

# **Service Delivery Statements**

Queensland Treasury

# 2018–19 Queensland Budget Papers

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## **Service Delivery Statements**

ISSN 1445-4890 (Print)

ISSN 1445-4904 (Online)



## Queensland Treasury

### Summary of portfolio

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# Portfolio overview

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships.

### Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships

The Honourable Jackie Trad MP

### Queensland Treasury

Under Treasurer: Jim Murphy

**Service area 1:** Economic and Fiscal Coordination

**Service area 2:** Agency Performance

**Service area 3:** Commercial Services

**Service area 4:** Revenue Management

The Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships is also responsible for:

### Motor Accident Insurance Commission/Nominal Defendant

Insurance Commissioner: Neil Singleton

**Objective:** To provide a viable and equitable personal injury motor accident insurance scheme and continually improve the operational performance of the Nominal Defendant.

### Queensland Productivity Commission

Principal Commissioner: Kim Wood

**Objective:** To provide independent advice on complex economic and regulatory issues to drive economic growth, lift productivity and improve living standards across Queensland.

# Cross River Rail Delivery Authority

**Chief Executive Officer: Graeme Newton**

**Objective:** To deliver economic development and transport outcomes that maximise benefits for Queenslanders.

Additional information about these agencies can be sourced from:

[www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)

[www.maic.qld.gov.au](http://www.maic.qld.gov.au)

[www.gpc.qld.gov.au](http://www.gpc.qld.gov.au)

[www.crossriversrail.qld.gov.au](http://www.crossriversrail.qld.gov.au)

# Departmental overview

Queensland Treasury's vision is to grow the Queensland economy and improve the wellbeing of all Queenslanders. We leverage our government-wide perspective to deliver on this vision through providing Government with trusted, impartial and influential advice on the economy and State finances, and partnering with agencies to deliver Government policy priorities and better revenue and commercial services.

Queensland Treasury contributes to the Queensland Government's plan to create jobs in a strong economy by managing the State's finances in a fiscally sustainable manner, in line with the Government's *Charter of Fiscal Responsibility*, providing business with the confidence and certainty to invest and employ. Queensland Treasury contributes to a responsive Government, by investing in the Office of State Revenue's Transformation Program to deliver a client centric, digitally enabled revenue services model, making it easier for clients to deal with Government. As a central agency, Queensland Treasury works across Government to prioritise funding that creates jobs and economic growth, and supports the delivery of services and initiatives that, give all our children a great start, keep Queenslanders healthy, keep communities safe, and protect the Great Barrier Reef.

Queensland Treasury's key priorities for 2018-19 include:

- delivering the 2018-19 Queensland Budget (including an overview of spending on local government), Mid Year Fiscal and Economic Review, and new service delivery priorities
- working with Government to fully fund and deliver election commitments through reprioritisations and revenue measures, and continuing to implement budget measures that responsibly manage debt
- creating a new, publicly-owned, clean energy generation company with a portfolio of low and no emission power generation assets
- working with the Australian Government and the Townsville City Council to deliver Australia's first City Deal, the Townsville City Deal, and South East Queensland (SEQ) local governments to develop an SEQ City Deal
- collaborating with the Department of Environment and Science to develop the \$500 million Land Restoration Fund
- extending the 50 per cent payroll tax rebate for wages paid to apprentices and trainees to 30 June 2019
- progressing legislation to ensure all land disturbed by mining activities is rehabilitated to a safe and stable landform that does not cause environmental harm and is able to sustain an approved post-mining land use
- engaging with the Australian Government, other jurisdictions and the Commonwealth Grants Commission to ensure Queensland receives its fair share of Commonwealth revenue including GST
- providing commercial and financial advice to major Government infrastructure projects
- delivering an expanded Business Development Fund to support the growth of angel and venture capital funding available to Queensland businesses, thereby continuing to strengthen Queensland's entrepreneurial and start-up ecosystem
- leading whole-of-government engagement with the Northern Australia Infrastructure Facility Office.

The major external factors that could impact Queensland Treasury in 2018-19 include:

- financial and economic volatility, nationally and internationally, impacting Queensland and its trading partners
- Australian Government funding decisions, including for health and education funding agreements as well as the distribution of GST revenue
- volatility in coal and petroleum royalties and volatility in energy costs.

# Service performance

## Service approach

The service area structure presented reflects the machinery-of-government changes, effective 12 December 2017:

- responsibility for Industrial Relations functions and services was transferred to the Department of Education
- employment policy and programs were transferred to the Department of Employment, Small Business and Training
- responsibility for delivery of Market Led Proposals was transferred to the Department of State Development, Manufacturing, Infrastructure and Planning
- responsibility for Cities Transformation Taskforce was transferred to Queensland Treasury from the former Department of Infrastructure, Local Government and Planning.

## Economic and Fiscal Coordination

### Service area objective

To provide economic and fiscal strategy advice which promotes economic growth for the benefit of all Queenslanders, including coordination of the State Budget to deliver the Government's policy objectives.

### Service area description

This service area's key functions include:

- delivering whole-of-government economic, fiscal, revenue, financial management, accounting, policy and reporting services to the Under Treasurer, Treasurer and Cabinet Budget Review Committee
- providing strategic economic and regulatory reform policy advice, economic impact analysis, modelling and data to inform public policy and decision making across the Queensland Government to promote sustainable economic and employment growth
- monitoring, forecasting and measuring the State's economic performance, at a regional and state-wide level, to inform development of the State Budget and whole-of-government economic and social policy development
- coordinating the development of the State Budget, and managing the State's debt and balance sheet in accordance with Government policies
- providing the statutory function of the Queensland Government Statistician to deliver statistical, demographic research and program evaluation services across Government.

## Services

- Fiscal coordination
- Economic policy, analysis and forecasting
- Statistical services

## 2018-19 service area highlights

Service area highlights for 2018-19 include:

- delivering and implementing the 2018-19 Queensland Budget and the 2018-19 Mid Year Fiscal and Economic Review
- delivering and implementing new service delivery priorities through Treasury's review of agency programs and expenditure which will better align expenditure to Government's priorities, ensure fiscal sustainability and deliver on Government's fiscal principles
- supporting the implementation of election commitments through reprioritisation and revenue measures
- providing timely information and advice on the economy and labour market

- delivering on the Government's Economic Framework, including advice on economic and regulatory reform policy, economic impact analysis and economic modelling
- remaining responsive to the statistical needs of Government to inform policy development on key priorities
- updating population projections for the State and its regions for use in service delivery and infrastructure planning
- updating the Queensland Government Program Evaluation Guidelines to support Treasury's review of agency programs and expenditure.

