for delivery of the Embedding Procurement Reform Program.
4. Variance between 2017-18 Adjusted Budget and 2017-18 Estimated Actual is due to additional roles required for digital capability development.
5. Variance between 2017-18 Estimated Actual and 2018-2019 Budget is due to the additional roles for the Digital Archives Project.

Budgeted financial statements

Analysis of budgeted financial statements

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

Departmental income statement

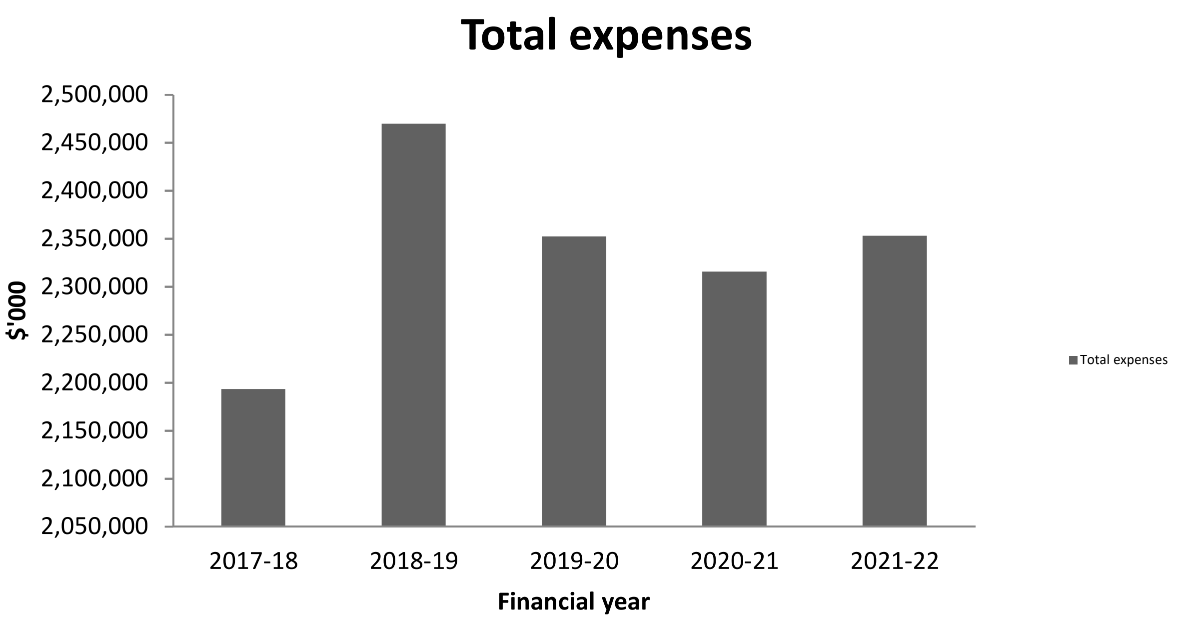
Total expenses are estimated to be $2.47 billion in 2018-19, an increase of $276.4 million from the 2017-18 financial year. The increase in expenditure is mainly due to the full year effect of the transfer of services into the department, net deferrals and the timing of various sports grants programs to 2018-19 and increases in grants and other expenditure for various housing programs including initiatives under the Queensland Housing Strategy and the 2018-19 smoke alarm program.

Over the forward estimate period:

- The decrease in expenditure from 2018-19 to 2019-20 of $117.6 million is predominantly due to the phasing of limited life funding within Public Works.
- The decrease in expenditure from 2019-20 to 2020-21 of $36.5 million is mainly due to a decrease for various housing grant programs including the Housing Construction Jobs Program and Queensland Housing Strategy.
- The increase in expenditure from 2020-21 to 2021-22 of $37.3 million is mainly due to an increase in the housing grants program and council rates and water charges.

The operating position for the department for 2018-19 is an estimated deficit of $213 million. This is mainly due to the cost of delivering social housing not being met by rent revenue from social housing tenants.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's major assets estimated as at 30 June 2019 are in land ($10.05 billion) and in commercial and residential buildings ($7.176 billion). Over the next three years the net book value of land is expected to decrease and the net book value of buildings is expected to increase mainly as a result of increased capital expenditure. The higher capital expenditure includes additional funding committed towards the Housing Construction Jobs Program under the Queensland Housing Strategy. There is no assumption around the impact of inflation on land and building values.

The department's major liabilities estimated as at 30 June 2019 relate to Interest-bearing liabilities and derivatives ($510.8 million) and payables ($432.9 million). Liabilities overall are estimated to decrease by $115.1 million (or 10 per cent) by 2021-22 mainly due to scheduled repayments.

Interest-bearing liabilities and derivatives relate to Australian Government and Queensland Treasury Corporation borrowings as well as finance leases relating to properties leased under 40 Year Lease Agreements from Indigenous councils as part of the program of works funded through the National Partnership on Remote Housing.

The payables include the recognition for the accounting treatment impacts for Queen's Wharf Precinct Integrated Resort Development Land and Residential premiums, as well as the accounting treatment impact of transitioning a large portion of the commercial office portfolio from owned to leased with annual lease expenditure now reported on a straight-line basis over the term of the lease.

Controlled income statement

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Appropriation revenue	5,10	927,394	838,417	1,093,639
Taxes		..	..	..
User charges and fees		1,106,404	1,084,323	1,102,185
Royalties and land rents		100	100	100
Grants and other contributions		..	1,250	738
Interest		4,992	5,046	4,980
Other revenue	1,6,11	30,339	68,930	51,175
Gains on sale/revaluation of assets		4,004	13,332	4,073
Total income		**2,073,233**	**2,011,398**	**2,256,890**
EXPENSES				
Employee expenses	7,12	276,953	280,150	331,919
Supplies and services		1,474,297	1,478,994	1,542,936
Grants and subsidies	2,8,13	233,878	172,936	321,724
Depreciation and amortisation		216,611	206,948	220,475
Finance/borrowing costs		21,457	21,802	22,597
Other expenses		18,699	20,082	20,029
Losses on sale/revaluation of assets	3	1,454	12,600	10,223
Total expenses		**2,243,349**	**2,193,512**	**2,469,903**
OPERATING SURPLUS/(DEFICIT)	**4,9,14**	**(170,116)**	**(182,114)**	**(213,013)**

Controlled balance sheet

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	15,22,29	197,864	338,995	105,340
Receivables		145,952	143,307	134,707
Other financial assets		4,000	5,000	5,000
Inventories		259	248	252
Other		51,482	54,513	56,796
Non-financial assets held for sale		28,978	21,895	23,004
Total current assets		**428,535**	**563,958**	**325,099**
NON-CURRENT ASSETS				
Receivables	16,23,30	202,005	155,277	176,467
Other financial assets		184,178	187,413	182,613
Property, plant and equipment		18,433,781	18,679,716	18,792,058
Intangibles		5,471	8,769	7,192
Other	17,24	10,238	..	..
Total non-current assets		**18,835,673**	**19,031,175**	**19,158,330**
TOTAL ASSETS		**19,264,208**	**19,595,133**	**19,483,429**
CURRENT LIABILITIES				
Payables	18,25	161,624	182,070	174,872
Accrued employee benefits		13,530	12,503	12,523
Interest bearing liabilities and derivatives		26,080	27,304	27,391
Provisions		..	..	..
Other	19,26	34,645	46,944	47,911
Total current liabilities		**235,879**	**268,821**	**262,697**
NON-CURRENT LIABILITIES				
Payables	20,27	394,851	243,946	258,039
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		500,840	511,454	483,433
Provisions		..	..	..
Other	21,28	40,468	195,739	180,500
Total non-current liabilities		**936,159**	**951,139**	**921,972**
TOTAL LIABILITIES		**1,172,038**	**1,219,960**	**1,184,669**
NET ASSETS/(LIABILITIES)		**18,092,170**	**18,375,173**	**18,298,760**
EQUITY				
TOTAL EQUITY		**18,092,170**	**18,375,173**	**18,298,760**

Controlled cash flow statement

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	31,36,43	927,348	775,040	1,091,871
User charges and fees		1,149,542	1,138,514	1,155,459
Royalties and land rent receipts		100	100	100
Grants and other contributions		..	..	738
Interest received		2,794	2,852	2,833
Taxes		..	..	..
Other	32,37,44	184,980	251,895	218,624
Outflows:				
Employee costs	38,45	(279,063)	(282,589)	(331,936)
Supplies and services		(1,539,188)	(1,565,695)	(1,622,660)
Grants and subsidies	33,39,46	(233,878)	(172,936)	(321,724)
Borrowing costs		(21,457)	(21,802)	(22,597)
Other	40	(163,058)	(178,341)	(179,443)
Net cash provided by or used in operating activities		**28,120**	**(52,962)**	**(8,735)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	34,41,47	132,661	109,238	97,425
Investments redeemed		4,000	5,500	5,000
Loans and advances redeemed		34,485	34,485	35,125
Outflows:				
Payments for non-financial assets		(432,461)	(405,373)	(409,549)
Payments for investments		(1,500)	(1,500)	(200)
Loans and advances made		(35,955)	(35,955)	(37,180)
Net cash provided by or used in investing activities		**(298,770)**	**(293,605)**	**(309,379)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	42,48	366,410	358,389	298,402
Outflows:				
Borrowing redemptions		(16,141)	(16,231)	(16,531)
Finance lease payments		(6,842)	(8,148)	(12,726)
Equity withdrawals	35,49	(187,953)	(62,231)	(184,686)
Net cash provided by or used in financing activities		**155,474**	**271,779**	**84,459**
Net increase/(decrease) in cash held		**(115,176)**	**(74,788)**	**(233,655)**
Cash at the beginning of financial year		**300,642**	**399,878**	**338,995**
Cash transfers from restructure		12,398	13,905	..
Cash at the end of financial year		**197,864**	**338,995**	**105,340**

Administered income statement

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Appropriation revenue	50,53,57	12,389	21,712	47,978
Taxes		..	..	..
User charges and fees		114	114	114
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		**12,503**	**21,826**	**48,092**
EXPENSES				
Employee expenses		..	..	..
Supplies and services	51,54,58	9,257	14,405	11,809
Grants and subsidies	52,55,59	5,183	9,487	40,270
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		114	114	114
Total expenses		**14,554**	**24,006**	**52,193**
OPERATING SURPLUS/(DEFICIT)	**56,60**	**(2,051)**	**(2,180)**	**(4,101)**

Administered balance sheet

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	61,62	1,246	4,412	4,412
Receivables		..	332	332
Other financial assets		..	..	..
Inventories		..	..	..
Other		4,101	4,101	4,101
Non-financial assets held for sale		..	..	..
Total current assets		**5,347**	**8,845**	**8,845**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other	63,64	9,569	9,569	5,468
Total non-current assets		**9,569**	**9,569**	**5,468**
TOTAL ASSETS		**14,916**	**18,414**	**14,313**
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**..**	**..**	**..**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**..**	**..**	**..**
NET ASSETS/(LIABILITIES)		**14,916**	**18,414**	**14,313**
EQUITY				
TOTAL EQUITY		**14,916**	**18,414**	**14,313**

Administered cash flow statement

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	65,68,70	14,766	24,070	47,978
User charges and fees		(363)	(363)	114
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs		..	..	..
Supplies and services	66,71	(9,621)	(14,769)	(7,708)
Grants and subsidies	67,69,72	(5,183)	(9,358)	(40,270)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		(114)	(114)	(114)
Net cash provided by or used in operating activities		**(515)**	**(534)**	**..**
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		(774)	(205)	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		569	..	..
Net cash provided by or used in financing activities		**(205)**	**(205)**	**..**
Net increase/(decrease) in cash held		**(720)**	**(739)**	**..**
Cash at the beginning of financial year		**..**	**20**	**4,412**
Cash transfers from restructure		1,966	5,131	..
Cash at the end of financial year		**1,246**	**4,412**	**4,412**

Explanation of variances in the financial statements

Note: As a result of the machinery-of-government changes announced on 12 December 2017 and 8 February 2018, 2017-18 Adjusted Budget and Estimated Actuals include the following entities for part of 2017-18:
- Queensland Government Chief Information Office, One-Stop Shop Strategy and Implementation Office and Digital Economy and Productivity for 5 months (transferred from the Department of Premier and Cabinet on 8 February 2018);
- Queensland State Archives, Smart Service Queensland, Strategic Information and Communication Technology, Open Data and Digital Economy for 7 months (transferred from the Department of Science, Information Technology and Innovation on 12 December 2017);
- Sport and Recreation Services for 7 months (transferred from the Department of National Parks, Sport and Racing on 12 December 2017);
- CITEC and Queensland Shared Services (transferred from the Department of Science, Information Technology and Innovation on 12 December 2017); and
- Stadiums Queensland (transferred from the Department of National Parks, Sport and Racing on 12 December 2017).

