

Service Delivery Statements

**Department of Local Government,
Racing and Multicultural Affairs**

2018–19 Queensland Budget Papers

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Service Delivery Statements

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Department of Local Government, Racing and Multicultural Affairs

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agency and services which are the responsibility of the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs:

Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs
--

The Honourable Stirling Hinchliffe MP
--

Department of Local Government, Racing and Multicultural Affairs

Director-General: Warwick Agnew (from May 2018)
--

Service area 1: Local Government

Service area 2: Racing

Service area 3: Multicultural Affairs Queensland

Additional information about this agency can be sourced from www.dlgrma.qld.gov.au.

Departmental overview

The Department of Local Government, Racing and Multicultural Affairs has a vision for dynamic and effective local governments, engaged and cohesive communities and for a sustainable and vibrant racing industry in Queensland. The vision and objectives will be realised through the department's primary purpose to:

- administer the policy and legislative framework under which local governments operate
- administer the *Racing Act 2002* while supporting and promoting the racing industry across the State
- improve outcomes for people from culturally and linguistically diverse backgrounds and assist in building safe and connected communities.

The department actively contributes to the Queensland Government's plan to:

- create jobs in a strong economy through funding of local government infrastructure and community projects across the State
- be a responsive Government by delivering integrated services in collaboration with other agencies and with stakeholders and partners in the local government sector, across the racing industry and in diverse communities across Queensland
- support initiatives to encourage participation and social cohesion to keep Queenslanders healthy.

The department's strategic objectives are:

- dynamic, well-managed and accountable local governments focused on delivering positive and sustainable outcomes for their communities
- policies, programs and services that support and promote inclusive harmonious and diverse Queensland communities
- a viable and prosperous racing industry in Queensland.

These objectives are underpinned by a high-performing innovative workforce committed to delivering high priority projects and structured work programs. In 2018-19, the focus will be on supporting and building a dynamic, effective, and accountable system of local government, on fostering a sustainable and vibrant racing industry, on advancing multiculturalism and positive intercultural connections and promoting Queensland as a harmonious and welcoming community.

Key priorities and initiatives for 2018-19 include:

- extending the Works for Queensland program by \$200 million over three years to support job-creating maintenance and minor infrastructure works across regional Queensland, bringing total investment to \$600 million by 2020-21
- continuing to build transparency and accountability in Local Government by implementing the Government's response to recommendations from the Crime and Corruption Commission report "Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government", continuing to implement recommendations from the Inquiry report "A review of the conduct of the 2016 local government elections, the referendum and the Toowoomba South by-election", and identifying further opportunities for reform
- appointing an Independent Assessor and establishing the Office of the Independent Assessor to manage the local government councillor complaints process to enhance the integrity and sustainability of the local government system and improve governance practices
- working with stakeholders to respond to and implement recommendations from the Review of Grants to Local Government: Current and Future State Assessments
- building council capacity and delivering services for Indigenous councils through the provision of additional funding under the State Government Financial Aid Program and Indigenous Councils Critical Infrastructure Program
- providing additional funding of up to \$12 million over two years to upgrade Torres Shire Council's drinking water treatment infrastructure
- working with stakeholders across Government and externally to create and maintain a sustainable racing industry
- supporting regional communities with additional funding for country racing clubs across Queensland
- implementing the principles of the Multicultural Queensland Charter in collaboration with other agencies and partners
- bringing people together and celebrating multiculturalism through the Celebrating Multicultural Queensland grants program
- providing practical and coordinated assistance to refugees and asylum seekers to enhance the settlement process.

Service performance

The service area structure reflects the machinery-of-government changes effective 12 December 2017, under which the former Department of Infrastructure, Local Government and Planning was renamed as the Department of Local Government, Racing and Multicultural Affairs.

As part of the machinery-of-government changes:

- the racing function was transferred from the former Department of National Parks, Sport and Racing
- Multicultural Affairs Queensland was transferred from the former Department of Communities, Child Safety and Disability Services.

As part of the machinery-of-government changes, the Infrastructure Policy and Planning and Better Planning for Queensland service areas were transferred to the Department of State Development, Manufacturing, Infrastructure and Planning.

These changes make direct year-on-year comparisons difficult for some portfolio areas.

Local Government

Service area objective

Provide high quality and timely administration of both the local government system and local government funding programs.