Queensland Treasury	Notes	2017-18 Adjusted Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<b>Service area: Economic and Fiscal Coordination</b>				
<b>Service: Fiscal coordination</b>				
<b>Service standards</b> <i>Effectiveness measures</i> Target ongoing reduction in Queensland's relative debt burden, as measured by the General Government debt to revenue ratio	1	60%	54%	56%
Target net operating surpluses to ensure any new capital investment in the General Government sector is funded primarily through recurrent revenues rather than borrowings	1, 2	59%	99%	60%
Manage the capital program to ensure a consistent flow of works to support jobs and the economy and reduce the risk of backlogs emerging	1	Met	Met	Met
Maintain competitive taxation – own source revenue to remain at or below 8.5% as a proportion of nominal gross state product	1	7.7%	8.5%	8.2%
Target full funding of long term liabilities such as superannuation and WorkCover in accordance with actuarial advice	1	Met	Met	Met
Maintain a sustainable public service by ensuring overall growth in full time equivalent employees, on average over the forward estimates, does not exceed population growth	1, 3	1.7%	1.7%	1.7%
<i>Efficiency measure</i> Average cost per hour of advice and support output	4	\$129.81	\$128.28	\$131.18
<b>Service: Economic policy, analysis and forecasting</b>	5			
<b>Service standards</b> <i>Effectiveness measure</i> Stakeholder and customer satisfaction with Economic Strategy outputs	6	New measure	New measure	80%



Queensland Treasury	Notes	2017-18 Adjusted Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<i>Efficiency measure</i> Average cost per hour of advice and support output	7	\$116.60	\$117.64	\$118.09
<b>Service: Statistical services</b>				
<b>Service standards</b> <i>Effectiveness measure</i> Stakeholder and customer satisfaction with Queensland Government Statistician outputs (rated satisfied or very satisfied)	8	95%	100%	95%
<i>Efficiency measure</i> Average cost per hour of advice and support output	9	\$104.09	\$99.06	\$98.65

Notes:

1. These measures are in line with the Government's fiscal principles, further information regarding these measures can be found in *Budget Strategy and Outlook (Budget Paper 2)*.
2. The Estimated Actual is higher than original target as a result of the 2017-18 operating surplus.
3. This standard reflects the Government's sixth fiscal principle designed to balance service delivery and fiscal sustainability by ensuring public service growth does not exceed population growth on average over the forward estimates. This is a whole-of-government measure and Queensland Treasury's role in achieving this is to partner with agencies to manage service delivery within the budget parameters, including operating within full-time equivalent resource allocations.
4. This service standard measures the average cost per hour for the provision of advice to agencies. The methodology is calculated based on the annual budget, number of full-time equivalent positions and available working hours.
5. This service has been renamed from "Economic and employment policy" to reflect changes to administrative arrangements and machinery-of-government changes.
6. This new measure relates to client satisfaction in relation to Economic Strategy Division's engagement with agencies and stakeholders involved in the policy development process across Government, including its performance in leading and facilitating policy matters in a timely manner. This service standard measures overall client experience considering the quality and timeliness of advice, as well as Economic Strategy's accessibility and outcome focus. It is derived from an annual survey of key clients and stakeholders.
7. This service standard measures the average cost per hour for the provision of advice to agencies. The methodology is calculated based on the annual budget, number of full-time equivalent positions and available working hours.
8. This service standard measures overall client satisfaction considering quality, timeliness, staff knowledge, access and outcome. It is derived from ongoing measurement surveys of clients. 2017-18 Estimated Actual is based on performance as at March 2018.
9. This service standard measures the average cost per hour for the provision of advice to agencies. The methodology is calculated based on the annual budget, number of full-time equivalent positions and available working hours.

## Agency Performance

### Service area objective

To provide advice and support in relation to line agency performance and public policy development which promotes economic growth for the benefit of all Queenslanders.

### Service area description

This service area's key functions include:

- providing economic and fiscally responsible public policy analysis and advice to line agencies, Under Treasurer, Treasurer and Cabinet to support Government priorities
- managing public policy, fiscal and economic issues across the public sector
- partnering with line agencies to optimise performance, balancing service delivery within budget parameters
- managing and coordinating intergovernmental fiscal relations issues
- managing whole-of-government banking and payment services contracts.

### 2018-19 service area highlights

Service area highlights for 2018-19 include:

- improving fiscal sustainability by supporting agencies to identify and act on opportunities to improve productivity
- working with line agencies to deliver Government priorities and reform
- engaging with the Australian Government and Commonwealth Grants Commission on reviews of GST distribution
- collaborating with the Department of Environment and Science to develop the \$500 million Land Restoration Fund
- working with the Department of Local Government, Racing, and Multicultural Affairs to investigate improvements on reporting of local government spending by State Government.

Queensland Treasury	Notes	2017-18 Adjusted Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<b>Service area: Agency Performance</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Overall customer satisfaction with policy and performance advice provided	1	75%	85%	75%
<i>Efficiency measure</i> Average cost per hour of advice and support output	2	\$106.33	\$109.98	\$106.81

Notes:

1. This service standard measures overall customer satisfaction considering quality, timeliness, staff knowledge, access and outcome. It is derived from an annual survey of departmental customers including chief finance officers.
2. This service standard measures the average cost per hour for the provision of advice to agencies. The methodology is calculated based on the annual budget, number of full-time equivalent positions and available working hours.

## Commercial Services

### Service area objective

To support economic growth in Queensland by providing timely financial and commercial advice to Government and by leading major commercial government projects to achieve time, cost, risk and quality objectives.

### Service area description

This service area's key functions include:

- providing commercial and financial advice to Government on service and infrastructure projects
- managing the procurement of privately financed major public infrastructure and service projects
- working with government agencies to realise the contracted value of major public infrastructure projects through the delivery phase
- providing commercial and policy advice on private sector investment in Queensland
- managing the State's engagement in the Commonwealth's Northern Australia Development agenda
- ensuring rigorous project procurement across Government by managing the State's project assessment framework
- assessing government-owned corporations' (GOCs) capital investments and driving a focus on maximising performance and rates of return through improved commercial focus
- leading implementation of a new financial provisioning scheme
- advising Government on competition policy and legislation, economic regulation and structural policy
- leading the State's negotiations with the Australian and local governments on City Deals.