The 2018-19 Budget includes all areas for 12 months.

Income statement

Major variations between 2017-18 Adjusted Budget and 2017-18 Estimated Actual include:

1. The increase in other revenue is mainly due to funding received from the Cross River Rail Delivery Authority for the Land Centre relocation costs.
2. The decrease in grants and subsidies is mainly due to net deferrals from 2017-18 to 2018-19 and outyears for various programs due to changes in the timing of the delivery of work, including work in the remote Aboriginal and Torres Strait Islander communities.
3. The increase in losses on sale / revaluation of assets is mainly due to accounting treatment reclassifications of recoveries to supplies and services.
4. The increase in the operating deficit is mainly due to expenditure in 2017-18 funded from cash reserves and the accounting treatment of straight-line operating lease variations, partially offset by funding received from the Cross River Rail Delivery Authority for the Land Centre relocation costs.

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

5. The increase in appropriation revenue is mainly due to the full year effect of the machinery-of-government changes.
6. The increase in other revenue is mainly due to the full year effect of the machinery-of-government changes.
7. The increase in employee expenses is mainly due to the full year effect of the machinery-of-government changes.
8. The increase in grants and subsidies is mainly due to the full year effect of the machinery-of-government changes, additional funding for sport and recreation grants programs and higher expenditure in 2018-19 for the Housing Construction Jobs Program.
9. The increase in the operating deficit is mainly due to the increase in costs to deliver housing and homelessness services not being met by social housing rental revenue.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

10. The increase in appropriation revenue is mainly due to the full year effect of the machinery-of-government changes, the net deferral of various social housing and sport and recreation grants programs to 2018-19 and outyears and increased funding in 2018-19 for various sport and recreation grants and housing programs. These increases are partially offset by a reduction due to the expiration of the National Partnership on Remote Housing.
11. The decrease in other revenue is mainly due to funding received in 2017-18 from the Cross River Rail Delivery Authority for the Land Centre relocation costs. These decreases are partially offset by the full year effect of the machinery-of-government changes.
12. The increase in employee expenses is mainly due to the full year effect of the machinery-of-government changes.
13. The increase in grants and subsidies is mainly due to the full year effect of the machinery-of-government changes, the net deferral and timing of various sport and recreation grants programs to 2018-19 and increased expenditure in 2018-19 for various housing programs.

14. The increase in the operating deficit is mainly due to the deferral of Indigenous Community Housing Organisation capital grants from 2017-18 to 2018-19 and increases in rates and maintenance expenditure for housing properties.

Balance sheet

Major variations between 2017-18 Adjusted Budget and 2017-18 Estimated Actual include:

15. The increase in cash assets held at 30 June 2018 is mainly due to the timing of the return to the Consolidated Fund of the Integrated Resort Development Land and Residential land premiums received by the department as part of the consideration for the Queen's Wharf Precinct in 2016-17.
16. The decrease in non-current receivables is mainly due to a change in the accounting treatment to reallocate the 1 William Street, Brisbane ground lease to property, plant and equipment.
17. The decrease in other non-current assets is due to a change in accounting treatment relating to the lease incentive for Terrica Place, Brisbane.
18. The increase in current payables is mainly due to an increase in contract commitments relating to the digital ICT related managed service payments and technology implementation, and higher office accommodation program payables anticipated to be outstanding at 30 June 2018.
19. The increase in other current liabilities is mainly due to the reclassification of the lease incentive for 1 William Street, Brisbane.
20. The decrease in non-current payables is mainly due to the reclassification of the lease incentive for 1 William Street, Brisbane.
21. The increase in other non-current liabilities is mainly due to the reclassification of the 1 William Street, Brisbane lease incentive.

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

22. The decrease in cash assets is mainly due to the increase in costs to deliver housing and homelessness services not being met by social housing rental revenue, increased expenditure in 2018-19 due to the deferral of social housing capital expenditure from 2017-18 and the repayment of Australian Government loans.
23. The decrease in non-current receivables is mainly due to a change in the accounting treatment for the 1 William Street, Brisbane ground lease, partially offset by the accounting treatment of transitioning a large portion of the commercial office portfolio from owned to leased.
24. The decrease in other non-current assets is due to a change in accounting treatment relating to the lease incentive for Terrica Place, Brisbane.
25. The increase in current payables is mainly due to an increase in contract commitments relating to digital ICT related managed service payments and technology implementation.
26. The increase in other current liabilities is mainly due to the accounting treatment reclassification of the 1 William Street, Brisbane lease incentive.
27. The decrease in non-current payables is mainly due to the accounting treatment reclassification of the lease incentive for 1 William Street, Brisbane.
28. The increase in other non-current liabilities is mainly due to the accounting treatment reclassification of the 1 William Street, Brisbane lease incentive.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

29. The decrease in cash assets is mainly due to the return to the Consolidated Fund in 2018-19 of the Integrated Resort Development Land and Residential land premiums received by the department as part of the consideration for the Queen's Wharf Precinct, the increase in costs to deliver housing and homelessness services not being met by social housing rental revenue and the repayment of Australian Government loans.
30. The increase in non-current receivables is mainly due to the accounting treatment of transitioning a large portion of the commercial office portfolio from owned to leased.

Cash flow statement

Major variations between 2017-18 Adjusted Budget and 2017-18 Estimated Actual include:

31. The decrease in service appropriation receipts is mainly due to the deferral of funds from 2017-18 to 2018-19 and outyears for various social housing and sport and recreation grants programs and information technology and building projects.
32. The increase in other operating inflows is mainly due to funding received from the Cross River Rail Delivery Authority for the Land Centre relocation costs.
33. The decrease in grants and subsidies is mainly due to the net deferral from 2017-18 to 2018-19 and outyears for various programs due to changes in the timing of the delivery of work, including work in the remote Aboriginal and Torres Strait Islander communities.
34. The decrease in sales of non-financial assets is mainly due to the timing of the planned sale of non-residential land.
35. The decrease in equity withdrawals is mainly due to the timing of the return from 2017-18 to 2018-19 to the Consolidated Fund of the Integrated Resort Development Land and Residential Land premiums received by the department as part of the consideration for the Queen's Wharf Precinct.

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

36. The increase in service appropriation receipts is mainly due to the full year effect of the machinery-of-government changes.
37. The increase in other operating inflows is mainly due to the full year effect of the machinery-of-government changes.
38. The increase in employee costs is mainly due to the full year effect of the machinery-of-government changes.
39. The increase in grants and subsidies is mainly due to the full year effect of the machinery-of-government changes, additional sport and recreation grants programs funding and higher expenditure in 2018-19 for the Housing Construction Jobs Program.
40. The increase in other operating outflows is mainly due to the 2018-19 portion of the 1 William Street, Brisbane lease payment.
41. The decrease in sales of non-financial assets is mainly due to the lower anticipated sales of government employee residential properties and non-residential buildings in 2018-19.
42. The decrease in equity injections is mainly due to cessation of the National Partnership on Remote Housing on 30 June 2018, partially offset by increased funding in 2018-19 for the Housing Construction Jobs Program and additional funding for the refurbishment of the Thomas Dixon Centre at West End, Brisbane.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

43. The increase in service appropriation receipts is mainly due to the full year effect of the machinery-of-government changes, the net deferral of various social housing and sport and recreation grants programs from 2017-18 to 2018-19 and outyears and increased funding in 2018-19 for various sport and recreation grants and housing programs. These increases are partially offset by a reduction due to the cessation of the National Partnership on Remote Housing.
44. The decrease in other operating inflows is mainly due to funding received from the Cross River Rail Delivery Authority for the Land Centre relocation costs in 2017-18.
45. The increase in employee costs is mainly due to the full year effect of the machinery-of-government changes.
46. The increase in grants and subsidies is mainly due to the full year effect of the machinery-of-government changes, the net deferral and timing of various sport and recreation grants programs to 2018-19 and increased expenditure in 2018-19 for various housing programs.
47. The decrease in sales of non-financial assets is mainly due to the lower anticipated sales of government employee residential properties in 2018-19.
48. The decrease in equity injections is mainly due to the cessation of funding under the National Partnership on Remote Housing on 30 June 2018, partially offset by increased funding in 2018-19 for the Housing Construction Jobs Program, increased funding for government employee housing and additional funding for the refurbishment of the Thomas Dixon Centre at West End, Brisbane.

49. The increase in equity withdrawals is mainly due to the return in 2018-19 to the Consolidated Fund of the Integrated Resort Development Land and Residential Land premiums received by the department as part of the consideration for the Queen's Wharf Precinct.

Administered income statement

Major variations between 2017-18 Adjusted Budget and 2017-18 Estimated Actual include:

50. The increase in administered appropriation revenue is mainly due to additional funding provided for the Non-Conforming Building Products Audit Taskforce and provided to Stadiums Queensland for security upgrades to various sporting venues in Queensland not included in the original budget.
51. The increase in supplies and services is mainly due to additional funding provided for the Non-Conforming Building Products Audit Taskforce not included in the original budget.
52. The increase in grants and subsidies is mainly due to additional funding provided to Stadiums Queensland for security upgrades to various sporting venues in Queensland.

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

53. The increase in administered appropriation revenue is mainly due to the full year effect of the machinery-of-government changes and new funding provided for the Non-Conforming Building Products Audit Taskforce not included in the original budget.
54. The increase in supplies and services is mainly due to funding provided for the Non-Conforming Building Products Audit Taskforce.
55. The increase in grants and subsidies is mainly due the full year effect of the machinery-of-government changes.
56. The increase in the operating deficit is mainly due to the full year effect of the machinery-of-government changes.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

57. The increase in administered appropriation revenue is mainly due to the full year effect of the machinery-of-government changes.
58. The decrease in supplies and services is mainly due to the timing of work for the Non-Conforming Building Products Audit Taskforce.
59. The increase in grants and subsidies is mainly due to the full year effect of the machinery-of-government changes.
60. The increase in the operating deficit is mainly due to the full year effect of the machinery-of-government changes.

Administered balance sheet

Major variations between 2017-18 Adjusted Budget and 2017-18 Estimated Actual include:

61. The increase in cash assets held at 30 June 2018 is due to the additional upfront capital payment for whole of government ICT services at 1 William Street, Brisbane.

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

62. The increase in cash assets held at 30 June 2019 is due to the additional upfront capital payment for whole of government ICT services at 1 William Street, Brisbane received in 2017-18.
63. The decrease in other non-current assets is mainly due to the full year effect of the machinery-of-government changes.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

64. The decrease in other non-current assets is mainly due to the full year effect of the machinery-of-government changes.

Administered cash flow statement

Major variations between 2017-18 Adjusted Budget and 2017-18 Estimated Actual include:

65. The increase in administered appropriation receipts is mainly due to additional funding provided for the Non-Conforming Building Products Audit Taskforce and provided to Stadiums Queensland for security upgrades to various sporting venues in Queensland not included in the original budget.
66. The increase in supplies and services is mainly due to funding provided for the Non-Conforming Building Products Audit Taskforce not included in the original budget.
67. The increase in grants and subsidies is mainly due to additional funding provided to Stadiums Queensland for security upgrades to various sporting venues in Queensland.

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

68. The increase in administered appropriation receipts is mainly due to the full year effect of the machinery-of-government changes and new funding for the Non-Conforming Building Products Audit Taskforce not included in the original budget.
69. The increase in grants and subsidies is mainly due to the full year effect of the machinery-of-government changes.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

70. The increase in administered appropriation receipts is mainly due to the full year effect of the machinery-of-government changes.
71. The decrease in supplies and services is mainly due to the timing of work for the Non-Conforming Building Products Audit Taskforce and an outstanding payable on transfer of Queensland Shared Services to the department in 2017-18.
72. The increase in grants and subsidies is mainly due to the full year effect of the machinery-of-government changes.

Reporting Entity Financial Statements

Reporting Entity comprises:

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

Explanations of variances for each entity are included in the individual budget financial statements located in this Service Delivery Statement.

The machinery-of-government changes effective 12 December 2017 and 8 February 2018 resulted in the transfer of services into the department (including the transfer of CITEC and Queensland Shared Services from the abolished Department of Science, Information Technology and Innovation).