Service area description

In achieving its objective, the service area:

- administers the *Local Government Act 2009*, the *City of Brisbane Act 2010*, the *Local Government Electoral Act 2011* and the *Aboriginal and Torres Strait Island Communities (Justice, Land and Other Matters) Act 1984 (Part 9, Division 2 and Part 10)*, providing a strategic policy and legislative framework for local government in Queensland
- administers local government funding programs, including the assessment and evaluation of funding submissions, supporting councils to deliver vital services and essential infrastructure in their communities
- develops and delivers targeted and high-quality capacity building resources, training and solutions for councils to underpin strong and responsive local government for Queensland
- assists local governments to identify opportunities for inter-council collaboration to build capacity and create efficiencies
- supports local governments to build their integrity, governance and financial sustainability
- administers the councillor conduct complaints system in accordance with legislation.

Services

- Administration of the local government system
- Administration of funding programs

2018-19 service area highlights

In 2018-19 the service area will:

- extend the Works for Queensland program, supporting job creation and infrastructure investment across regional Queensland
- work with stakeholders to respond to and implement recommendations from the *Review of Grants to Local Governments: Current and Future State Assessments* with the aim of delivering improved efficiency in funding program administration

- appoint an Independent Assessor and establish the Office of the Independent Assessor to manage the local government councillor complaints process to enhance the integrity and sustainability of the local government system and improve governance practices
- implement a mandatory code of conduct for local governments
- work with key stakeholders to implement the recommendations from the Crime and Corruption Commission report "*Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government*"
- undertake capacity building activities, with a focus on rural, remote and Indigenous councils, to help boost employment and local economies
- develop and deliver training through an integrated approach to improving local government integrity, governance and sustainability.

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Local Government	1			
Service: Administration of the local government system	2			
Service standards <i>Effectiveness measure</i> Level of satisfaction of local governments (Mayors and CEOs) with the effectiveness, timeliness and quality of advice, services and support provided by the department	3	New measure	New measure	85%
<i>Efficiency measures</i> Average cost of administering and managing the councillor conduct complaints process per local government	4	\$12,600	\$12,500	\$12,600
Cost of capacity building per local government	5, 6	\$20,200	\$19,800	\$22,100
Service: Administration of funding programs	2			
Service standards <i>Effectiveness measure</i> Level of satisfaction of local governments (Mayors and CEOs) with the administration of local government funding programs	7	New measure	New measure	85%
<i>Efficiency measure</i> Administration costs as a percentage of all funding distributed	8, 9	<0.65%	<0.65%	<0.65%

Notes:

1. The Local Government service area has been amended from the 2017-18 *Service Delivery Statement* to incorporate the service area of Funding Programs and Community Initiatives.
2. This is a new service for the 2018-19 *Service Delivery Statement*.
3. This is a new service standard developed to measure the overall level of stakeholder satisfaction with the administration of the local government system.
4. Total costs equal expenditure on the department's councillor complaints management administration process (including costs associated with the Remuneration and Discipline Tribunal and the Regional Conduct Review Panels). Costs are averaged across the 76 local governments operating within the statutory requirements of the process. Brisbane City Council is not included in the calculation as it has a separate councillor conduct complaints management process.

5. Costs include capital and labour costs involved in developing resources and publications and in delivering training programs that focus on building the capacity of councils to undertake their roles and responsibilities, averaged across the 77 local governments.
6. The 2018-19 Target/Estimate is higher than the 2017-18 Target/Estimate because training activities to support the *Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act 2018* and the *Local Government (Councillor Complaints) and Other Legislation Amendment Act 2018* will be delivered in 2018-19 and additional funding has been provided to support the delivery of accredited training for local government officers.
7. This is a new service standard developed to measure the overall level of stakeholder satisfaction with the administration of the local government funding programs.
8. This service standard was previously published under the Funding Programs and Community Initiatives service area in the 2017-18 *Service Delivery Statement*.
9. Total administration costs include labour and related costs and are expressed as a percentage of the total value of local government funding programs distributed.

Racing

Service area objective

Administer the *Racing Act 2002* and manage programs that support a viable, prosperous racing industry in Queensland.

Service area description

The service area:

- provides policy advice to Government on matters relevant to the commercial operation and viability of the racing industry
- administers programs related to the provision of Queensland Government funding to the racing industry.