### Services

- Commercial projects
- Investment programs
- Shareholder services
- Financial provisioning scheme

### 2018-19 service area highlights

Service area highlights for 2018-19 include:

- working with the Department of Natural Resources, Mines and Energy to create a new public-owned, clean energy generation company with a portfolio of low and no emission power generation assets
- providing commercial and financial advice to major government projects, such as: Cross River Rail (\$5.4 billion); Global Tourism Hubs such as Queen's Wharf Brisbane (\$3 billion) and Tropical North Cairns; Herston Quarter Redevelopment (\$1.1 billion); Advancing Our Cities and Regions; projects progressing through the Building Queensland Pipeline; contract management advice and support on Public Private Partnerships
- working with stakeholders to progress energy and water sector reforms in line with Government objectives, and to further understand Queensland's future requirements for large-scale water infrastructure
- implementing the financial provisioning scheme to deliver improved environmental outcomes and reduced financial risk to the State associated with the resources sector
- delivering the Queensland Government's broad financial assurance framework reform with the Departments of Environment and Science, and Natural Resources, Mines and Energy
- collaborating with the Department of Natural Resources, Mines and Energy on options to achieve the Government's 50 per cent renewable energy target
- supporting the Queensland Productivity Commission with inquiries, research projects and applying competitive neutrality principles on government business
- leveraging investment from businesses through the Jobs and Regional Growth Fund in conjunction with the Department of State Development, Manufacturing, Infrastructure and Planning
- delivering an expanded Business Development Fund to support the growth of angel and venture capital funding available to Queensland businesses, thereby continuing to strengthen Queensland's entrepreneurial and start-up ecosystem

- continuing to provide oversight for Queensland's first three Social Benefit Bonds to address challenging social issues including the over representation of Aboriginal and Torres Strait Islander children in out-of-home-care, reducing reoffending rates for young people and building resilience to homelessness for young people at risk
- working with the Australian Government and the Townsville City Council to deliver Australia's first City Deal, the Townsville City Deal
- working with the Australian Government and South East Queensland local governments (represented by the Council of Mayors (SEQ)) to develop and establish an SEQ City Deal.

Queensland Treasury	Notes	2017-18 Adjusted Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<b>Service area: Commercial Services</b>				
<b>Service: Commercial projects</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Overall customer satisfaction with advice and support provided	1	New measure	New measure	80%
<i>Efficiency measure</i> Average cost per hour of project services	2	\$130.55	\$131.25	\$127.98
<b>Service: Investment programs</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Overall customer satisfaction with advice and support provided	3	New measure	New measure	80%
<i>Efficiency measure</i> Average cost per hour of advice and support output	4	New measure	New measure	\$108.34
<b>Service: Shareholder services</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Overall customer satisfaction with advice and support provided	5	80%	70%	80%
<i>Efficiency measure</i> Average cost per hour of advice and support output	6	\$104.67	\$105.97	\$106.46
<b>Service: Financial provisioning scheme</b>	7			
<b>Service standards</b>				
<i>Effectiveness measure</i> Overall customer satisfaction with advice and support provided	8	New measure	New measure	75%
<i>Efficiency measure</i> Average cost per hour of advice and services	9	New measure	New measure	\$110.14

Notes:

1. This service standard has been introduced to provide an effectiveness measure for Commercial projects. This service standard measures overall client satisfaction considering quality, timeliness, staff knowledge, access and outcome. It is derived from an annual survey of key clients and stakeholders.

2. This service standard measures the average cost per hour for providing advice to agencies. The methodology is based on the annual budget, number of full-time equivalent positions and available working hours.
3. This service standard has been introduced to reflect changes to administrative arrangements and machinery-of-government changes. It measures overall client satisfaction considering quality, timeliness, staff knowledge, access and outcome. It is derived from an annual survey of key clients and stakeholders.
4. This service standard has been amended to reflect changes to administrative arrangements and machinery-of-government changes to the Investment programs service. It measures the average cost per hour for providing advice to agencies. The methodology is based on the annual budget, number of full-time equivalent positions and available working hours.
5. This service standard measures overall client satisfaction considering quality, timeliness, staff knowledge, access and outcome. It is derived from an annual survey of GOCs. The 2017-18 Estimated Actual result reflects the desire of GOCs for confirmation of the policy approach of the new term of Government.
6. This service standard measures the average cost per hour for the provision of advice to agencies. The methodology is based on the annual budget, number of full-time equivalent positions and available working hours.
7. This service has been introduced to reflect a new function for Treasury.
8. This service standard measures overall client satisfaction considering quality, timeliness, staff knowledge, access and outcomes. It is derived from an annual survey of internal government stakeholders and the relevant advisory committee.
9. This service standard measures the average cost per hour for the provision of advice to agencies and delivery of services. The methodology is calculated based on the annual budget, number of full-time equivalent positions and available working hours.

## Revenue Management

### Service area objective

To enable government, business and community prosperity in Queensland through best practice revenue collection, grants management and penalty debt management.

### Service area description

This service area administers a revenue base of around \$14 billion by delivering and administering simple, efficient and equitable revenue management services for State taxes and royalty revenue. Additional responsibilities include revenue compliance, grant schemes and debt recovery and enforcement activities for the State.

This service area achieves its revenue responsibilities by:

- adopting leading e-business practices with high level client support and firm and fair enforcement
- providing legislation and revenue policy advice to Government
- progressing the Revenue Management System to support innovative business practices
- developing and implementing targeted, fair and efficient infringement enforcement strategies
- leading end-to-end penalty debt management improvements through collaborative stakeholder engagement
- using business intelligence and behaviour insights to inform enforcement and debt recovery.

### Services

- Revenue services
- Penalty debt services

### 2018-19 service area highlights

Service area highlights for 2018-19 include:

- enhancing revenue management to support the Government's fiscal sustainability agenda/commitments through delivery of measures announced as part of the 2017-18 Mid Year Fiscal and Economic Review
- extending the 50 per cent payroll tax rebate for wages paid to apprentices and trainees to 30 June 2019
- continuing transformation programs that will deliver business models focussed on client centricity, digitally enabled services and a whole-of-government approach to penalty debt management
- finalising new digital services for clients, including the new State Penalty Enforcement Registry (SPER) software solution which will enable better case management
- delivering new 'non-monetary' options for payment of SPER debts for customers experiencing hardship, including Stage 2 of the Work and Development Orders Program with Government and community service providers.