Reporting entity income statement

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Appropriation revenue		927,394	838,417	1,093,639
Taxes		..	..	..
User charges and fees		1,757,478	1,838,809	1,914,932
Royalties and land rents		100	100	100
Grants and other contributions		5,224	5,199	7,485
Interest		6,080	5,985	6,058
Other revenue		22,373	63,948	30,305
Gains on sale/revaluation of assets		4,004	13,332	4,073
Total income		**2,722,653**	**2,765,790**	**3,056,592**
EXPENSES				
Employee expenses		468,698	472,137	584,880
Supplies and services		1,885,344	1,971,498	2,028,824
Grants and subsidies		233,878	173,736	325,224
Depreciation and amortisation		263,401	255,234	272,482
Finance/borrowing costs		27,379	27,557	28,880
Other expenses		21,485	22,867	23,442
Losses on sale/revaluation of assets		1,464	13,140	10,231
Total expenses		**2,901,649**	**2,936,169**	**3,273,963**
Income tax expense/revenue		1,368	5,204	706
OPERATING SURPLUS/(DEFICIT)		**(180,364)**	**(175,583)**	**(218,077)**

Reporting entity balance sheet

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets		354,248	529,976	279,544
Receivables		258,335	257,980	241,660
Other financial assets		4,000	5,000	5,000
Inventories		52,512	53,392	56,999
Other		60,067	65,602	67,336
Non-financial assets held for sale		28,978	21,895	23,004
Total current assets		**758,140**	**933,845**	**673,543**
NON-CURRENT ASSETS				
Receivables		202,005	155,277	176,467
Other financial assets		184,178	187,413	182,613
Property, plant and equipment		18,676,548	18,929,614	19,046,450
Deferred tax assets		386	612	312
Intangibles		39,769	38,077	33,302
Other		10,617	161	161
Total non-current assets		**19,113,503**	**19,311,154**	**19,439,305**
TOTAL ASSETS		**19,871,643**	**20,244,999**	**20,112,848**
CURRENT LIABILITIES				
Payables		233,641	267,853	255,774
Current tax liabilities		(3,609)	999	(2,813)
Accrued employee benefits		23,090	22,853	22,833
Interest bearing liabilities and derivatives		27,045	28,390	29,349
Provisions		36	..	..
Other		102,607	116,240	108,590
Total current liabilities		**382,810**	**436,335**	**413,733**
NON-CURRENT LIABILITIES				
Payables		394,851	243,946	258,039
Deferred tax liabilities		14,725	17,889	17,256
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		679,917	690,872	673,217
Provisions		..	..	..
Other		40,698	195,838	180,599
Total non-current liabilities		**1,130,191**	**1,148,545**	**1,129,111**
TOTAL LIABILITIES		**1,513,001**	**1,584,880**	**1,542,844**
NET ASSETS/(LIABILITIES)		**18,358,642**	**18,660,119**	**18,570,004**
EQUITY				
TOTAL EQUITY		**18,358,642**	**18,660,119**	**18,570,004**

Reporting entity cash flow statement

Department of Housing and Public Works	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		927,348	775,040	1,091,871
User charges and fees		1,910,523	2,045,726	2,064,247
Royalties and land rent receipts		100	100	100
Grants and other contributions		4,642	3,250	7,485
Interest received		3,865	3,783	3,909
Taxes		..	..	..
Other		206,793	285,068	247,748
Outflows:				
Employee costs		(467,252)	(471,409)	(585,091)
Supplies and services		(2,080,100)	(2,271,411)	(2,259,484)
Grants and subsidies		(233,878)	(173,736)	(325,224)
Borrowing costs		(27,375)	(27,569)	(28,853)
Taxation equivalents paid		(3,990)	(2,624)	(4,851)
Other		(193,463)	(211,715)	(226,291)
Net cash provided by or used in operating activities		**47,213**	**(45,497)**	**(14,434)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		132,622	109,199	97,425
Investments redeemed		4,000	5,500	5,000
Loans and advances redeemed		34,485	34,485	35,125
Outflows:				
Payments for non-financial assets		(441,811)	(407,296)	(418,333)
Payments for investments		(1,500)	(1,500)	(200)
Loans and advances made		(35,955)	(35,955)	(37,180)
Net cash provided by or used in investing activities		**(308,159)**	**(295,567)**	**(318,163)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		10,000	10,000	12,500
Equity injections		359,160	344,673	290,588
Outflows:				
Borrowing redemptions		(16,141)	(16,231)	(16,729)
Finance lease payments		(7,312)	(8,581)	(13,790)
Equity withdrawals		(187,953)	(62,231)	(184,686)
Dividends paid		(5,510)	(9,568)	(5,718)
Net cash provided by or used in financing activities		**152,244**	**258,062**	**82,165**
Net increase/(decrease) in cash held		**(108,702)**	**(83,002)**	**(250,432)**
Cash at the beginning of financial year		**433,523**	**576,029**	**529,976**
Cash transfers from restructure		29,427	36,949	..
Cash at the end of financial year		**354,248**	**529,976**	**279,544**

Statutory bodies

Queensland Building and Construction Commission

Overview

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

The QBCC's vision is to be a regulator that builds trust and confidence. The QBCC focusses on customers, both consumers and contractors, by improving service quality and access to information and advice and increasing awareness of QBCC's regulatory role. To achieve this vision the QBCC's objectives include:

- promoting integrity and probity in the building and construction sector
- providing regulator and customer services that are timely, clear and transparent
- improving operational and organisational excellence, including nurturing people to help them be their best, and being a financially sustainable organisation.

Key factors impacting on the QBCC include trends in building activity and in Queensland's service trades, contractor insolvency and emerging construction methods.

The QBCC contributes to the Queensland Government's objective to create jobs in a strong economy. The QBCC does this through licensing and compliance that allows fully qualified and competent tradespeople to become employed or start their own businesses. The QBCC also contributes to the Queensland Government's objective to be a responsive Government by continuously improving and introducing more efficient ways for customers to access services.

Service summary

In 2017-18, the QBCC:

- informed licensees of new requirements under the *Building and Construction Legislation (Non-conforming Building Products – Chain of Responsibility and Other Matters) Amendments Act 2017*
- supported the Department of Housing and Public Works in the launch of the Project Bank Accounts for Queensland Government building projects by ensuring aligned communications and forms
- supported the Department of Housing and Public Works in the review of the Minimum Financial Requirements Policy which will be made into a regulation as part of the *Building Industry Fairness (Security of Payment) Act 2017.*

In 2018-19, the QBCC will:

- continue supporting the Department of Housing and Public Works in implementing reforms arising from the Queensland Building Plan
- continue supporting the Service Trades Council
- continue implementing recommendations arising from strategic projects to improve effectiveness and efficiencies in delivering services.

Service performance

Performance statement

Queensland Building and Construction Commission

Service area objective

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

Service area description

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

The QBCC regulates building and trade contractors, certifiers, plumbers, pool safety inspectors, fire protection, air-conditioning and mechanical services trades people by requiring that they hold a QBCC licence and comply with the provisions of the *Queensland Building and Construction Commission Act 1991*, the *Building Act 1975,* the *Plumbing and Drainage Act 2002*, the *Building Industry Fairness (Security of Payment) Act 2017* and the *Building and Construction Legislation (Non-conforming Building Products – Chain of Responsibility and Other Matters) Amendment Act 2017*.

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

The QBCC currently administers the *Building and Construction Industry Payments Act 2004* which establishes the framework for adjudicating payments disputes to improve security of payment in the industry. Provisions currently in the *Building and Construction Industry Payments Act 2004* will transition to the new *Building Industry Fairness (Security of Payment) Act 2017*.

Queensland Building and Construction Commission	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Queensland Building and Construction Commission				
Service standards *Effectiveness measures* Perception of fairness in decision-making: percentage of survey respondents agree the final decision was fair		65%	65%	65%
Percentage of decisions overturned by the Queensland Civil and Administrative Tribunal	1	4%	2.3%	4%
Efficiency measure Cost of recovering $1.00 of funds owed to creditors	2	$0.70	$0.77	$0.70
Other measures Percentage of early dispute resolution cases finalised within 28 days	3, 4	80%	94%	80%

Queensland Building and Construction Commission	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Average number of days to process licence applications	3, 5	30 days	15 days	30 days
Percentage of owner builder permits approved within 15 working days	3	90%	92%	90%
Percentage of adjudication applications referred to an adjudicator within 4 days	3	98%	98%	98%
Percentage of insurance claims for defective work assessed and response provided within 35 business days	3, 6	33%	59%	50%
Percentage of internal review applicants contacted within 2 business days	3	95%	96%	95%
Average processing time for an early dispute resolution case	3, 7	28 working days	10 working days	28 working days
Average approval time for defects claims less than $20,000	3, 8	31 working days	36 working days	35 working days

Notes:

1. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to a better than expected performance in 2017-18 which resulted from better decision-making within the QBCC. Retained target for 2018-19 is due to a number of decisions being reviewed before the Queensland Civil and Administrative Tribunal (QCAT) which have the potential of being overturned.
2. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to a slight decrease in the amount of monies expected to be recovered under the Minimum Financial Requirements policy in 2017-18. The value of monies owed on the complaints received and how much can be potentially recovered are outside of QBCC's control.
3. This service standard has been reclassified as 'other' as it is a measure of timeliness and does not meet the definition of 'efficiency' as described in the Queensland Government Performance Management Framework. However, these service standards are retained to demonstrate QBCC's commitment to improve the timeliness of its services to customers to align with industry expectations.
4. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to a better than expected performance as a result of changes introduced to allocation of cases to staff. The 2018-19 Target/Estimate is retained as the latest trend of complaints received are more complex and this will result in more time needed to resolve the cases.
5. Variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual is due to a restructure of the licensing team which allowed a better focus on core activities. The 2018-19 Target/Estimate has been retained at 30 days. Due to the re-introduction of the Plumbing and Drainage Bill 2017, which lapsed with the dissolution of Parliament in late 2017, the QBCC expects to process new classes of licences (e.g. mechanical services) which will impact on the number of days to process licence applications.
6. Variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual is due to changes in the way claims are managed and the scope of works being prepared by QBCC's building inspectors rather than being outsourced to an external party. This has resulted in a quicker turnaround in the claims process. Variance between the 2017-18 and 2018-19 Target/Estimates is due to the significant changes introduced in 2017-18 and continuing efforts to better manage claims in 2018-19.
7. Variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual is due to efficiencies gained through staff being supported with better system processes. The 2018-19 Target/Estimate remains unchanged as the latest trend of complaints received shows more complex issues being received, requiring more time to resolve the cases in 2018-19.
8. Variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual is due to a small number of cases which were delayed due to formal legislated review procedures. Variance between the 2017-18 Target/Estimate and the 2018-19 Target/Estimate is based on the 2017-18 Estimated Actual performance. This service standard was introduced in 2017-18. The Target/Estimate will be refined as the QBCC gathers more data over a longer period of time.

Discontinued measures

Performance measures included in the 2017-18 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Queensland Building and Construction Commission	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Overall customer satisfaction	1, 2	75%	68%	Discontinued measure

Notes:

1. This service standard was discontinued as it did not align with QBCC's focus of making the right decisions based on the law. The service standard 'Perception of fairness in decision making: percentage of survey respondents agree the final decision was fair' better evidences the service area objective.
2. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to issues with customers trying to access online services that includes a variety of forms, as well as the Queensland Home Warranty Insurance Policy system. Customers in some instances experienced difficulty uploading supporting documents resulting in having to call the QBCC Contact Centre for assistance. Customers also experienced difficulty in accessing the myQBCC portal which contains these forms and systems. The QBCC is working through these issues.

Staffing[1]

Queensland Building and Construction Commission	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Queensland Building and Construction Commission	2	420	429	474

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between 2017-18 Budget and 2017-18 Estimated Actual is due to the implementation of the *Building and Construction Legislation (Non-conforming Building Products – Chain of Responsibility and Other Matters) Amendment Act 2017*. Variance between 2017-18 Estimated Actual and 2018-19 Budget is due to more resources needed to support the implementation of the *Building Industry Fairness (Security of Payment) Act 2017*.