2018-19 service area highlights

In 2018-19 the service area will:

- support racing in regional communities with additional funding for country racing clubs across Queensland as part of a \$70 million four-year country racing package
- work with Racing Queensland and relevant stakeholders both externally and across government to create and maintain a sustainable racing industry
- support racing infrastructure development through administration of the Racing Infrastructure Fund.

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Racing	1			
Service standards				
<i>Effectiveness measure</i> Percentage of country race meetings in the approved schedule that are conducted	2	95%	95%	95%
<i>Efficiency measure</i> Grant monies paid as a percentage of the total non-capital grant budget	3	100%	100%	100%

Notes:

1. This service area was previously presented in the former Department of National Parks, Sport and Racing and has been transferred to the Department of Local Government, Racing and Multicultural Affairs following machinery-of-government changes in December 2017.
2. The Country Racing Support Program (CRSP) supports the continued provision of country race meetings. Under the CRSP Grant Deed, Racing Queensland will, by 30 April each year, provide the department with a schedule of each race meeting for the upcoming financial year of the program. The measure will report the proportion of meetings scheduled prior to commencement of the financial year that are actually held. A small proportion of meetings can be expected to be cancelled each year due to unpredictable causes such as weather events or unforeseen issues with infrastructure. This service standard measures the effectiveness of the department in supporting country racing through funding prize money to enable events to be held across the State.
3. This service standard measures the efficiency of the department's administration of grant funding to recipient organisation/s as a percentage of the total grant budget. Performance for this service standard is calculated using the total grant funding delivered to organisation/s divided by the total grant budget (within administration guidelines). This measure includes non-capital grant programs derived from departmental operating costs such as the CRSP and the Training Track Subsidy Scheme. It does not include capital grant funding such as the Racing Infrastructure Fund as it forms part of departmental administered funds.

Multicultural Affairs Queensland

Service area objective

To promote Queensland as a unified, harmonious and inclusive community.

Service area description

The service area:

- leads strategies to improve access and opportunities for people from culturally and linguistically diverse backgrounds
- invests in community events that celebrate and promote Queensland's multicultural identity, increase community awareness of benefits of multiculturalism, foster community cohesion and support equal access to opportunities by people from diverse cultural backgrounds
- invests in projects that build community relationships to foster inclusion and participation of migrants and refugees in a range of activities
- invests in programs that facilitate social connectedness for culturally and linguistically diverse individuals and groups.

2018-19 service area highlights

In 2018-19 the service area will:

- support and promote events and activities that celebrate multiculturalism and diversity including the Community Action for a Multicultural Society program and the Celebrating Multicultural Queensland grants program
- lead policy and actions that will implement the principles of the Multicultural Queensland Charter including the Multicultural Queensland Ambassador program and the Multicultural Queensland Charter Speaker series
- support refugees and asylum seekers through community coordination of financial and material assistance
- facilitate opportunities for the Queensland Government to address marginalisation and radicalisation
- finalise and implement the Multicultural Affairs Queensland engagement strategy.

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Multicultural Affairs Queensland	1			
Service standards				
<i>Effectiveness measure</i>				
Number of people attending events funded by Multicultural Affairs Queensland	2, 3, 4	1 million	1.089 million	1 million
<i>Efficiency measure</i>	4			

Notes:

1. This is a new service area introduced for the 2018-19 *Service Delivery Statement*.
2. This service standard was previously presented under the Community Services service area of the former Department of Communities, Child Safety and Disability Services and has been transferred to the Department of Local Government, Racing and Multicultural Affairs following machinery-of-government changes in December 2017.
3. The attendance count at funded events is a key proxy measure of intercultural connections, respect for and valuing of diversity within communities. Attendance at events is estimated through funding proposals and acquittal reports submitted by organisations funded under the Celebrating Multicultural Queensland grants program.
4. Multicultural Affairs Queensland is planning to develop and trial new measures during 2018-19 to commence in the 2019-20 *Service Delivery Statement*.