Queensland Treasury	Notes	2017-18 Adjusted Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<b>Service area: Revenue Management</b>				
<b>Service: Revenue services</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Customer satisfaction with services provided	1	70%	78.7%	70%
Average overdue debt as a percentage of total revenue collected	2	2%	1.8%	2%
Total revenue dollars administered per dollar expended – accrual	3	\$198	\$196	\$188

Queensland Treasury	Notes	2017-18 Adjusted Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<i>Efficiency measure</i> Cost of delivering a compliance program as a ratio of the compliance revenue assessed	4	New measure	New measure	0.096
<b>Service: Penalty debt services</b>				
<b>Service standards</b> <i>Effectiveness measure</i> State Penalty Enforcement Registry (SPER) clearance rate (finalisations/lodgements)	5	75%	99%	85%
<i>Efficiency measure</i> Average cost per \$100 collected	6	New measure	New measure	\$9.30

Notes:

1. This service standard measures overall customer satisfaction considering quality, timeliness, staff knowledge, access and outcome. It is derived from customer surveys.
2. The variance between the 2017-18 Adjusted Target/Estimate and 2017-18 Estimated Actual is due to the exclusion of abnormal items.
3. The decrease in the 2018-19 Target/Estimate is the result of increased costs associated with the Office of State Revenue's Transformation Program.
4. This measure represents a ratio of inputs to outputs (in dollar terms) and is calculated as a ratio of employee expenses to compliance revenue assessed under a compliance program. The lower the ratio the greater the efficiency. The 2018-19 Target/Estimate of 0.096 is based on an average of the last three financial years, excluding significant revenue outliers.
5. The 2017-18 Target/Estimate was based on long term historical performance. Improvements to SPER's capacity to finalise debts under the SPER Transformation Program resulted in a significant increase in performance for the year. The 2018-19 Target/Estimate reflects estimated sustained improved performance, mitigated by expected disruption as SPER transitions to its new service model during 2018-19.
6. This new service standard measures the costs associated with SPER collecting unpaid debt. Introduction of this measure facilitates benchmarking to comparable jurisdictions which already use this efficiency measure.

## 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 Treasury	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<b>Service area: Revenue Management</b>				
Average cost of case management per State Penalty Enforcement Registry customer	1	\$49	\$49	Discontinued measure

Note:

1. This service standard is replaced by a more accurate measure of efficiency 'Average cost per \$100 collected'. 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.

Queensland Treasury is responsible for overseeing significant administered revenue and expenses. The department receives a large proportion of the State's taxation, royalties and Australian Government revenue which is used to fund Government priorities. The department administers major grant programs and provides funding to a number of statutory bodies, including the Queensland Productivity Commission, the Queensland Competition Authority and the Cross River Rail Delivery Authority.

The department also administers the Government's cash balances and financing requirements, in collaboration with the Queensland Treasury Corporation.

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.

Queensland Treasury	2017-18 Adjusted Budget \$'000	2017-18 Est. Actual \$'000	2018-19 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	18,579	12,040	28,254
Balance of service appropriation	226,582	241,044	219,392
Other revenue	67,611	68,410	9,319
<b>Total income</b>	<b>312,772</b>	<b>321,494</b>	<b>256,965</b>
<b>Expenses</b>			
Economics and Fiscal Coordination <sup>2</sup>	36,773	41,391	33,622
Agency Performance	15,978	17,368	17,231
Commercial Services <sup>3</sup>	19,437	29,568	25,877
Revenue Management <sup>4</sup>	164,907	157,211	178,157
Industrial Relations <sup>5</sup>	74,713	74,718	..
Other <sup>6</sup>	2,786	3,060	3,377
Reconciliation adjustment to the Income Statement <sup>7</sup>	(1,822)	(1,822)	(1,299)
<b>Total expenses</b>	<b>312,772</b>	<b>321,494</b>	<b>256,965</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>66,525</b>	<b>63,496</b>	<b>80,905</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	19,911,897	19,972,068	19,366,694
Appropriation revenue	6,124,065	5,944,626	5,991,751
Other administered revenue	14,760,669	15,654,423	16,436,750
<b>Total revenue</b>	<b>40,796,631</b>	<b>41,571,117</b>	<b>41,795,195</b>
<b>Expenses</b>			
Transfers to Government	34,614,722	35,568,647	35,745,600
Administered expenses	6,181,909	6,002,470	6,049,595
<b>Total expenses</b>	<b>40,796,631</b>	<b>41,571,117</b>	<b>41,795,195</b>
<b>Net assets</b>	<b>(34,058,749)</b>	<b>(34,457,089)</b>	<b>(34,457,089)</b>

Notes:

1. Includes State and Commonwealth funding.
2. The increase in the 2017-18 Estimated Actual is mainly due to costs associated with the establishment of the Crime Statistics and Research Unit. The decrease in 2018-19 Budget is primarily due to the full year impact of the machinery-of-government transfer of the employment function to the Department of Employment, Small Business and Training.

3. The movement between the 2017-18 Adjusted Budget, 2017-18 Estimated Actual and 2018-19 Budget is mainly due to the implementation of a reformed Financial Assurance Framework for the resources sector in Queensland.
4. The movement between the 2017-18 Adjusted Budget, 2017-18 Estimated Actual and 2018-19 Budget is mainly due to costs associated with the Office of State Revenue's Transformation Program being delayed from 2017-18 to 2018-19.
5. The Office of Industrial Relations was transferred to the Department of Education effective 1 January 2018 as part of machinery-of-government changes.
6. This represents corporate services to non-departmental services (Motor Accident Insurance Commission and Nominal Defendant).
7. This represents the eliminations upon consolidation for internal trading between services.

## Service area sources of revenue<sup>1</sup>

Sources of revenue 2018-19 Budget					
Queensland Treasury	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Economics and Fiscal Coordination	33,622	28,067	5,552	..	3
Agency Performance	17,231	16,925	304	..	2
Commercial Services	25,877	25,598	277	..	2
Revenue Management	178,157	173,874	3,810	..	473
<b>Departmental</b>	<b>254,887</b>	<b>244,464</b>	<b>9,943</b>	<b>..</b>	<b>480</b>
Other <sup>2</sup>	3,377	3,182	195	..	..
Reconciliation adjustment to the income statement <sup>3</sup>	(1,299)	..	(1,299)	..	..
<b>Total</b>	<b>256,965</b>	<b>247,646</b>	<b>8,839</b>	<b>..</b>	<b>480</b>

Notes:

1. Explanations of variances are provided in the financial statements.
2. This represents corporate services provided to non-departmental services (Motor Accident Insurance Commission and Nominal Defendant).
3. This represents eliminations upon consolidation for internal trading between services.