Income statement

Queensland Building and Construction Commission	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Taxes		..	..	..
User charges and fees	3	125,605	138,738	140,560
Grants and other contributions		..	..	..
Interest		7,998	13,524	10,169
Other revenue	1,6	73,457	100,652	77,274
Gains on sale/revaluation of assets		37	63	(6)
Total income		**207,097**	**252,977**	**227,997**
EXPENSES				
Employee expenses	4,7	48,609	47,329	54,435
Supplies and services		34,711	34,122	35,902
Grants and subsidies		..	..	..
Depreciation and amortisation		2,972	2,820	2,662
Finance/borrowing costs		..	..	..
Other expenses	2,5,8	91,116	128,200	104,462
Losses on sale/revaluation of assets		35,289	40,443	40,771
Total expenses		**212,697**	**252,914**	**238,232**
OPERATING SURPLUS/(DEFICIT)		**(5,600)**	**63**	**(10,235)**

Balance sheet

Queensland Building and Construction Commission	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets		7,205	5,955	6,005
Receivables		63,476	55,542	57,805
Other financial assets	9,12	233,736	275,653	273,220
Inventories		..	..	..
Other		16,310	19,302	17,688
Non-financial assets held for sale		..	..	..
Total current assets		**320,727**	**356,452**	**354,718**
NON-CURRENT ASSETS				
Receivables		94,611	90,430	89,033
Other financial assets		..	..	..
Property, plant and equipment		3,265	3,697	6,237
Intangibles		7,409	7,282	6,963
Other		..	..	..
Total non-current assets		**105,285**	**101,409**	**102,233**
TOTAL ASSETS		**426,012**	**457,861**	**456,951**
CURRENT LIABILITIES				
Payables		44,133	44,301	46,109
Accrued employee benefits		4,737	4,696	5,620
Interest bearing liabilities and derivatives		..	..	..
Provisions		51,465	56,933	56,933
Other	10,13	61,304	54,149	51,097
Total current liabilities		**161,639**	**160,079**	**159,759**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		5,956	5,854	6,063
Interest bearing liabilities and derivatives		..	..	..
Provisions		189,632	190,679	202,224
Other	11,14	33	16,722	14,613
Total non-current liabilities		**195,621**	**213,255**	**222,900**
TOTAL LIABILITIES		**357,260**	**373,334**	**382,659**
NET ASSETS/(LIABILITIES)		**68,752**	**84,527**	**74,292**
EQUITY				
TOTAL EQUITY		**68,752**	**84,527**	**74,292**

Cash flow statement

Queensland Building and Construction Commission	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	15,19	76,467	104,736	96,479
Grants and other contributions		..	..	..
Interest received		163	473	129
Taxes		..	..	..
Other	16,22	68,003	97,824	74,568
Outflows:				
Employee costs	20,23	(47,933)	(46,676)	(53,302)
Supplies and services		(27,724)	(38,450)	(34,630)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	17,21	(77,498)	(100,646)	(90,778)
Net cash provided by or used in operating activities		**(8,522)**	**17,261**	**(7,534)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		428	429	323
Investments redeemed		8,423	..	12,473
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(879)	(2,365)	(5,212)
Payments for investments	18,24	..	(21,981)	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**7,972**	**(23,917)**	**7,584**
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		**(550)**	**(6,656)**	**50**
Cash at the beginning of financial year		**7,755**	**12,611**	**5,955**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**7,205**	**5,955**	**6,005**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The increase in other revenue is due to an increase in claims recoveries income and reinsurers' share of claims approved as a result of an increase in claims approved.
2. The increase in other expenses is due to an increase in the reinsurers' share of premium income, increase in claims approved and an increase in the provision for future claims as a result of an actuarial assessment during the financial year.

Major variations between 2017-18 Budget and 2018-19 Budget include:

3. The increase in user charges and fees is due to an increase in premium income from a higher number and average value of policies written, an increase to premium rates and an increase in the exchange commission rate charged to the reinsurers.
4. The increase in employee expenses is due to more resources needed to support the implementation of the *Building Industry Fairness (Security of Payment) Act 2017*.
5. The increase in other expenses is due to an anticipated increase in claims approved.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

6. The decrease in other revenue is due to an anticipated decrease in claims recoveries income and reinsurers' share of claims approved as a result of a decrease in claims approved.
7. The increase in employee expenses is due to more resources needed to support the implementation of the *Building Industry Fairness (Security of Payment) Act 2017* and a certified agreement increase.
8. The decrease in other expenses is due to the anticipated decrease in claims approved and a lower future claims expense.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

9. The increase in other financial assets is due to the strong investment returns of the Queensland Investment Corporation growth fund and higher than anticipated funds for investment due to increased premium income.
10. The decrease in other current liabilities is due to the budget recognising all unearned income as current. The estimated actuals now reflect an allocation between current and non-current unearned income liability.
11. The increase in other non-current liabilities is due to the budget recognising all unearned income as current. The estimated actuals now reflect an allocation between current and non-current unearned income liability.

Major variations between 2017-18 Budget and 2018-19 Budget include:

12. The increase in other financial assets is due to the increased investments recorded in 2017-18.
13. The decrease in other current liabilities is due to the 2017-18 budget recognising all unearned income as a current liability. The 2018-19 budget reflects an allocation between current and non-current unearned income liability.
14. The increase in other non-current liabilities is due to the 2017-18 budget recognising all unearned income as a current liability. The 2018-19 budget reflects an allocation between current and non-current unearned income liability.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

15. The increase in user charges and fees is due to an increase in premium income received.
16. The increase in other operating inflows is due to the increase in claims recoveries income and reinsurers share of claims approved as a result of an increase in claims approved.

17. The increase in other operating outflows is due to the increase in the reinsurers' share of premium income and increase in claims approved.

18. The increase in payments for investments is due to higher than anticipated excess funds for investment as a result of higher premium income.

Major variations between 2017-18 Budget and 2018-19 Budget include:

19. The increase in user charges and fees is due to an increase in premium income from a higher number and average value of policies written, an increase to premium rates and an increase in the exchange commission rate charged to the reinsurers.

20. The increase in employee costs is due to more resources needed to support the implementation of the *Building Industry Fairness (Security of Payment) Act 2017* and a certified agreement increase.

21. The increase in other operating outflows is due to an anticipated increase in claims approved.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

22. The decrease in other operating inflows is due to an anticipated decrease in claims recoveries income and reinsurers' share of claims approved as a result of a decrease in claims approved.

23. The increase in employee costs is due to more resources needed to support the implementation of the *Building Industry Fairness (Security of Payment) Act 2017* and a certified agreement increase.

24. The decrease in payments for investments is due to 2017-18 estimated actual having a higher payment for investments as a result of surplus funds from higher premium income.

Residential Tenancies Authority

Overview

The Residential Tenancies Authority (RTA) is a statutory body established under the *Residential Tenancies and Rooming Accommodation Act 2008* (the RTRA Act), accountable to a Board of Directors, and under the portfolio responsibility of the Minister for Housing and Public Works.

The RTA administers the RTRA Act which regulates the residential rental sector in Queensland. The RTA is self-funded from the earnings on the investment of rental bonds lodged with the organisation. The RTA's vision is to make renting work for everyone.

To achieve this vision, the RTA's strategic objectives include:

- delivering secure online services that make renting easier for everyone
- maintaining strong relationships with the sector and stakeholders to ensure high levels of community awareness of the RTRA Act, the RTA and its services
- simple cost-effective systems to enable great client service
- delivering value for money services
- growing value through innovation and cost-base efficiency
- addressing financial sustainability.

The RTA contributes to the Queensland Government's objective to be a responsive Government by providing state-wide rental bond management, tenancy information, self-resolution assistance and support, community education, a conciliation service for tenancy disputes, investigating offences under the RTRA Act, providing sector research and data, and policy advice to government.

Service summary

The RTA is dependent on the investment of rental bonds to fund its operations. The RTA continues to ensure effective investment strategies and prudent financial management.

In 2017-18, the RTA:

- supported a fair and balanced rental sector by increasing the number of proactive investigations into breaches of the RTRA Act
- improved data analytic reporting that delivered improvements to frontline service delivery which reduced call wait times and enabled targeted delivery of services to high priority cases
- implemented efficiency improvements in bond refund processing, resulting in improved client experience.

In 2018-19, the RTA will:

- enhance business continuity capabilities to improve sustainable service delivery
- determine technical capabilities required to ensure service channels meet the needs of the residential rental sector
- cross skill frontline staff in operational areas allowing the RTA to better respond to client demands
- implement business process improvements focussing on quality and training which will result in reduced call handling times in the contact centre, improving client experiences
- drive compliance with tenancy legislation through increased education services delivered to tenants, property owners/managers and industry bodies.

Service performance

Performance statement

Residential Tenancies Authority

Service area objective

To regulate the residential rental housing and rooming accommodation sector and provide high quality client services that balances the rights and responsibilities of all parties in the residential rental sector.

Service area description

Services delivered by the Residential Tenancies Authority (RTA) include rental bond management, tenancy information and education, dispute resolution, investigation and prosecution of offences under the *Residential Tenancies and Rooming Accommodation Act 2008*, monitoring sector data, conducting industry research and providing policy advice to government about the residential rental sector. The RTA assists tenants, lessors, agents, residents and accommodation providers in houses, flats, caravans and rooming accommodation.

Residential Tenancies Authority	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Residential Tenancies Authority				
Service standards *Effectiveness measures* Proportion of disputes resolved after parties participated in the conciliation process		70%	71%	70%
Overall client satisfaction		75%	79%	75%
Efficiency measures Average annual return on investment		3.2%	3.2%	2.9%
Total cost for RTA output (excluding grants) as a proportion of the value of bonds held		4.0%	4.0%	4.0%

Staffing[1]

Residential Tenancies Authority	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Residential Tenancies Authority		220	220	220

Note:

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

Income statement

Residential Tenancies Authority	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Taxes		..	..	..
User charges and fees		..	..	..
Grants and other contributions		..	..	..
Interest		27,627	27,613	26,626
Other revenue		12	26	24
Gains on sale/revaluation of assets		..	..	..
Total income		**27,639**	**27,639**	**26,650**
EXPENSES				
Employee expenses	1,3	21,377	21,519	22,661
Supplies and services	2,4	11,857	11,716	10,911
Grants and subsidies		..	..	..
Depreciation and amortisation		1,674	1,585	1,556
Finance/borrowing costs		..	..	..
Other expenses		35	35	40
Losses on sale/revaluation of assets		34	88	45
Total expenses		**34,977**	**34,943**	**35,213**
OPERATING SURPLUS/(DEFICIT)		**(7,338)**	**(7,304)**	**(8,563)**

Balance sheet

Residential Tenancies Authority	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	5,8,12	34,735	75,862	44,586
Receivables		495	449	449
Other financial assets	6,9,13	859,338	815,920	866,547
Inventories		..	..	..
Other		397	487	487
Non-financial assets held for sale		..	..	..
Total current assets		**894,965**	**892,718**	**912,069**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	7,10,14	807	695	417
Intangibles	11,15	10,426	10,760	9,569
Other		..	105	105
Total non-current assets		**11,233**	**11,560**	**10,091**
TOTAL ASSETS		**906,198**	**904,278**	**922,160**
CURRENT LIABILITIES				
Payables		871,316	863,833	890,292
Accrued employee benefits		3,991	3,085	3,187
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**875,307**	**866,918**	**893,479**
NON-CURRENT LIABILITIES				
Payables		359	317	181
Accrued employee benefits		869	818	838
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**1,228**	**1,135**	**1,019**
TOTAL LIABILITIES		**876,535**	**868,053**	**894,498**
NET ASSETS/(LIABILITIES)		**29,663**	**36,225**	**27,662**
EQUITY				
TOTAL EQUITY		**29,663**	**36,225**	**27,662**

Cash flow statement

Residential Tenancies Authority	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		(34)	(95)	(45)
Grants and other contributions		..	..	..
Interest received		27,627	27,569	26,626
Taxes		..	..	..
Other		12	26	24
Outflows:				
Employee costs	18	(21,147)	(21,743)	(22,539)
Supplies and services	19	(11,857)	(11,328)	(11,047)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	16,20,22	44,554	32,873	26,419
Net cash provided by or used in operating activities		**39,155**	**27,302**	**19,438**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(160)	(85)	(87)
Payments for investments	17,21,23	(48,692)	(2,032)	(50,627)
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(48,852)**	**(2,117)**	**(50,714)**
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		**(9,697)**	**25,185**	**(31,276)**
Cash at the beginning of financial year		**44,432**	**50,677**	**75,862**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**34,735**	**75,862**	**44,586**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2018-19 Budget include:

1. The increase to employee expenses is due to wage increases.
2. The decrease in supplies and services is due to efficiency gains causing a reduction in temporary staff and business support costs.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

3. The increase to employee expenses is due to wage increases.
4. The decrease in supplies and services is due to efficiency gains causing a reduction in temporary staff and business support costs.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

5. The increase in cash assets is due to changes in cash management to maximise investment earnings.
6. The decrease in other financial assets is due to changes in cash management to maximise investment earnings.
7. The decrease in property, plant and equipment is due to ongoing depreciation.