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 Local Government, Racing and Multicultural Affairs	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Local Government				
Level of satisfaction of local governments (Mayors and CEOs) that the regulatory framework gives them the authority and capacity to manage their interests, to be financially sustainable and accountable	1, 2, 3	85%	..	Discontinued measure
Level of satisfaction of local governments (Mayors and CEOs) with the timeliness, effectiveness and consistency of advice and services provided by the department	1, 2, 3	85%	..	Discontinued measure
Extent to which participants believe that capacity building programs and initiatives increase their understanding of local government roles and responsibilities	3, 4, 5	80%	..	Discontinued measure
Service area: Funding Programs and Community Initiatives				
Percentage of funded projects administered according to agreed timeframes and budget allocation	6, 7	90%	100%	Discontinued measure

Notes:

1. This service standard was previously published under the Governance and statutory services service in the 2017-18 *Service Delivery Statement*.
2. This service standard has been discontinued and replaced with a new service standard informed by an expanded calculation methodology which measures the elements recommended in the *Performance Measurement Framework Measuring Customer Experience Reference Guide*. The new service standard is *Level of satisfaction of local governments (Mayors and CEOs) with the effectiveness, timeliness and quality of advice, services and support provided by the department*.
3. The 2017-18 Estimated Actual for this service standard is not available. The survey questions for 2017-18 were amended to measure the overall level of stakeholder satisfaction with all dimensions of the department's Local Government service resulting in the calculation methodology for the Target Estimate and Estimated Actual not being comparable.
4. This service standard was previously published under the Local government capacity building service in the 2017-18 *Service Delivery Statement*.
5. This service standard has been discontinued in the 2018-19 *Service Delivery Statement*. Participant evaluation of capacity building training and workshops will be reported in the Annual Report.
6. The administration of funded projects was carried out efficiently and effectively and exceeded the Estimated Target of 90 per cent.
7. This service standard has been discontinued and replaced with a new service standard which evaluates stakeholder satisfaction with all dimensions of service provision in relation to administration of local government funding programs - *Level of satisfaction of local governments (Mayors and CEOs) with the administration of local government funding programs*.

Administered items

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

The Department of Local Government, Racing and Multicultural Affairs administers Commonwealth funds on behalf of the State which include:

- Australian Government Financial Assistance Grants: Under the *Local Government (Financial Assistance) Act 1995* the Australian Government provides grant funding to support Queensland councils in delivering services to their communities. In 2017-18, \$473.1 million in funding was made available to local governments.
- Australian Government National Insurance Affordability Initiative: The Australian Government is contributing \$12 million to build the Roma flood levee and to upgrade flood defences in Ipswich. The final payment of \$4.98 million is scheduled for 2018-19.

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 Local Government, Racing and Multicultural Affairs	2017-18 Adjusted Budget \$'000	2017-18 Est. Actual \$'000	2018-19 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	74,838	125,124	45,651
Balance of service appropriation	380,652	343,395	376,648
Other revenue	3,706	4,078	1,351
Total income	459,196	472,597	423,650
Expenses			
Local Government	399,457	404,191	348,716
Racing ²	28,090	20,265	71,841
Multicultural Affairs Queensland ²	6,582	6,780	15,506
Machinery-of-government impacts	53,317	53,317	..
Total expenses	487,446	484,553	436,063
Operating surplus/deficit	(28,250)	(11,956)	(12,413)
Net assets	56,697	68,775	58,713
ADMINISTERED			
Revenue			
Commonwealth revenue	237,620	473,100	246,380
Appropriation revenue	509,963	750,723	242,144
Other administered revenue	7,996	8,358	444
Total revenue	755,579	1,232,181	488,968
Expenses			
Transfers to government	240,636	481,458	241,844
Administered expenses	514,943	750,723	247,124
Total expenses	755,579	1,232,181	488,968
Net assets	98	98	98

Notes:

1. Includes State and Commonwealth funding.
2. 2017-18 Adjusted Budget and Estimated Actual represents expenses for the six months following the machinery-of-government changes in December 2017.

Service area sources of revenue¹

Sources of revenue 2018-19 Budget					
Department of Local Government, Racing and Multicultural Affairs	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Local Government	348,716	334,188	103	1,685	327
Racing	71,841	70,920	..	..	921
Multicultural Affairs Queensland	15,506	15,506	..	..	..
Total	436,063	420,614	103	1,685	1,248

Note:

1. Explanations of variances are provided in the financial statements.

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 Local Government, Racing and Multicultural Affairs	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures¹					
Administered	..	..	..	..	..
Departmental	18,408	77,467	105,129	99,950	7,157
Capital measures					
Administered	..	..	..	..	..
Departmental	..	2,300	1,000	1,000	1,000

Note:

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

Departmental capital program

The capital works program for the department is \$3.29 million in 2018-19 and mainly relates to works undertaken for Indigenous Councils.