## 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)*.

Queensland Treasury	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Revenue measures</b>					
Administered	..	172,970	230,573	237,991	246,454
Departmental	..	..	..	..	..
<b>Expense measures<sup>1</sup></b>					
Administered	19,600	52,000	..	..	..
Departmental	(120)	583	2,406	2,622	2,843
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	20,000	20,000	..	..

Note:

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

## Departmental capital program

Queensland Treasury's capital purchases for 2018-19 will be \$6.1 million. The highlights for the department include:

- \$5.7 million to implement the Office of State Revenue Transformation Program. This will enable the delivery of an upgraded ICT platform and support improved revenue management services into the future.
- \$400,000 to implement the Financial Assurance Framework Reforms. This will enable the delivery of an ICT system to support the operation of the Financial Provisioning Scheme.

## Capital budget

Queensland Treasury	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Actual \$'000	2018-19 Budget \$'000
<b>Capital purchases</b>	1, 2			
Total land, buildings and infrastructure		..	..	..
Total plant and equipment	3	12,583	13,712	6,125
Total other capital		..	..	..
<b>Total capital purchases</b>		<b>12,583</b>	<b>13,712</b>	<b>6,125</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. Figures reconcile with *Capital Statement (Budget Paper 3)*, the 2017-18 Adjusted Budget and the 2017-18 Estimated Actual include the capital investment by the Office of Industrial Relations prior the machinery-of-government transfer.
3. The increase in the 2017-18 Estimated Actual is mainly due to increased capital expenditure to implement the Financial Assurance Framework Reforms. The decrease in 2018-19 represents reduction over time in capital investment for the Office of State Revenue Transformation Program.

## Staffing<sup>1, 2</sup>

Queensland Treasury	Notes	2017-18 Adjusted Budget	2017-18 Est. Actual	2018-19 Budget
Economics and Fiscal Coordination	3	157	177	177
Agency Performance		89	89	89
Commercial Services		77	81	81
Revenue Management		643	638	638
<b>Services areas Subtotal</b>		<b>966</b>	<b>985</b>	<b>985</b>
Corporate Services provided to other agencies	4	9	9	9
<b>TOTAL</b>		<b>975</b>	<b>994</b>	<b>994</b>

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 the 2017-18 Estimated Actual is mainly due to the establishment of the Crime Statistics and Research Unit to deliver an independent crime statistic body for Queensland.
4. This reflects staff providing corporate support to the Motor Accident Insurance Commission and the Nominal Defendant.

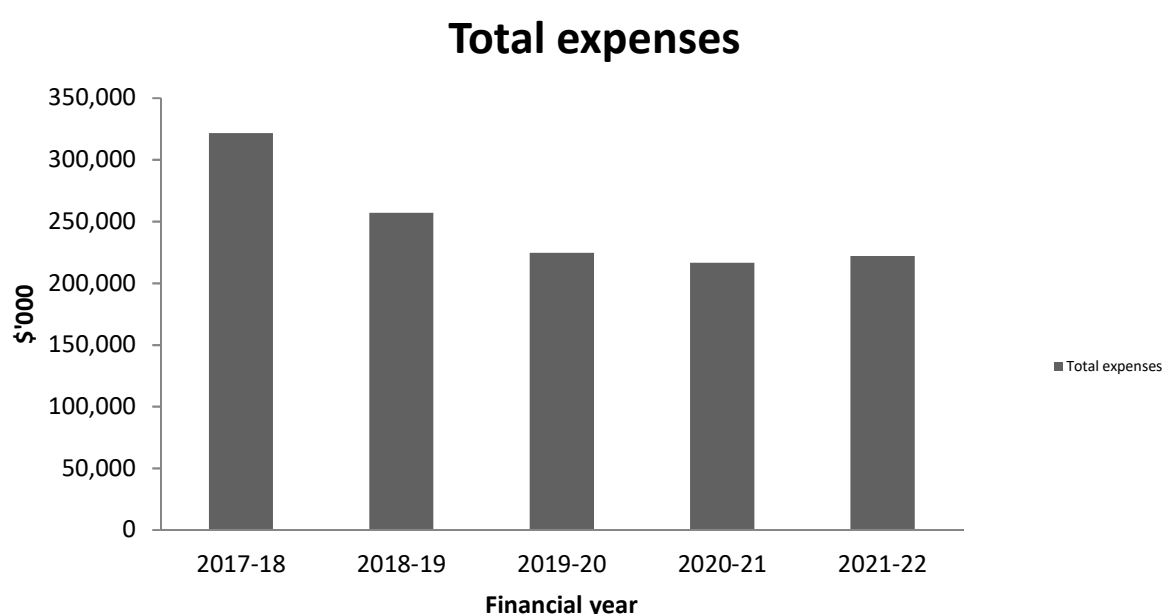
# Budgeted financial statements

## Departmental income statement

Total expenses are estimated to be \$257 million in 2018-19, a decrease of \$64.5 million from the 2017-18 Estimated Actual mainly due to the full year impact of machinery-of-government transfers of the Office of Industrial Relations, Employment function and Market Led Proposals effective 1 January 2018. This is partially offset by increased expenditure for the Office of State Revenue (OSR) Transformation Program and additional expenditure resulting from annual wage increases.

The decreases in expenses in 2019-20 and 2020-21 are primarily due to the reduction in costs over time for the OSR Transformation Program. Also contributing is the reduction in costs over time for the implementation of the alternate service delivery model for the State Penalties Enforcement Registry. Total expenses are estimated to increase in 2021-22 mainly due to additional expenditure resulting from annual wage increases.

**Chart: Total departmental expenses across the Forward Estimates period**



## Departmental balance sheet

The department's main liabilities at the end of 2018-19 relate to operational payables (\$15.3 million) and accrued employee benefits (\$4.5 million). There are no known factors that will significantly vary these amounts over the next three years. The department's major assets at the end of 2018-19 are in investments (\$66.8 million), intangibles (\$13.6 million), cash (\$11.8 million) and operational receivables (\$5.6 million). Investments include the State's investment in Property Exchange Australia Ltd and the Business Development Fund's investments administered by QIC.