Major variations between 2017-18 Budget and 2018-19 Budget include:

8. The increase in cash assets is due to changes in cash management to maximise investment earnings.
9. The increase in other financial assets is due to changes in cash management to maximise investment earnings.
10. The decrease in property, plant and equipment is due to ongoing depreciation.
11. The decrease in Intangibles is due to ongoing Amortisation.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

12. The decrease in cash assets is due to changes in cash management to maximise investment earnings.
13. The increase in other financial assets is due to changes in cash management to maximise investment earnings.
14. The decrease in property, plant and equipment is due to ongoing depreciation.
15. The decrease in Intangibles is due to ongoing Amortisation.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

16. The decrease in other outflows is due to lower growth in 2017-18 after higher than normal growth in 2016-17.
17. The decrease in payments for investments is due to changes in cash management to maximise investment earnings.

Major variations between 2017-18 Budget and 2018-19 Budget include:

18. The increase to employee costs out flow is due to wage increases.
19. The decrease in supplies and services is due to efficiency gains causing a reduction in temporary staff and business support costs.
20. The decrease in other outflows is due to forecast for 2018-19 based on historical trends after higher than normal growth in 2016-17.
21. The increase in payments for investments is due to changes in cash management to maximise investment earnings.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

22. The decrease in other outflows is due to forecast for 2018-19 based on historical trends after higher than normal growth in 2016-17.
23. The increase in payments for investments is due to changes in cash management to maximise investment earnings.

Commercialised business units

Building and Asset Services

Overview

Building and Asset Services' vision is to deliver on the priorities of the Government. Building and Asset Services works with industry and local suppliers to deliver procurement initiatives to enhance asset life cycle management.

Contributing to the Queensland Government's objectives to create jobs in a strong economy through the revitalised Building and Asset Services apprenticeship program; to keep communities safe through the delivery of the Smoke Alarm Program; and to be a responsive Government by providing immediate response to communities affected by natural disasters and other major events. This is achieved through a comprehensive geographic presence across Queensland, including six regional offices in Brisbane, Cairns, Townsville, Rockhampton, Maryborough and Toowoomba and a network of district offices, operational service centres and depots. This geographic presence positions Building and Asset Services to work directly with industry to maximise local supplier participation and build Queensland's regional capability.

The key factors influencing Building and Asset Services will be the collaboration with Queensland government agencies to develop forward programs of work, if necessary.

Service summary

In 2017-18, Building and Asset Services:

- developed a category management approach for building, construction and maintenance works, reviewed procurement processes and developed and implemented consistent contract management processes improving efficiencies and strengthening project delivery outcomes and procurement activities with regional communities
- partnered with Aboriginal and Torres Strait Islander Councils delivering capital and maintenance programs
- worked with the department's Housing and Homelessness Services division to reduce, over a four-year period, preconstruction planning and procurement timeframes for detached housing projects delivered in Aboriginal and Torres Strait Islander communities.

In 2018-19, Building and Asset Services will deliver solutions in partnership with customer agencies, including:

- implementing the Government's social procurement framework
- partnering with Queensland government agencies to manage portfolios, including project and construction management
- continuing to enhance our implementation activities to align with the Queensland Procurement Policy and "Buy Queensland" procurement strategy requirements to help drive local employment and build prosperity in our regions
- revitalising the Building and Asset Services apprenticeship program, to create employment opportunities and support the pathways to training, skills and jobs
- delivering the Smoke Alarm Program to Queensland government agencies housing assets meeting the Queensland Fire and Emergency Services legislative requirements.

Service performance

Performance statement

Building and Asset Services

Service area objective

To partner with Queensland Government agencies to strategically manage and deliver their building, construction and maintenance activities and programs state-wide.

Service area description

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

Building and Asset Services	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Building and Asset Services				
Service standards *Effectiveness measures* Overall customer satisfaction	1	80%	84%	..
Percentage of maintenance spend on BAS' customer's facilities with Local Zone 1 suppliers (based on physical location of contractor's workplace)	2	New measure	New measure	80%
Efficiency measures Gross profit as a percentage of revenue generated from work delivered on behalf of BAS customers	3	7.9%	8.2%	8.3%
Net profit before tax and dividends as a percentage of sales	4	0.1%	0.6%	0.1%
Current ratio	5	1.76:1	1.7:1	1.8:1

Notes:

1. This is a biennial measure with the next survey to be undertaken in 2019-20. Variance between the 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to BAS service alignment with customer agencies delivering on Government priorities, which resulted in a better than anticipated result.
2. This is a new effectiveness service standard that replaces the measure 'Percentage of maintenance spend on BAS' customer's facilities with regional suppliers' and aligns with the intent of the Queensland Procurement Policy (QPP) released in 2017. The QPP defines a Local Zone 1 supplier as one that 'maintains a workforce whose usual place of residency is located within a 125 km radius of where the goods or services are to be supplied'. Due to data availability, this measure is based on the physical location of the contractor's workplace rather than workforce residency.
3. This measure is calculated as sales less direct costs associated with providing its services. The costs do not include overhead and administrative costs. Gross profit as a percentage of sales is a standard financial measure. The variance between 2017-18 Target/Estimate to 2017-18 Estimated Actual and 2018-19 Target/Estimate mainly reflects the products and services delivered and the related gross profits achieved.
4. This measure represents the gross profit less overhead and administrative costs. Net profit as a percentage of sales is a standard financial measure. The increase in 2017-18 Target/Estimate to 2017-18 Estimated Actual mainly reflects the increase in contribution from expected higher volume of sales.

5. This measure reports the level of current assets to current liabilities at a point in time. The slight variance between 2017-18 Target/Estimate to 2017-18 Estimated Actual and 2018-19 Target/Estimate mainly reflects the general movements in business operational activity.

Discontinued measures

Performance measures included in the 2017-18 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Building and Asset Services	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Percentage of maintenance spend on Building and Asset Services' customer's facilities with regional suppliers	1	88%	87%	Discontinued measure

Note:

1. This service standard is discontinued as the introduction of the Queensland Procurement Policy (QPP) released in 2017 has required further refinement of the measure to align with the intent of QPP requirements. This discontinued measure will be reported in the 2017-18 Annual Report. A replacement measure, 'Percentage of maintenance spend on Building and Asset Services' customer's facilities with Local Zone 1 suppliers (based on physical location of contractor's workplace)' has been developed and introduced.

Staffing[1, 2]

Building and Asset Services	Notes	2017-18 Adjusted Budget	2017-18 Est. Actual	2018-19 Budget
Building and Asset Services	3, 4	1,213	1,223	1,247

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between 2017-2018 Adjusted Budget and 2017-2018 Estimated Actual is due to additional temporary roles for the Non-Conforming Building Products Audit Taskforce.
4. Variance between 2017-2018 Estimated Actual and the 2018-2019 Budget is due to the revitalisation of the Building and Asset Service Apprenticeship Program and additional trade roles required to implement the Apprenticeship Program.

Income statement

Building and Asset Services	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
User charges and fees	1,5,10	897,667	995,878	937,522
Grants and other contributions	6,11	302	1,204	4,453
Interest		750	711	711
Other revenue	2	3,956	7,398	5,345
Gains on sale/revaluation of assets		..	..	..
Total income		**902,675**	**1,005,191**	**948,031**
EXPENSES				
Employee expenses	7,12	116,738	116,292	123,022
Supplies and services	3,8,13	780,343	876,854	815,713
Grants and subsidies	9,14	..	800	3,500
Depreciation and amortisation		3,504	3,491	3,386
Finance/borrowing costs		..	..	..
Other expenses		1,379	1,333	1,314
Losses on sale/revaluation of assets		10	540	8
Total expenses		**901,974**	**999,310**	**946,943**
Income tax expense/revenue		210	1,764	326
OPERATING SURPLUS/(DEFICIT)	**4,15**	**491**	**4,117**	**762**

Balance sheet

Building and Asset Services	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	16,18,22	104,811	124,942	113,884
Receivables		115,918	115,950	110,554
Other financial assets		..	..	..
Inventories	23	46,267	46,888	44,143
Other		148	131	131
Non-financial assets held for sale		..	..	..
Total current assets		**267,144**	**287,911**	**268,712**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		1,172	866	903
Deferred tax assets		380	606	306
Intangibles	19,24	4,304	4,437	1,214
Other		..	..	..
Total non-current assets		**5,856**	**5,909**	**2,423**
TOTAL ASSETS		**273,000**	**293,820**	**271,135**
CURRENT LIABILITIES				
Payables	17,20,25	86,897	101,344	92,930
Current tax liabilities		141	1,764	326
Accrued employee benefits		4,381	4,852	4,631
Interest bearing liabilities and derivatives		..	..	..
Provisions		36	..	..
Other	21,26	60,414	60,755	52,195
Total current liabilities		**151,869**	**168,715**	**150,082**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		1,156	1,300	1,000
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**1,156**	**1,300**	**1,000**
TOTAL LIABILITIES		**153,025**	**170,015**	**151,082**
NET ASSETS/(LIABILITIES)		**119,975**	**123,805**	**120,053**
EQUITY				
TOTAL EQUITY		**119,975**	**123,805**	**120,053**

Cash flow statement

Building and Asset Services	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	27,32,39	952,971	1,054,554	986,958
Grants and other contributions	33,40	302	1,204	4,453
Interest received		749	683	711
Other	28,34	23,545	30,805	31,154
Outflows:				
Employee costs	35,41	(117,094)	(117,074)	(123,318)
Supplies and services	29,36,42	(862,681)	(987,762)	(897,753)
Grants and subsidies	37,43	..	(800)	(3,500)
Borrowing costs		..	..	..
Taxation equivalents paid		(302)	(2,827)	(1,764)
Other		(1,365)	(1,692)	(1,607)
Net cash provided by or used in operating activities		**(3,875)**	**(22,909)**	**(4,666)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(300)	(200)	(200)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(300)**	**(200)**	**(200)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	(1,642)	(4,133)
Dividends paid	30	(526)	(4,184)	(2,059)
Net cash provided by or used in financing activities		**(526)**	**(5,826)**	**(6,192)**
Net increase/(decrease) in cash held		**(4,701)**	**(28,935)**	**(11,058)**
Cash at the beginning of financial year	31,38,44	**109,512**	**153,877**	**124,942**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**104,811**	**124,942**	**113,884**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The increase in user charges and fees is mainly due to increased maintenance and upgrade work including refurbishment and facilities maintenance for correctional centres, residential improvement programs and electrical safety programs.
2. The increase in other revenue is mainly due to additional funding received for the Non-Conforming Building Products Taskforce not included in the original budget.
3. The increase in supplies and services is mainly due to increase payments to contractors reflecting the higher volume of work.
4. The increase in surplus mainly reflects the delivery of a higher volume of work.

Major variations between 2017-18 Budget and 2018-19 Budget include:

5. The increase in user charges and fees is mainly due to increased maintenance and upgrade work to be undertaken for social housing, electrical safety and residential improvement programs.
6. The increase in grants and other contributions is mainly due to funding received for establishment of the Apprenticeship Program and the North Queensland Strata Title Inspection Program not included in the original budget.
7. The increase in employee expense is mainly due to Enterprise Bargaining Agreements increments, the establishment of the Apprenticeship Program and the Non-Conforming Building Products Taskforce not included in the original budget.
8. The increase in supplies and services is mainly due to increase payments to contractors reflecting the higher volume of work.
9. The increase in grants and subsidies is due to the additional funding to be provided for the North Queensland Strata Title Inspection Program.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

10. The decrease in user charges and fees is mainly due to reduced volume of work.
11. The increase in grants and other contributions is mainly due to additional funding for establishment of the Apprenticeship Program and the North Queensland Strata Title Inspection Program.
12. The increase in employee expense is mainly due to Enterprise Bargaining Agreements increments and the establishment of the Apprenticeship Program.
13. The decrease in supplies and services is mainly due to a decrease in payments to contractors reflecting the lower volume of work.
14. The increase in grants and subsidies is due to additional funding to be provided for the North Queensland Strata Title Inspection Program.
15. The decrease in surplus mainly reflects the reduced volume of work and increased employee expenses for the Enterprise Bargaining Agreements.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

16. The increase in cash is mainly due to cash balances at the start of the year being higher than originally budgeted, the anticipated timing of payments to contractors and receipts from customers at the end of the year.
17. The increase in payables is due to the anticipated increase in contractor invoices reflecting the higher volume of work at the end of the financial year.