Program highlights include:

- \$1 million in 2018-19 (\$5 million in total) for the Northern Peninsula Area (NPA) Water Supply System distribution network asbestos cement replacement program
- \$1.3 million 2018-19 for Local Government Grants Management System.

Capital budget

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Actual \$'000	2018-19 Budget \$'000
Capital purchases	1			
Total land, buildings and infrastructure		18,010	18,830	1,965
Total plant and equipment		102	25	25
Total other capital		..	..	1,300
Total capital purchases		18,112	18,855	3,290

Note:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

Staffing¹

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Adjusted Budget	2017-18 Est. Actual	2018-19 Budget
Local Government	2, 3	124	127	134
Racing	2	6	6	6
Multicultural Affairs Queensland	2	48	48	48
TOTAL		178	181	188

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The increase in 2018-19 Budget reflects the establishment of the Office of the Independent Assessor and a short-term project team to implement more effective funding of grants to local governments.

Budgeted financial statements

Analysis of budgeted financial statements

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

Departmental income statement

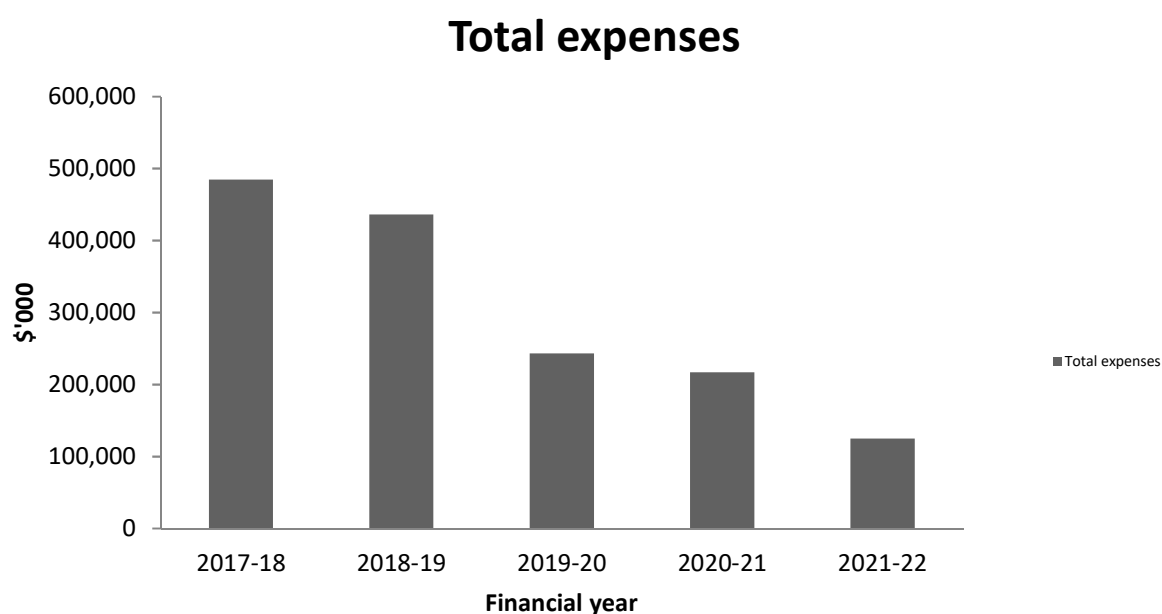
Total expenses are estimated to be \$436.1 million in 2018-19, a decrease of \$48.5 million from the 2017-18 financial year. The decrease is principally due to machinery-of-government changes transferring the planning and infrastructure functions and the Gold Coast 2018 Commonwealth Games Village to the Department of State Development, Manufacturing, Infrastructure and Planning and the Natural Disaster Resilience Program to the Queensland Reconstruction Authority.

This is partially offset by additional funding for:

- Indigenous Councils Critical Infrastructure Program
- Whitsunday Coast Airport Terminal Expansion Project
- Local Government Grants and Subsidies Program
- Torres Shire Council Water Treatment Infrastructure Upgrade
- Racing Infrastructure Fund
- Country Racing Support Program.

The forecast deficit for the department in 2018-19 is \$12.4 million. This is primarily due to the planned transfer of the Cherbourg Wastewater Infrastructure asset to the Cherbourg Aboriginal Shire Council for nil consideration.