# Controlled income statement

Queensland Treasury	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,9	245,161	253,084	247,646
Taxes		..	..	..
User charges and fees	4,10	16,412	16,911	8,839
Royalties and land rents		..	..	..
Grants and other contributions	5,11	50,663	50,663	..
Interest		..	..	..
Other revenue		536	836	480
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>312,772</b>	<b>321,494</b>	<b>256,965</b>
<b>EXPENSES</b>				
Employee expenses	6,12	164,292	162,342	121,383
Supplies and services	2,7,13	131,266	135,746	120,015
Grants and subsidies	3,8,14	6,487	11,964	2,822
Depreciation and amortisation		6,516	6,543	8,698
Finance/borrowing costs		..	..	..
Other expenses		4,211	4,899	4,047
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>312,772</b>	<b>321,494</b>	<b>256,965</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Controlled balance sheet

Queensland Treasury	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		15,855	12,069	11,780
Receivables		6,259	5,644	5,644
Other financial assets		..	..	..
Inventories		..	..	..
Other		3,883	3,017	3,083
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>25,997</b>	<b>20,730</b>	<b>20,507</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	15,18,21	36,832	46,832	66,832
Property, plant and equipment		40	40	29
Intangibles	22	15,272	16,113	13,551
Other		..	..	..
<b>Total non-current assets</b>		<b>52,144</b>	<b>62,985</b>	<b>80,412</b>
<b>TOTAL ASSETS</b>		<b>78,141</b>	<b>83,715</b>	<b>100,919</b>
<b>CURRENT LIABILITIES</b>				
Payables	16,19	6,614	10,562	10,357
Accrued employee benefits		4,733	4,479	4,479
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		269	273	273
<b>Total current liabilities</b>		<b>11,616</b>	<b>15,314</b>	<b>15,109</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables	17,20	..	4,905	4,905
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>4,905</b>	<b>4,905</b>
<b>TOTAL LIABILITIES</b>		<b>11,616</b>	<b>20,219</b>	<b>20,014</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>66,525</b>	<b>63,496</b>	<b>80,905</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>66,525</b>	<b>63,496</b>	<b>80,905</b>

# Controlled cash flow statement

Queensland Treasury	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	23,38	245,161	238,846	245,941
User charges and fees	29,39	30,477	27,141	13,662
Royalties and land rent receipts		..	..	..
Grants and other contributions	30,40	50,663	50,663	..
Interest received		..	..	..
Taxes		..	..	..
Other		6,726	7,026	6,684
<b>Outflows:</b>				
Employee costs	31,41	(165,700)	(163,750)	(121,383)
Supplies and services	32,42	(137,536)	(142,361)	(124,785)
Grants and subsidies	24,33,43	(6,487)	(11,964)	(2,822)
Borrowing costs		..	..	..
Other		(9,034)	(9,722)	(8,870)
<b>Net cash provided by or used in operating activities</b>		<b>14,270</b>	<b>(4,121)</b>	<b>8,427</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	34,44	(12,583)	(13,712)	(6,125)
Payments for investments	25,35	(10,000)	(20,000)	(20,000)
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(22,583)</b>	<b>(33,712)</b>	<b>(26,125)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	26,36,45	22,203	37,529	31,587
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	27,37,46	(7,543)	(25,078)	(14,178)
<b>Net cash provided by or used in financing activities</b>		<b>14,660</b>	<b>12,451</b>	<b>17,409</b>
<b>Net increase/(decrease) in cash held</b>		<b>6,347</b>	<b>(25,382)</b>	<b>(289)</b>
<b>Cash at the beginning of financial year</b>		<b>25,729</b>	<b>53,116</b>	<b>12,069</b>
Cash transfers from restructure	28	(16,221)	(15,665)	..
<b>Cash at the end of financial year</b>		<b>15,855</b>	<b>12,069</b>	<b>11,780</b>

# Administered income statement

Queensland Treasury	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	47,54,65	6,124,065	5,944,626	5,991,751
Taxes	55,66	10,925,654	10,885,783	11,545,725
User charges and fees	56,67	73,587	75,687	54,088
Royalties and land rents	48,57,68	3,332,706	4,295,491	4,416,810
Grants and other contributions	58,69	19,917,397	19,977,119	19,366,694
Interest	49,59	53,351	29,155	29,155
Other revenue	60,70	369,871	363,256	390,972
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>40,796,631</b>	<b>41,571,117</b>	<b>41,795,195</b>
<b>EXPENSES</b>				
Employee expenses		..	..	..
Supplies and services		160,221	160,221	161,121
Grants and subsidies	50,61,71	355,577	383,691	219,348
Depreciation and amortisation		..	..	..
Finance/borrowing costs	51,62,72	1,440,314	1,376,079	1,208,908
Other expenses	52,63,73	4,167,953	4,024,635	4,402,374
Losses on sale/revaluation of assets		57,844	57,844	57,844
Transfers of Administered Revenue to Government	53,64,74	34,614,722	35,568,647	35,745,600
<b>Total expenses</b>		<b>40,796,631</b>	<b>41,571,117</b>	<b>41,795,195</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Administered balance sheet

Queensland Treasury	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	75,81	(2,769,642)	(4,550,424)	(4,433,307)
Receivables		1,073,114	1,057,535	1,150,769
Other financial assets		..	..	..
Inventories		..	..	..
Other	76,82	2,292	8,633	8,633
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>(1,694,236)</b>	<b>(3,484,256)</b>	<b>(3,273,905)</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	77,83,87	91,105	78,110	68,237
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>91,105</b>	<b>78,110</b>	<b>68,237</b>
<b>TOTAL ASSETS</b>		<b>(1,603,131)</b>	<b>(3,406,146)</b>	<b>(3,205,668)</b>
<b>CURRENT LIABILITIES</b>				
Payables	78,84	42,642	7,666	7,666
Transfers to Government payable		1,233,061	1,103,452	1,195,621
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	79,85,88	516,628	1,782,814	1,388,811
Provisions		..	..	..
Other		40,114	39,735	39,405
<b>Total current liabilities</b>		<b>1,832,445</b>	<b>2,933,667</b>	<b>2,631,503</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	80,86,89	30,623,173	28,117,276	28,619,918
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>30,623,173</b>	<b>28,117,276</b>	<b>28,619,918</b>
<b>TOTAL LIABILITIES</b>		<b>32,455,618</b>	<b>31,050,943</b>	<b>31,251,421</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(34,058,749)</b>	<b>(34,457,089)</b>	<b>(34,457,089)</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>(34,058,749)</b>	<b>(34,457,089)</b>	<b>(34,457,089)</b>