Major variations between 2017-18 Budget and 2018-19 Budget include:

18. The increase in cash is mainly due to the anticipated timing of payments to contractors and receipts from customers at the end of financial year.
19. The decrease in intangibles is due to the amortisation of capitalised systems software costs.
20. The increase in payables is mainly due to anticipated increase in contractor invoices reflecting the higher volume of work performed at the end of the financial year.
21. The decrease in other current liabilities is mainly due to the anticipated reduction in unearned revenue due to timing of invoices from contractors.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

22. The decrease in cash is mainly due to the anticipated timing of payments to contractors, receipts from customers and the lower volume of work at the end of the financial year.
23. The decrease in inventories (construction work in progress) mainly reflects the expected lower volume of work at the end of the financial year.
24. The decrease in intangibles is due to the amortisation of capitalised systems software costs.
25. The decrease in payables reflects the lower volume of work at the end of the financial year.
26. The decrease in other current liabilities is mainly due to the anticipated reduction in unearned revenue due to timing of invoices from contractors.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

27. The increase in user charges and fees is mainly due to increased maintenance and upgrade work including refurbishment and facilities maintenance for correctional centres, residential improvement programs and electrical safety programs.
28. The increase in other inflows is mainly due to funding received for the Non-Conforming Building Products Taskforce not included in the original budget and higher than anticipated Goods and Services Tax inflows from the Australian Taxation Office.
29. The increase in supplies and services is mainly due to an increase in payments to contractors reflecting the higher volume of work.
30. The increase in dividends paid is due to the higher than anticipated profit from 2016-17 financial year.
31. The increase in cash at the beginning of the financial year was mainly due to the timing of payments to contractors and receipts from customers at the end of the prior financial year.

Major variations between 2017-18 Budget and 2018-19 Budget include:

32. The increase in user charges and fees is mainly due to increased maintenance and upgrade work to be undertaken for social housing, electrical safety and residential improvement programs.
33. The increase in grants and other contributions is mainly due to funding received for establishment of the Apprenticeship Program and the North Queensland Strata Title Inspection Program not included in the original budget.
34. The increase in other inflows is mainly due to funding received for the Non-Conforming Building Products Taskforce not included in the original budget and higher Goods and Services Tax inflows from the Australian Taxation Office due to the increased volume of work.
35. The increase in employee expense is mainly due to Enterprise Bargaining Agreements increments and establishment of the Apprenticeship Program and the Non-Conforming Building Products Taskforce not included in the original budget.
36. The increase in supplies and services is mainly due to an increase in payments to contractors reflecting the higher volume of work.
37. The increase in grants and subsidies is due to the additional funding to be provided for the North Queensland Strata Title Inspection Program.
38. The increase in cash at the beginning of the financial year is mainly due to the anticipated timing of payments to contractors and receipts from customers at the end of the prior year.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

39. The decrease in user charges and fees is mainly due to reduced volume of work.
40. The increase in grants and other contributions is mainly due to additional funding for establishment of the Apprenticeship Program and the North Queensland Strata Title Inspection Program.
41. The increase in employee expense is mainly due to Enterprise Bargaining Agreements increments and the establishment of the Apprenticeship Program.
42. The decrease in supplies and services is mainly due to a decrease in payments to contractors reflecting the lower volume of work.
43. The increase in grants and subsidies is due to additional funding to be provided for the North Queensland Strata Title inspection program.
44. The decrease in cash at the beginning of the financial year is mainly due to the anticipated timing of payments to contractors and receipts from customers at the end of the prior year.

CITEC

Overview

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

CITEC's vision is to deliver on the priorities of the Government. With a focus on transformation and continuous improvement, CITEC is committed to developing its highly-skilled workforce and putting customers at the centre of its service design and delivery.

CITEC ICT manages key Queensland Government assets including data centres, networks, infrastructure and essential ancillary services that enable agencies to deliver better front-line services. CITEC ICT runs two secure data centres which provide highly resilient infrastructure for government systems as well as a secure government network that allows departments to exchange information easily and securely.

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

Service summary

In 2017-18, CITEC:

- recommenced service line reviews that resulted in significant savings for agencies
- delivered the second pilot site for the regional connectivity initiative in Maroochydore, reducing telecommunications costs, improving connectivity and increasing collaboration for partner agencies
- implemented a new application-aware firewall product to protect government data by alerting and blocking cyber-attacks in real time
- migrated a number of different agency systems onto the Queensland Government Cloud to help mitigate the risks associated with aged, end-of-life or out-of-support legacy infrastructure.

In 2018-19, CITEC will continue to deliver high quality services while progressing key initiatives, including:

- improving bandwidth in regional areas by extending the multi-agency shared connectivity service to various locations across the state including Far North Queensland
- implementing the outcomes of evaluations arising from the Data Centre Strategy which will leverage the Data Centre as-a-Service panel
- further maturing cyber security operations including hunting, intrusion detection and protection capabilities and growing the operational network for threat and intelligence sharing
- collaborating with agencies to deliver data insights and analytics projects and commence a whole-of-government data sharing program.

Service performance

Performance statement

CITEC

Service area objective

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

Service area description

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

Services

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

CITEC	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: CITEC	1			
Service: CITEC ICT				
Service standards *Effectiveness measures* CITEC ICT customer satisfaction	2	>70%	84%	>70%
CITEC ICT service availability	3	New measure	New measure	>99.9%
Efficiency measure CITEC ICT Earnings before interest and tax less Depreciation and Amortisation (EBITDA)	4	($2.373m)	$1.734m	$1.775m
Service: CITEC IB				
Service standards *Effectiveness measure* CITEC IB customer satisfaction	5	>80%	91%	>80%
Efficiency measure CITEC IB Earnings before interest and tax less Depreciation and Amortisation (EBITDA)	6	($3.707m)	($0.521m)	($3.347m)

Notes:

1. This service area was transferred from the (former) Department of Science, Information Technology and Innovation following machinery-of-government changes.
2. This is a measure of overall satisfaction. It shows the percentage of customers satisfied with CITEC ICT's services to support the delivery of quality front line services to Queensland communities. CITEC ICT has successfully implemented a dedicated program of work to improve services and outcomes for its customers. This is reflected in the high result for 2017-18 Estimated Actual. CITEC ICT will continue working to maintain this high result in 2018-19 and will review the target once a new trend is established.

3. This new effectiveness measure is an industry accepted benchmark and shows the percentage of uptime (i.e. operational functionality of services) of Queensland Government's underpinning data centre and network services provided directly by CITEC ICT. This measure demonstrates how well CITEC delivers on its objective of providing available ICT infrastructure.
4. This measure shows the net income with interest, taxes, depreciation and amortisation added back to the operating position, effectively eliminating the effects of financing and accounting decisions for CITEC ICT. Positive variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to lower than budgeted expenses and higher than anticipated revenue. The 2018-19 Target/Estimate is slightly higher than the 2017-18 Estimated Actual due to a reduction in expenses.
5. This is a measure of overall satisfaction. It shows the percentage of customers satisfied with CITEC IB's service. The positive result for 2017-18 is attributed to high levels of customer satisfaction with the CITEC Confirm Service Centre as well as the quality and timeliness of the CITEC Confirm service. CITEC IB will continue working to maintain a high result in 2018-19 and will review the target should this positive trend continue.
6. This measure shows the net income with interest, taxes, depreciation and amortisation added back to the operating profit, effectively eliminating the effects of financing and accounting decisions for CITEC IB. Positive variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to efficient management of costs and revenue streams. The 2018-19 Target/Estimate is lower than the 2017-18 Estimated Actual mainly due to a projected reduction in customer revenues.

Staffing[1, 2]

CITEC	Notes	2017-18 Adjusted Budget	2017-18 Est. Actual	2018-19 Budget
CITEC	3, 4	388	367	361

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Variance between 2017-18 Adjusted Budget and 2017-18 Estimated Actual is due to natural attrition and a re-alignment of the workforce to match future capability requirements.
4. Variance between 2017-18 Estimated Actual and the 2018-19 Budget is due to natural attrition and a re-alignment of the workforce to match future capability requirements.

Income statement

CITEC	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
User charges and fees	1,4	143,592	152,880	146,859
Grants and other contributions		..	..	..
Interest		156	106	92
Other revenue		..	2	..
Gains on sale/revaluation of assets		..	27	..
Total income		**143,748**	**153,015**	**146,951**
EXPENSES				
Employee expenses		41,731	40,270	40,174
Supplies and services		107,147	110,558	107,490
Grants and subsidies		..	..	..
Depreciation and amortisation	2,3	6,106	5,511	5,154
Finance/borrowing costs		37	51	81
Other expenses		792	859	764
Losses on sale/revaluation of assets		..	9	..
Total expenses		**155,813**	**157,258**	**153,663**
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT)		**(12,065)**	**(4,243)**	**(6,712)**

Balance sheet

CITEC	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	5,11,18	3,069	15,330	11,610
Receivables	6,12	14,268	16,235	16,045
Other financial assets		..	..	..
Inventories		..	..	..
Other	7,13	2,755	4,069	4,089
Non-financial assets held for sale		..	..	..
Total current assets		**20,092**	**35,634**	**31,744**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14,19	11,399	11,282	9,383
Deferred tax assets		..	..	..
Intangibles	8,15,20	2,964	1,894	2,239
Other		379	161	161
Total non-current assets		**14,742**	**13,337**	**11,783**
TOTAL ASSETS		**34,834**	**48,971**	**43,527**
CURRENT LIABILITIES				
Payables		8,120	8,182	8,212
Current tax liabilities		..	..	..
Accrued employee benefits		1,649	1,764	1,764
Interest bearing liabilities and derivatives	9,16,21	965	1,086	1,958
Provisions		..	..	..
Other		1,211	1,647	1,647
Total current liabilities		**11,945**	**12,679**	**13,581**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		1,525	905	905
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	10,17,22	2,565	2,906	3,272
Provisions		..	..	..
Other		230	99	99
Total non-current liabilities		**4,320**	**3,910**	**4,276**
TOTAL LIABILITIES		**16,265**	**16,589**	**17,857**
NET ASSETS/(LIABILITIES)		**18,569**	**32,382**	**25,670**
EQUITY				
TOTAL EQUITY		**18,569**	**32,382**	**25,670**

Cash flow statement

CITEC	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	23,27	156,733	165,644	159,934
Grants and other contributions		..	..	..
Interest received		156	106	92
Other		6,618	6,620	6,628
Outflows:				
Employee costs		(41,731)	(40,270)	(40,174)
Supplies and services		(112,204)	(115,290)	(112,582)
Grants and subsidies		..	..	..
Borrowing costs		(37)	(51)	(81)
Taxation equivalents paid		..	..	..
Other		(15,223)	(15,290)	(15,175)
Net cash provided by or used in operating activities		**(5,688)**	**1,469**	**(1,358)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	1	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	24,25,28	(5,355)	(2,642)	(3,600)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(5,355)**	**(2,641)**	**(3,600)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	29	..	..	2,500
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	(198)
Finance lease payments	26,30	(470)	(433)	(1,064)
Equity withdrawals		..	..	..
Dividends paid		..	..	..
Net cash provided by or used in financing activities		**(470)**	**(433)**	**1,238**
Net increase/(decrease) in cash held		**(11,513)**	**(1,605)**	**(3,720)**
Cash at the beginning of financial year		**14,582**	**16,935**	**15,330**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**3,069**	**15,330**	**11,610**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The increase in user charges and fees is mainly due to increased revenue from Information Brokerage private sector customers resulting from higher than expected demand.
2. The decrease in depreciation and amortisation is mainly due to the deferral of the Information Brokerage platform refresh program of work.