Chart: Total departmental expenses across the Forward Estimates period



The change between 2017-18 and 2019-20 is mostly due to machinery-of-government impacts (noting that for 2018-19 this has been offset by additional funding outlined above). The period from 2017-18 to 2020-21 has also been boosted by capital grants programs, in particular Works for Queensland.

Departmental balance sheet

The department's major assets are in property, plant and equipment (\$56.6 million), mainly comprising water infrastructure assets such as reservoirs, treatment facilities and distribution systems over six managed sites located in the Northern Peninsula Regional Council and Cherbourg Wastewater Infrastructure assets.

Property, plant and equipment is expected to decrease in 2018-19 as construction of Cherbourg Wastewater Infrastructure assets are completed and transferred to the Cherbourg Aboriginal Shire Council.

Controlled income statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
INCOME				
Appropriation revenue	1,2,6	455,490	468,519	422,299
Taxes		..	..	..
User charges and fees	3,7	3,340	3,216	103
Royalties and land rents		..	..	..
Grants and other contributions		..	250	..
Interest		366	366	327
Other revenue		..	246	921
Gains on sale/revaluation of assets		..	..	..
Total income		459,196	472,597	423,650
EXPENSES				
Employee expenses	4,8	36,821	37,663	22,991
Supplies and services	9	24,591	23,814	21,638
Grants and subsidies	5,10	425,291	421,896	391,138
Depreciation and amortisation		472	909	25
Finance/borrowing costs		..	..	..
Other expenses		271	271	271
Losses on sale/revaluation of assets		..	..	..
Total expenses		487,446	484,553	436,063
OPERATING SURPLUS/(DEFICIT)		(28,250)	(11,956)	(12,413)

Controlled balance sheet

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
CURRENT ASSETS				
Cash assets	11,15	10,928	8,699	8,699
Receivables		2,011	2,465	2,465
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		12,939	11,164	11,164
NON-CURRENT ASSETS				
Receivables		4,596	4,596	4,009
Other financial assets		..	..	..
Property, plant and equipment	12,17	44,842	56,608	45,833
Intangibles		7	..	1,300
Other		..	..	..
Total non-current assets		49,445	61,204	51,142
TOTAL ASSETS		62,384	72,368	62,306
CURRENT LIABILITIES				
Payables	13,16	3,998	2,696	2,696
Accrued employee benefits		1,689	897	897
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		5,687	3,593	3,593
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		5,687	3,593	3,593
NET ASSETS/(LIABILITIES)		56,697	68,775	58,713
EQUITY				
TOTAL EQUITY	14,18	56,697	68,775	58,713

Controlled cash flow statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	19,24	455,515	407,346	422,299
User charges and fees	20,25,31	4,257	9,524	103
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	250	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	785	921
Outflows:				
Employee costs	26,32	(36,863)	(38,492)	(22,991)
Supplies and services	21,27,33	(24,623)	(28,391)	(21,638)
Grants and subsidies	22,28,34	(400,362)	(412,811)	(378,398)
Borrowing costs		..	..	..
Other		(271)	867	(271)
Net cash provided by or used in operating activities		(2,347)	(60,922)	25
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		1,103	1,103	914
Outflows:				
Payments for non-financial assets		(18,112)	(18,855)	(3,290)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(17,009)	(17,752)	(2,376)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	23,29,35	19,738	15,647	3,265
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	30,36	(4,722)	(5,236)	(914)
Net cash provided by or used in financing activities		15,016	10,411	2,351
Net increase/(decrease) in cash held		(4,340)	(68,263)	..
Cash at the beginning of financial year		18,693	84,786	8,699
Cash transfers from restructure		(3,425)	(7,824)	..
Cash at the end of financial year		10,928	8,699	8,699

Administered income statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
INCOME				
Appropriation revenue	37,41,45	509,963	750,723	242,144
Taxes		..	..	..
User charges and fees	42,46	1,878	1,878	444
Royalties and land rents		..	..	..
Grants and other contributions	38,47	237,620	473,462	246,380
Interest		..	..	..
Other revenue	43,48	6,118	6,118	..
Gains on sale/revaluation of assets		..	..	..
Total income		755,579	1,232,181	488,968
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies	39,44,49	514,943	750,723	247,124
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government	40,50	240,636	481,458	241,844
Total expenses		755,579	1,232,181	488,968
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
CURRENT ASSETS				
Cash assets		93	..	..
Receivables		1	..	..
Other financial assets	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets		94	..	..
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment		98	98	98
Intangibles	
Other	
Total non-current assets		98	98	98
TOTAL ASSETS		192	98	98
CURRENT LIABILITIES				
Payables		94	..	..
Transfers to Government payable	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total current liabilities		94	..	..
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES		94	..	..
NET ASSETS/(LIABILITIES)		98	98	98
EQUITY				
TOTAL EQUITY		98	98	98