# Administered cash flow statement

Queensland Treasury	Notes	2017-18 Adjusted Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	90,101	6,124,065	5,876,589	5,991,751
User charges and fees	102,116	40,413	42,513	20,914
Royalties and land rent receipts	91,103	3,276,147	4,238,932	4,360,251
Grants and other contributions	104,117	19,917,397	19,977,119	19,366,694
Interest received	92,105	49,615	25,419	25,419
Taxes	106,118	10,925,654	10,885,783	11,545,725
Other	107,119	308,922	302,307	330,023
<b>Outflows:</b>				
Employee costs		..	..	..
Supplies and services		(160,221)	(160,221)	(161,121)
Grants and subsidies	93,108,120	(355,577)	(383,691)	(219,348)
Borrowing costs	109,121	(1,440,314)	(1,376,079)	(1,208,908)
Other	110,122	(4,167,953)	(4,024,635)	(4,402,374)
Transfers to Government		(34,522,553)	(35,476,478)	(35,653,431)
<b>Net cash provided by or used in operating activities</b>		<b>(4,405)</b>	<b>(72,442)</b>	<b>(4,405)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed	94,111,123	..	1,000,000	511,400
Loans and advances redeemed		20,512	20,512	18,187
<b>Outflows:</b>				
Payments for non-financial assets		..	..	..
Payments for investments	95,124	..	(3,203,500)	..
Loans and advances made		(5,500)	(5,500)	(4,578)
<b>Net cash provided by or used in investing activities</b>		<b>15,012</b>	<b>(2,188,488)</b>	<b>525,009</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings	96,112,125	287,500	1,014,769	140,871
Equity injections	97,113,126	85,186	112,870	733,381
<b>Outflows:</b>				
Borrowing redemptions	98,114	(282,566)	(600,757)	(544,358)
Finance lease payments		..	..	..
Equity withdrawals	99,115,127	(413,522)	(130,522)	(733,381)
<b>Net cash provided by or used in financing activities</b>		<b>(323,402)</b>	<b>396,360</b>	<b>(403,487)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(312,795)</b>	<b>(1,864,570)</b>	<b>117,117</b>
<b>Cash at the beginning of financial year</b>		<b>(2,502,183)</b>	<b>(2,731,190)</b>	<b>(4,550,424)</b>
Cash transfers from restructure	100	45,336	45,336	..
<b>Cash at the end of financial year</b>		<b>(2,769,642)</b>	<b>(4,550,424)</b>	<b>(4,433,307)</b>

# Explanation of variances in the financial statements

In the Explanation Notes provided below, machinery-of-government changes effective 1 January 2018 include:

- Controlled function
  - transfer of the Market Led Proposals to the Department of State Development, Manufacturing, Infrastructure and Planning
  - transfer of the Cities Transformation Taskforce from the Department of State Development, Manufacturing, Infrastructure and Planning
- Administered function
  - transfer of the Queensland Racing Integrity Commission to the Department of Agriculture and Fisheries
  - transfer of the Cross River Rail Delivery Authority from the former Department of Infrastructure, Local Government and Planning
- Government and Planning
  - transfer of the Trade and Investment Queensland to the Department of the Premier and Cabinet
- Controlled and Administered function
  - transfer of the Office of Industrial Relations to the Department of Education
  - transfer of the Employment function to the Department of Employment, Small Business and Training

## Income statement

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

1. The increase in Appropriation revenue is primarily due to additional funding to implement the Financial Assurance Framework Reforms.
2. The increase in supplies and services is primarily due to costs associated with the implementation of the Financial Assurance Framework Reforms.
3. The increase in grants and subsidies is primarily due to grant payments associated with the Financial Assurance Framework Reforms. Also contributing is the reclassification from supplies and services for the payments to Queensland Ambulance Services associated with the transportation costs for injured workers.

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

4. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes.
5. The decrease in grants and other contributions is primarily due to the full year impact of machinery-of-government changes.
6. The decrease in employee expenses is primarily due to the full year impact of machinery-of-government changes, partially offset by additional expenditure resulting from annual wage increases.
7. The decrease in supplies and services is primarily due to the full year impact of machinery-of-government changes.
8. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes, partially offset by increased grant payments associated with the Financial Assurance Framework Reforms.

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

9. The decrease in Appropriation revenue is primarily due to the full year impact of machinery-of-government changes. This is partially offset by increased funding for the Office of State Revenue (OSR) Transformation Program and additional funding for annual wage increases.
10. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes.
11. The decrease in grants and other contributions is primarily due to the full year impact of machinery-of-government changes.
12. The decrease in employee expenses is primarily due to the full year impact of machinery-of-government changes, partially offset by additional expenditure resulting from annual wage increases.
13. The decrease in supplies and services is primarily due to the full year impact of machinery-of-government changes, partially offset by increased expenditure associated with the OSR Transformation Program.
14. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes.

## Balance sheet

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

15. The increase in other financial assets reflects increased investments by the Business Development Fund. The Fund supports the growth of angel and venture capital funding available to Queensland businesses, thereby strengthening Queensland's entrepreneurial and start-up ecosystem.
16. The increase in payables reflects higher than expected 2017-18 audited opening balance.
17. The increase in non-current payables reflects the impact of applying the straight-line methodology for lease payments associated with the leased property portfolio in compliance with AASB 117.

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

18. The increase in other financial assets reflects increased investments by the Business Development Fund.
19. The increase in payables reflects higher than expected 2017-18 audited opening balance.
20. The increase in non-current payables reflects the impact of applying the straight-line methodology for lease payments associated with the leased property portfolio in compliance with AASB 117.

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

21. The increase in other financial assets reflects increased investments by the Business Development Fund.
22. The decrease in intangibles is primarily due to amortisation expenditure expected for 2018-19, partially offset by the additional capital investment for the OSR Transformation Program.

## Cash flow statement

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

23. The decrease in Appropriation receipts is primarily due to 2017-18 funding received in advance in 2016-17, partially offset by additional funding to implement the Financial Assurance Framework Reforms.
24. The increase in grants and subsidies is primarily due to grant payments associated with the Financial Assurance Framework Reforms. Also contributing to this is the reclassification from supplies and services for the payments to Queensland Ambulance Services associated with the transportation costs for injured workers.
25. The increase in payments for investment reflects increased investments by the Business Development Fund.
26. The increase in equity injections is primarily associated with the Business Development Fund and the additional equity injection to implement the Financial Assurance Framework Reforms.
27. The increase in equity withdrawals primarily reflects a conversion from equity to Appropriation funding. Also contributing is the payments of capital funding associated with the Financial Assurance Framework Reforms to other Government departments through equity transfers.
28. This represents cash transfers as a result of the machinery-of-government changes.