Major variations between 2017-18 Budget and 2018-19 Budget include:

3. The decrease in depreciation and amortisation is mainly due to the deferral of the Information Brokerage platform refresh program of work.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

4. The decrease in user charges and fees is mainly due to reduced revenue from Information Brokerage private sector customers resulting from a decline in demand.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

5. The increase in cash assets is mainly due to increased Information Brokerage revenue and lower than anticipated expenditure for Information Brokerage and CITEC ICT.
6. The increase in receivables is mainly due to increased revenue from Information Brokerage private sector customers resulting from higher than expected demand.
7. The increase in other current assets is mainly due to an increase in prepayments for CITEC ICT licences and maintenance support.
8. The decrease in intangibles is mainly due to the deferral of the Information Brokerage platform refresh program of work.
9. The increase in current interest-bearing liabilities and derivatives relates to the finance lease for the CITEC ICT mainframe purchased earlier than planned.
10. The increase in non-current interest-bearing liabilities and derivatives relates to the finance lease for the CITEC ICT mainframe purchased earlier than planned.

Major variations between 2017-18 Budget and 2018-19 Budget include:

11. The increase in cash assets is mainly due to an improved 2017-18 cash position resulting from increased revenue from Information Brokerage private sector customers and decreased expenditure for CITEC ICT.
12. The increase in receivables is mainly due to increased revenue from Information Brokerage private sector customers resulting from higher than expected demand.
13. The increase in other current assets is mainly due to an increase in prepayments for CITEC ICT licences and maintenance support.
14. The decrease in property, plant and equipment is mainly due to efficiencies from technological advancements and movement away from owned assets to 'as a service' arrangements.
15. The decrease in intangibles is mainly due to the deferral of the Information Brokerage platform refresh program of work.
16. The increase in current interest-bearing liabilities and derivatives reflects a revised finance lease schedule for the CITEC ICT mainframe and an additional loan facility for the CITEC ICT capital program.
17. The increase in non-current interest-bearing liabilities and derivatives reflects a revised finance lease schedule for the CITEC ICT mainframe and an additional loan facility for the CITEC ICT capital program.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

18. The decrease in cash assets is mainly due to reduced revenue from Information Brokerage private sector customers resulting from a decline in demand.
19. The decrease in property, plant and equipment is mainly due to efficiencies from technological advancements and movement away from owned assets to 'as a service' arrangements.
20. The increase in intangibles is mainly due to the deferral of the Information Brokerage platform refresh program of work from 2017-18.
21. The increase in current interest-bearing liabilities and derivatives reflects an additional loan facility for the CITEC ICT capital program.
22. The increase in non-current interest-bearing liabilities and derivatives reflects an additional loan facility for the CITEC ICT capital program.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

23. The increase in user charges and fees is mainly due to increased revenue from Information Brokerage private sector customers resulting from higher than expected demand.
24. The decrease in payments for non-financial assets is mainly due to the deferral of the Information Brokerage platform refresh program of work to 2018-19.

Major variations between 2017-18 Budget and 2018-19 Budget include:

25. The decrease in payments for non-financial assets is mainly due to efficiencies from technological advancements and movement away from owned assets to 'as a service' arrangements.
26. The increase in finance lease payments relates to the full year impact of the CITEC ICT mainframe finance lease.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

27. The decrease in user charges and fees is mainly due to reduced revenue from Information Brokerage private sector customers resulting from a decline in demand.
28. The increase in payments for non-financial assets is mainly due to the deferral of the Information Brokerage platform refresh program of work from 2017-18.
29. The increase in borrowings represents a loan facility for the CITEC ICT capital program.
30. The increase in finance lease payments relates to the full year impact of the CITEC ICT mainframe finance lease.

QFleet

Overview

QFleet's vision is to deliver on the priorities of the Government.

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

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

Key factors influencing QFleet include keeping pace with climate change mitigation and maintaining an efficient and effective fleet mix.

Service summary

In 2017-18, QFleet:

- developed the *QFleet Electric Vehicle Strategy for the Queensland Government motor vehicle fleet* to increase the number of electric vehicles in the fleet
- investigated the feasibility of expanding the government car sharing model to a regional location
- investigated alternative products and services to enhance QFleet’s provision of efficient and cost-effective transport solutions
- introduced the *QFleet Environmental Strategy for the Queensland Government motor vehicle fleet* that includes initiatives specifically aimed at reducing or minimising greenhouse gas emissions
- worked in partnership with the Department of Environment and Science to develop and implement strategies to offset the Queensland Government motor vehicle fleet’s greenhouse gas emissions
- established a standing offer arrangement for the provision of tyres and associated services for whole-of-government to leverage spend through an approved panel of suppliers.

In 2018-19, QFleet will implement a range of initiatives, including:

- purchasing a software-as-a-solution fleet management system, and commencing implementation in partnership with the Public Safety Business Agency and the Queensland Ambulance Service
- implementing the car sharing model to applicable Queensland Government departments
- implementing the QFleet Environmental Strategy.

Service performance

Performance statement

QFleet

Service area objective

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

Service area description

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

QFleet	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: QFleet				
Service standards *Effectiveness measures* Overall customer satisfaction	1	85%	85%	..
Percentage of total QFleet vehicles with a 5 star ANCAP safety rating	2	New measure	New measure	90%
Efficiency measures Current ratio	3	3.2:1	2.7:1	2.6:1
Return on net assets	4	3.4%	6.3%	2.8%
Gearing level	5	65%	66%	69%
Percentage of vehicle fleet utilisation compared to agreed lease parameters		90%	89%	90%

Notes:

1. This is a biennial survey with the next survey to be undertaken in 2019-20.
2. This is a new effectiveness service standard. The Australasian New Car Assessment Program (ANCAP) safety ratings indicate the level of safety a vehicle provides for occupants and pedestrians in the event of a crash, as well as its ability, through technology, to avoid a crash. ANCAP safety ratings are determined based on a series of internationally recognised, independent crash tests and safety assessments. To achieve the maximum 5 star ANCAP safety rating, a vehicle must perform to the highest level across all crash tests and assessments.
3. This measure reports the level of coverage of Current Assets to Current Liabilities at a point in time. Variance between the 2017-18 Target/Estimate and 2017-18 Estimated Actual is a result of a higher than budgeted operating surplus which increases the provisions for tax and dividends in current liabilities. The slight variance between 2017-18 Target/Estimate and 2018-19 Target/Estimate mainly reflects the general movements in business operational activity.
4. This is a measure of the level of financial return (as a percentage) the assets of the business are generating. Return on net assets is a standard financial measure. Variance between the 2017-18 Target/Estimate and 2017-18 Estimated Actual is mainly due to a higher forecast operating surplus. Variance between 2017-18 Estimated Actual and 2018-19 Target/Estimate is mainly due to lower operating surplus in 2018-19 due to additional systems related expenditure.
5. The measure represents the level of debt as a percentage of the business' total capital. Variance between 2017-18 Target/Estimate, 2017-18 Estimated Actual and 2018-19 Target/Estimate is mainly due to new borrowings to finance vehicles purchases in 2018-19.

Staffing[1, 2]

QFleet	Notes	2017-18 Adjusted Budget	2017-18 Est. Actual	2018-19 Budget
QFleet		47	47	47

Notes:

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

Income statement

QFleet	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
User charges and fees	1,4,7	108,907	119,044	135,777
Grants and other contributions		..	..	..
Interest		235	175	275
Other revenue		397	425	397
Gains on sale/revaluation of assets		..	..	..
Total income		**109,539**	**119,644**	**136,449**
EXPENSES				
Employee expenses	8	5,068	4,391	5,149
Supplies and services	2,5,9	58,480	60,015	85,586
Grants and subsidies		..	..	..
Depreciation and amortisation		37,128	38,966	38,113
Finance/borrowing costs		5,885	5,704	6,202
Other expenses		139	116	133
Losses on sale/revaluation of assets		..	..	..
Total expenses		**106,700**	**109,192**	**135,183**
Income tax expense/revenue		852	3,134	380
OPERATING SURPLUS/(DEFICIT)	**3,6,10**	**1,987**	**7,318**	**886**

Balance sheet

QFleet	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	13	29,433	28,755	23,409
Receivables	14	9,352	10,123	10,386
Other financial assets		..	..	..
Inventories	15,19	5,986	6,256	12,604
Other		5,206	6,203	5,631
Non-financial assets held for sale		..	..	..
Total current assets		**49,977**	**51,337**	**52,030**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	16	229,529	237,131	243,537
Deferred tax assets		6	6	6
Intangibles	11,17	3,139	..	..
Other		..	..	..
Total non-current assets		**232,674**	**237,137**	**243,543**
TOTAL ASSETS		**282,651**	**288,474**	**295,573**
CURRENT LIABILITIES				
Payables	18,20	12,563	12,953	16,060
Current tax liabilities	12,21	(3,750)	(765)	(3,139)
Accrued employee benefits		164	172	166
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		6,337	6,894	6,837
Total current liabilities		**15,314**	**19,254**	**19,924**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		12,044	15,684	15,351
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		176,512	176,512	186,512
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**188,556**	**192,196**	**201,863**
TOTAL LIABILITIES		**203,870**	**211,450**	**221,787**
NET ASSETS/(LIABILITIES)		**78,781**	**77,024**	**73,786**
EQUITY				
TOTAL EQUITY		**78,781**	**77,024**	**73,786**

Cash flow statement

QFleet	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	22,28,35	120,423	135,607	149,716
Grants and other contributions		..	..	..
Interest received		224	200	273
Other	23,29,36	7,931	9,264	12,389
Outflows:				
Employee costs		(5,112)	(4,398)	(5,179)
Supplies and services	24,30,37	(91,614)	(107,808)	(142,285)
Grants and subsidies		..	..	..
Borrowing costs		(5,881)	(5,716)	(6,175)
Taxation equivalents paid	25,38	(3,688)	203	(3,087)
Other	26,31	(10,846)	(13,413)	(13,658)
Net cash provided by or used in operating activities		**11,437**	**13,939**	**(8,006)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	27,32	(3,139)	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(3,139)**	**..**	**..**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		10,000	10,000	10,000
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(7,250)	(12,074)	(3,681)
Dividends paid	33,39	(4,984)	(5,384)	(3,659)
Net cash provided by or used in financing activities		**(2,234)**	**(7,458)**	**2,660**
Net increase/(decrease) in cash held		**6,064**	**6,481**	**(5,346)**
Cash at the beginning of financial year	**34**	**23,369**	**22,274**	**28,755**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**29,433**	**28,755**	**23,409**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The increase in user charges is mainly due to higher proceeds on vehicle sales.
2. The increase in supplies and services is mainly due to a higher written down value on vehicle sales as a result of additional vehicles being sold.
3. The increase in operating surplus is mainly due to higher proceeds on vehicle sales, higher lease revenue and lower than budgeted Fleet Management system replacement project costs.

Major variations between 2017-18 Budget and 2018-19 Budget include:

4. The increase in user charges is mainly due to higher proceeds on vehicle sales.
5. The increase in supplies and services is mainly due to a higher written down value on vehicle sales as a result of additional vehicles being sold in 2018-19 and higher budgeted Fleet Management system replacement project costs.
6. The decrease in operating surplus is mainly due to additional costs expected to be incurred for the replacement of the Fleet Management system.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

7. The increase in user charges is mainly due to higher proceeds on vehicle sales.
8. The increase in employee expenses is mainly due to the annual Enterprise Bargaining Agreement increments and the timing of filling positions.
9. The increase in supplies and services is mainly due to a higher written down value on sale of vehicles as a result of additional vehicles being sold in 2018-19.
10. The decrease in operating surplus is mainly due to additional costs expected to be incurred for the replacement of the Fleet Management system.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

11. The decrease in intangible assets is mainly due to the timing of the Fleet Management system replacement.
12. The increase in current tax liabilities is mainly due to the increase in the operating surplus.

Major variations between 2017-18 Budget and 2018-19 Budget include:

13. The decrease in cash assets is mainly due to a higher number of vehicles expected to be purchased in 2018-19.
14. The increase in receivables is mainly due to higher lease revenue receivable as a result of the increased fleet size.
15. The increase in inventories is mainly due to a higher volume of scheduled vehicle returns in the last quarter of the 2018-19 financial year increasing the number of vehicles awaiting sale in June 2019.
16. The increase in property, plant and equipment is mainly due to a greater fleet size in 2018-19.
17. The decrease in intangible assets is mainly due to the timing of the Fleet Management system replacement.
18. The increase in payables is mainly due to increased motor vehicle purchases in June 2019.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

19. The increase in inventories is mainly due to a higher volume of scheduled vehicle returns in the last quarter of the 2018-19 financial year increasing the number of vehicles awaiting sale in June 2019.
20. The increase in payables is mainly due to increased motor vehicle purchases in June 2019.
21. The decrease in current tax liabilities is due to a higher estimated operating surplus in 2017-18 resulting in tax instalments for 2018-19 exceeding the estimated tax liability.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

22. The increase in user charges is mainly due to higher proceeds on vehicle sales.
23. The increase in other inflows is mainly due to higher good and services tax receivable from the Australian Taxation Office.
24. The increase in supplies and services is mainly due to a higher number of vehicles purchased.
25. The decrease in taxation equivalents paid is mainly due to a higher tax refund received for 2016-17 as instalments paid exceeded the actual tax liability.
26. The increase in other outflows is mainly due to higher goods and service tax paid to the Australian Taxation Office on additional proceeds from vehicle sales.
27. The decrease in payments for non-financial assets is mainly due to the timing of the Fleet Management system.