Administered cash flow statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	51,55,60	509,963	750,684	242,144
User charges and fees	56	1,878	1,879	444
Royalties and land rent receipts		..	..	..
Grants and other contributions	52,61	237,620	473,462	246,380
Interest received		..	..	..
Taxes		..	..	..
Other	57,62	6,118	6,118	..
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	53,58,63	(514,943)	(750,723)	(247,124)
Borrowing costs		..	..	..
Other		..	(9)	..
Transfers to Government	54,64	(240,636)	(481,458)	(241,844)
Net cash provided by or used in operating activities		..	(47)	..
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	59,65	45,336	45,336	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		45,336	45,336	..
Net increase/(decrease) in cash held		45,336	45,289	..
Cash at the beginning of financial year		93	47	..
Cash transfers from restructure		(45,336)	(45,336)	..
Cash at the end of financial year		93	..	..

Explanation of variances in the financial statements

The machinery-of-government changes effective 1 January 2018, resulted in the former Department of Local Government, Infrastructure and Planning renamed as the Department of Local Government, Racing and Multicultural Affairs. The functions for planning and infrastructure transitioned to the Department of State Development, Manufacturing, Infrastructure and Planning and the Cities Transformation Taskforce transferred to Queensland Treasury. In addition, the Racing and Multicultural Affairs functions from other agencies were transferred into the Department. The 2017-18 Adjusted Budget and the 2017-18 Estimated Actual in the financial statements reflect these changes.

Income statement

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

1. The increase is primarily due to funding for election commitments and re-profiling of expenditure for capital grant programs to local governments.

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

2. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions, the Natural Disaster Resilience Program and the Gold Coast 2018 Commonwealth Games Village and Works for Queensland funding currently committed until 2020-21. This is offset by increased funding for grant programs including the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion project, Local Government Grants and Subsidies Program, Racing Infrastructure Fund and Country Racing Support Program.
3. The decrease is primarily due to the machinery-of-government changes transferring out the planning function, including the State Assessment and Referral Agency.
4. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
5. The decrease is primarily due to the transferring out of the Natural Disaster Resilience Program and the Gold Coast 2018 Commonwealth Games Village and Works for Queensland funding currently committed until 2020-21. This is offset by increased funding for grant programs including the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion project, Local Government Grants and Subsidies Program, Racing Infrastructure Fund and Country Racing Support Program.

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

6. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions, the Natural Disaster Resilience Program and the Gold Coast 2018 Commonwealth Games Village and Works for Queensland funding currently committed until 2020-21. This is offset by increased funding for grant programs including the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion project, Local Government Grants and Subsidies Program, Racing Infrastructure Fund and Country Racing Support Program.
7. The decrease is primarily due to the machinery-of-government changes transferring out the planning function, including the State Assessment and Referral Agency.
8. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
9. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
10. The decrease is primarily due to the transferring out of the Natural Disaster Resilience Program and the Gold Coast 2018 Commonwealth Games Village and Works for Queensland funding currently committed until 2020-21. This is offset by increased funding for grant programs including the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion project, Local Government Grants and Subsidies Program, Racing Infrastructure Fund and Country Racing Support Program.

Balance sheet

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

11. The decrease primarily relates to prior year Commonwealth Natural Disaster Resilience Program cash on hand transferred to the Queensland Reconstruction Authority.
12. The increase is primarily due to the delay in finalisation and transfer of the Cherbourg Wastewater Infrastructure asset to the local council.
13. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
14. The increase is primarily due to the movement in the forecast deficit for 2017-18.

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

15. The decrease primarily relates to prior year Commonwealth Natural Disaster Resilience Program cash on hand transferred to the Queensland Reconstruction Authority.
16. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.

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

17. The increase is primarily due to the delay in finalisation and transfer of the Cherbourg Wastewater Infrastructure asset to the local council.
18. The decrease is principally due to the forecast deficit for 2018-19.

Cash flow statement

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

19. The decrease is primarily due to re-profiling of expenditure for the Indigenous Councils Critical Infrastructure Program and other capital grant programs to local governments.
20. The increase is primarily due to receipt of prior year unexpected cash receipts.
21. The increase is principally due to payment of unexpected prior year expenses.
22. The increase is primarily due to re-profiling of funding for capital grant programs to local governments, the Racing Infrastructure Fund and Country Racing Support Program.
23. The decrease is primarily due to reclassification of expenditure for the Cherbourg Wastewater Infrastructure project.

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

24. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions, the Natural Disaster Resilience Program and the Gold Coast 2018 Commonwealth Games Village and Works for Queensland funding currently committed until 2020-21. This is offset by increased funding for grant programs including the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion project, Local Government Grants and Subsidies Program, Racing Infrastructure Fund and Country Racing Support Program.
25. The decrease is primarily due to the machinery-of-government changes transferring out the planning function, including the State Assessment and Referral Agency.
26. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
27. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
28. The decrease is primarily due to the transferring out of the Natural Disaster Resilience Program and the Gold Coast 2018 Commonwealth Games Village and Works for Queensland funding currently committed until 2020-21. This is offset by increased funding for grant programs including the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion project, Local Government Grants and Subsidies Program, Racing Infrastructure Fund and Country Racing Support Program.
29. The decrease primarily relates to the finalisation of wastewater infrastructure projects for Indigenous communities.

30. The decrease is primarily due to machinery-of-government changes transferring out the Gold Coast 2018 Commonwealth Games Village.

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

31. The decrease is primarily due to the machinery-of-government changes transferring out the planning function, including the State Assessment and Referral Agency.
32. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
33. The decrease is primarily due to the machinery-of-government changes transferring out the planning and infrastructure functions.
34. The decrease is primarily due to the transferring out of the Natural Disaster Resilience Program and the Gold Coast 2018 Commonwealth Games Village and Works for Queensland funding currently committed until 2020-21. This is offset by increased funding for grant programs including the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion project, Local Government Grants and Subsidies Program, Racing Infrastructure Fund and Country Racing Support Program.
35. The decrease primarily relates to the finalisation of wastewater infrastructure projects for Indigenous communities.
36. The decrease is primarily due to machinery-of-government changes transferring out the Gold Coast 2018 Commonwealth Games Village.

Administered income statement

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

37. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.
38. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.
39. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.
40. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.

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

41. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority.
42. The decrease is due to the machinery-of-government changes transferring out the planning function.
43. The decrease is due to the machinery-of-government changes transferring out the South Bank Corporation.
44. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority.

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

45. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority and a reduction in Financial Assistance Grants due to the advance payment of 2018-19 funding in June 2018.
46. The decrease is due to the machinery-of-government changes transferring out the planning function.
47. The decrease is primarily due to the advance payment of the 2018-19 Financial Assistance Grants in June 2018.
48. The decrease is due to the machinery-of-government changes transferring out the South Bank Corporation.
49. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority and a reduction in Financial Assistance Grants due to the advance payment of 2018-19 funding in June 2018.
50. The decrease is primarily due to the advance payment of the 2018-19 Financial Assistance Grants in June 2018.

Administered cash flow statement

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

51. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.
52. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.
53. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.
54. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2018 that applies to 2018-19.

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

55. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority.
56. The decrease is due to the machinery-of-government changes transferring out the planning function.
57. The decrease is due to the machinery-of-government changes transferring out the South Bank Corporation.
58. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority.
59. The decrease is primarily due to the machinery-of-government changes transferring out the Cross River Rail Delivery Authority.

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

60. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority and a reduction in Financial Assistance Grants due to the advance payment of 2018-19 funding in June 2018.
61. The decrease is primarily due to the advance payment of the 2018-19 Financial Assistance Grants in June 2018.
62. The decrease is due to the machinery-of-government changes transferring out the South Bank Corporation.
63. The decrease is primarily due to the machinery-of-government changes transferring out the Queensland Reconstruction Authority, Building Queensland and the Cross River Rail Delivery Authority and a reduction in Financial Assistance Grants due to the advance payment of 2018-19 funding in June 2018.
64. The decrease is primarily due to the advance payment of the 2018-19 Financial Assistance Grants in June 2018.
65. The decrease is primarily due to the machinery-of-government changes transferring out the Cross River Rail Delivery Authority.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.

Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.



Queensland Budget 2018–19

Service Delivery Statements

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