Major variations between 2017-18 Budget and 2018-19 Budget include:

28. The increase in user charges is mainly due to higher proceeds on vehicle sales.
29. The increase in other inflows is mainly due to higher goods and services tax receivable from the Australian Taxation Office.
30. The increase in supplies and services is mainly due to a higher number of vehicles expected to be purchased in 2018-19.
31. The increase in other outflows is mainly due to higher goods and services tax paid to the Australian Taxation Office on higher proceeds from vehicle sales.
32. The decrease in payments for non-financial assets is mainly due to the timing of the Fleet Management system replacement.
33. The decrease in dividends paid is due to the lower estimated operating surplus for 2017-18 compared to 2016-17.
34. The increase in cash balance at the beginning of the financial year is mainly due to the operating surplus for 2017-18.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

35. The increase in user charges is mainly due to higher proceeds on vehicle sales.
36. The increase in other inflows is mainly due to higher goods and services tax receivable from the Australian Taxation Office.
37. The increase in supplies and services is mainly due to a higher number of vehicles expected to be purchased in 2018-19.
38. The increase in taxation equivalents paid is mainly due to higher instalments paid to the Australian Taxation Office based on higher expected revenue in 2018-19.
39. The decrease in dividends paid is due to the lower operating surplus estimated for 2017-18 compared to 2016-17.

Shared service provider

Queensland Shared Services

Overview

Queensland Shared Services (QSS) is a shared service provider of corporate transactional and advisory services to more than 70,000 public servants across 25 Queensland Government departments and agencies. QSS contributes to the department's strategic objectives by providing high quality government-to-government services.

QSS's vision is to deliver on the priorities of the Government. The focus is on providing comprehensive and streamlined finance advisory and processing, procurement, payroll processing, workforce advisory and mail support services. QSS is also responsible for effectively managing the key financial and human resource management/payroll technology solutions that support agencies and underpin their service delivery.

Service summary

In 2017-18, QSS:

- collaborated with customers to deliver a system upgrade to our shared modern, vendor supported finance solution that is now operating on a rapidly scalable and secure infrastructure platform to more readily respond to customer demand, including the archiving of old system information
- upgraded a single agency payroll solution to ensure continued vendor support and increased availability of easy to use workflow and self-service options
- implemented maintenance releases for all systems to ensure new systems remain current and functionality is continually enhanced
- implemented legislative changes to allow Queensland public servants across our customer agencies the ability to choose an alternative superannuation fund provider
- conducted investigations into new technology, such as new Workplace Health and Safety tools and Robotic Process Automation technology to support continued improvement in the quality and efficiency of business processes
- successfully implemented 10 enterprise bargaining agreements and the state wage case payroll adjustments.

In 2018-19, QSS will:

- continue to maintain and improve the upgraded finance and payroll systems to enhance functionality
- partner with agencies to migrate the remaining out-of-support payroll systems
- work with agencies to leverage the recent system upgrades to optimise transactional corporate services, delivering efficiencies to our customers through more streamlined services
- collaborate with other HPW divisions to deliver sector solutions for data and analytics, along with foundational components such as corporate identify management and system integration, to provide real-time reporting and insights for agencies.

Service performance

Performance statement

Queensland Shared Services

Service area objective

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

Service area description

Queensland Shared Services (QSS) facilitates a range of corporate services including finance and human resource (HR) management to government departments and statutory bodies, excluding Queensland Health and the Department of Education.

Services

- HR
- Finance

Queensland Shared Services	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Queensland Shared Services	1			
Service: HR				
Service standards *Effectiveness measures* Percentage of Payroll Services delivered within Service Agreement standards	2	≥97%	99%	≥97%
Customer satisfaction with HR Services	3	New measure	New measure	80%
Efficiency measure Number of pays processed per full-time equivalent (FTE) per fortnight	4	≥350	303	≥325
Service: Finance				
Service standards *Effectiveness measures* Percentage of Finance Services delivered within Service Agreement standards	5	≥95%	85%	≥95%
Customer satisfaction with Finance Services	6	New measure	New measure	80%
Efficiency measure Number of accounts payable transactions processed per FTE per annum	7	≥7,500	9,422	≥9,000

Notes:

1. This service area was transferred from the (former) Department of Science, Information and Technology and Innovation following machinery-of-government changes.

2. 2018-19 Target/Estimate retained as QSS Service Agreements contain performance standards on which QSS delivers agreed HR services to customer agencies.
3. This new service standard replaces the service standard 'Client satisfaction with HR Services', due to a change in methodology. The methodology to collect the results has been modified from 2017-18 to point in time customer surveys which reflects the service level standard as it occurs. Point in time surveys have resulted in a larger response rate over the year, compared with a single survey, and allows QSS to monitor and respond to customer satisfaction in a timelier manner. The result will be based on the proportion of survey respondents who were 'very satisfied' and 'extremely satisfied' with HR Services.
4. This measure is an indicator of productivity. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to several enterprise bargaining increases being delivered during the period along with a significant increase in the proportion of manual forms and timesheets that needed to be processed. This has required resourcing to be maintained at original levels resulting in less pays processed per FTE. The 2018-19 Target/Estimate has decreased due to the parallel delivery of ongoing payroll services and significant payroll migration activities from legacy system to the rest of government HR solution, which creates an increased workforce requirement for the period. QSS is working with the Customer Board to deliver improvements to pricing in 2018-19 which will assist customers to move away from manual channels which in turn will improve the performance.
5. QSS Service Agreements contain performance standards on which QSS delivers agreed Finance services to customer agencies. Variance between 2017-18 Target/Estimate and 2017-18 Estimated Actual is due to one specific finance service not meeting the service agreement. The service of processing vendor and customer master data requests did not meet the targets for several months due to additional fraud protection controls & checks being added. These resulted in longer processing times. Adjustments to staffing levels to cater for the longer processing times were not made immediately, however QSS has now adjusted workload distribution to ensure the staffing levels are adequate and service agreements have been restored.
6. This new service standard replaces the service standard 'Client satisfaction with Finance Services', due to a change in methodology. The methodology to collect the results has been modified to point in time customer surveys which reflects the service level standard as it occurs. Point in time surveys have resulted in a larger response over the year, compared with a single survey, and allows QSS to monitor and respond to customer satisfaction in a timelier manner. The result will be based on the proportion of survey respondents who were 'very satisfied' and 'extremely satisfied' with Finance Services.
7. This measure is an indicator of productivity. The increase in 2018-19 Target/Estimate from the 2017-18 Target/Estimate is due to the successful achievement of the previous target through increased utilisation of electronic workflow and process automation in the accounts payable function.

Discontinued measures

Performance measures included in the 2017-18 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Queensland Shared Services	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Client satisfaction with HR Services	1, 2	80%	55%	Discontinued measure
Client satisfaction with Finance Services	2, 3	80%	57%	Discontinued measure

Notes:

1. This service standard is discontinued and is replaced by a new measure 'Customer satisfaction with HR Services', due to a change in methodology to calculate the results.
2. The 2017-18 Estimated Actual results for HR and Finance Services is below the target of 80 per cent and in 2018-19 QSS will continue to focus on improvements through improved technology and business processes. Based on customer feedback, designing services to make them more streamlined and seamless for end users, is expected to increase customer satisfaction with HR and Finance Services.
3. This service standard is discontinued and is replaced by a new measure 'Customer satisfaction with Finance Services', due to a change in methodology to calculate the results.

Staffing[1, 2]

Queensland Shared Services	Notes	2017-18 Adjusted Budget	2017-18 Est. actual	2018-19 Budget
Queensland Shared Services		1,093	1,095	1,090

Notes:

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

Income statement

Queensland Shared Services	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
User charges and fees		132,869	138,678	137,733
Grants and other contributions	1,2,4	7,466	5,289	2,294
Interest		..	..	..
Other revenue		103	111	103
Gains on sale/revaluation of assets		..	5	..
Total income		**140,438**	**144,083**	**140,130**
EXPENSES				
Employee expenses		82,404	85,230	84,616
Supplies and services		52,216	52,768	48,958
Grants and subsidies		..	..	..
Depreciation and amortisation	3,5	4,615	4,881	5,354
Finance/borrowing costs		..	..	..
Other expenses		1,203	1,203	1,202
Losses on sale/revaluation of assets		..	1	..
Total expenses		**140,438**	**144,083**	**140,130**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Queensland Shared Services	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	6,8,12	19,071	21,954	25,301
Receivables	9,13	16,105	16,136	13,280
Other financial assets		..	..	..
Inventories		..	..	..
Other	7,10	476	686	689
Non-financial assets held for sale		..	..	..
Total current assets		**35,652**	**38,776**	**39,270**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	11	667	619	569
Intangibles		23,891	22,977	22,657
Other		..	..	..
Total non-current assets		**24,558**	**23,596**	**23,226**
TOTAL ASSETS		**60,210**	**62,372**	**62,496**
CURRENT LIABILITIES				
Payables		7,697	7,075	7,012
Accrued employee benefits		3,366	3,562	3,749
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**11,063**	**10,637**	**10,761**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**11,063**	**10,637**	**10,761**
NET ASSETS/(LIABILITIES)		**49,147**	**51,735**	**51,735**
EQUITY				
TOTAL EQUITY		**49,147**	**51,735**	**51,735**

Cash flow statement

Queensland Shared Services	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		147,884	149,595	155,893
Grants and other contributions	14,16,18	7,466	5,172	2,294
Interest received		..	..	..
Other		7,370	7,378	7,558
Outflows:				
Employee costs		(82,471)	(85,297)	(84,484)
Supplies and services		(59,391)	(58,243)	(56,522)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(16,081)	(16,081)	(16,408)
Net cash provided by or used in operating activities		**4,777**	**2,524**	**8,331**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	(1)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	15,17,19	(4,475)	(3,000)	(4,984)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(4,475)**	**(3,001)**	**(4,984)**
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		**302**	**(477)**	**3,347**
Cash at the beginning of financial year		**18,769**	**22,431**	**21,954**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**19,071**	**21,954**	**25,301**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The decrease in grants and other contributions reflects funding deferrals for Shared Services Reform and business capability and capacity projects funding.

Major variations between 2017-18 Budget and 2018-19 Budget include:

2. The decrease in grants and other contributions reflects funding deferrals for Shared Services Reform and business capability and capacity projects funding.
3. The increase in depreciation and amortisation is due to capitalisation of systems projects.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

4. The decrease in grants and other contributions reflects funding deferrals for Shared Services Reform and business capability and capacity projects funding.
5. The increase in depreciation and amortisation is due to capitalisation of systems projects.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

6. The increase in cash is due to prior year surplus.
7. The increase in other current assets is due to prepayment of software licences.

Major variations between 2017-18 Budget and 2018-19 Budget include:

8. The increase in cash is mainly due to the reduction in receivables.
9. The decrease in receivables is mainly due to improved debtor management.
10. The increase in other current assets is due to the prepayment of software licences.
11. The decrease in property, plant and equipment is due to minimal capital purchases.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

12. The increase in cash is mainly due to the reduction in receivables.
13. The decrease in receivables is mainly due to improved debtor management.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

14. The decrease in grants and other contributions reflects funding deferrals for Shared Services Reform and business capability and capacity projects.
15. The decrease in payments for non-financial assets reflects systems project deliverables.

Major variations between 2017-18 Budget and 2018-19 Budget include:

16. The decrease in grants and other contributions reflects funding deferrals for Shared Services Reform and business capability and capacity projects.
17. The increase in payments for non-financial assets reflects systems project deliverables.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

18. The decrease in grants and other contributions reflects funding deferrals for Shared Services Reform and business capability and capacity projects.
19. The increase in payments for non-financial assets reflects systems project deliverables.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.

Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
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 Government

Queensland Budget 2018–19

Service Delivery Statements

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