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

29. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes.
30. The decrease in grants and other contributions is primarily due to the full year impact of machinery-of-government changes.
31. The decrease in employee expenses is primarily due to the full year impact of machinery-of-government changes, partially offset by additional expenditure resulting from annual wage increases.
32. The decrease in supplies and services is primarily due to the full year impact of machinery-of-government changes.
33. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes, partially offset by increased grant payments associated with the Financial Assurance Framework Reforms.
34. The decrease in payments of non-financial assets is primarily due to the reduction over time in capital investment for the OSR Transformation Program.
35. The increase in payments for investment reflects increased investments by the Business Development Fund.



36. The increase in equity injections is primarily associated with the Business Development Fund and the additional equity injection to implement the Financial Assurance Framework Reforms. This is partially offset by the reduction capital investment associated with the OSR Transformation Program.
37. The increase in equity withdrawals primarily reflects the payments of capital funding associated with the Financial Assurance Framework Reforms to other Government departments through equity transfers. Also contributing is a higher returning of amortisation funding associated with the OSR Transformation Program.

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

38. The increase in Appropriation receipts is primarily due to 2017-18 funding received in advance in 2016-17, increased funding for the OSR Transformation Program and additional funding for annual wage increases. These are partially offset by the full year impact of machinery-of-government changes.
39. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes.
40. The decrease in grants and other contributions is primarily due to the full year impact of machinery-of-government changes.
41. The decrease in employee expenses is primarily due to the full year impact of machinery-of-government changes, partially offset by additional expenditure resulting from enterprise bargaining increases.
42. The decrease in supplies and services is primarily due to the full year impact of machinery-of-government changes, partially offset by increased expenditure associated with the OSR Transformation Program.
43. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes.
44. The decrease in payments of non-financial assets is primarily due to the reduction over time in capital investment for the OSR Transformation Program.
45. The decrease in equity injections is primarily due to the reduction over time in capital investment for the OSR Transformation Program. These are partially offset by the additional equity injection to implement the Financial Assurance Framework Reforms.
46. The decrease in equity withdrawals is primarily due to a conversion from equity to appropriation funding during 2017-18.

## Administered income statement

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

47. Administered Appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 50 to 52.
48. The increase in royalties and land rents reflects the impact of higher coal prices on coal royalties.
49. The decrease in Interest revenue reflects the netting off interest from the redraw facility against the interest expense.
50. The increase in grants and subsidies reflects higher Queensland First Home Owners' Grant payments.
51. The decrease in borrowing costs is due to lower levels of QTC borrowings.
52. The decrease in other expenses mainly relates to the State's share of superannuation beneficiary payments.
53. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 48 to 49.

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

54. Administered Appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 61 to 63.
55. The increase in taxes is primarily due to payroll tax reflecting more favourable employment conditions and workforce participation, increased rate of land tax on holdings above \$10 million and the introduction of a point of consumption betting tax of 15% .
56. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes, partially offset by increased SPER fee income due to increased volume of debt referrals.
57. The increase in royalties and land rents reflects the impact of higher coal and oil prices.

58. The decrease in grants and other contributions reflects decreased GST payments and specific purpose payments from the Australian Government.
59. The decrease in interest revenue reflects the netting off of interest from the redraw facility against the interest expense in 2018-19.
60. The increase in other revenue relates to higher competitive neutrality fees.
61. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes.
62. The decrease in borrowing costs is mainly due to lower levels of QTC borrowings.
63. The increase in other expenses mainly relates to higher Annual Leave Central Scheme payments and the State's share of superannuation beneficiary payments.
64. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 55 to 60.

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

65. Administered Appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 71 to 73.
66. The increase in taxes is primarily due to payroll tax reflecting more favourable employment conditions and workforce participation, increased rate of land tax on holdings above \$10 million and the introduction of a point of consumption betting tax of 15%.
67. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes, partially offset by increased SPER fee income due to increased volume of debt referrals.
68. The increase in royalties and land rents reflects the impact of higher oil prices on petroleum royalties and higher base and precious metal prices on other mineral royalties.
69. The decrease in grants and other contributions reflects decreased GST payments and specific purpose payments from the Australian Government.
70. The increase in other revenue relates to higher competitive neutrality fees and other SPER fines and forfeitures.
71. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes.
72. The decrease in borrowing costs is expected due to the timing of balances held in the redraw facility and lower levels of advances.
73. The increase in other expenses mainly relates to the State's share of superannuation beneficiary payments and higher Annual Leave Central Scheme payments.
74. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 66 to 70.

## Administered balance sheet

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

75. The decrease in cash assets is due to a reduction in the Queensland Treasury Offset account as a result of an increase in departmental and Consolidated Fund balances under the whole-of-government offset arrangements.
76. The increase in other assets reflects a higher than expected 2017-18 audited opening balance.
77. The decrease in non-current Receivables reflects the volumes of Natural Disaster Relief and Recovery Arrangements (NDRRA) loans made to the Queensland Rural and Industry Development Authority.
78. The decrease in payables is primarily due to decreased SPER third party trade creditors and less GST payable expected at year end.
79. The increase in current Interest bearing liabilities and derivatives represents advances received from government-owned corporations (GOCs) as part of the Cash Management Strategy.
80. The lower non-current Interest bearing liabilities and derivatives results mainly from improved cash flows for the State transfer to the redraw facility and set off against QTC borrowings.

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

81. The decrease in cash assets is due to a reduction in the Queensland Treasury Offset account as a result of an increase in departmental and Consolidated Fund balances under the whole-of-government offset arrangements.
82. The increase in other assets reflects a lower than expected 2017-18 audited opening balance.
83. The decrease in non-current receivables reflects the volumes of NDRRA loans made to the Queensland Rural and Industry Development Authority.
84. The decrease in payables is primarily due to decreased SPER third party trade creditors and less GST payable expected at year end.
85. The increase in current Interest bearing liabilities and derivatives represents net movements in advances from GOCs as part of the Cash Management Strategy.
86. The decrease in non-current Interest bearing liabilities and derivatives mainly represents the lower than expected stock of borrowings at 30 June 2018.

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

87. The decrease in non-current receivables reflects the repayment of concessional loans provided to Queensland Rural and Industry Development Authority.
88. The decrease in current interest bearing liabilities and derivatives mainly represents the net movements in advances from GOCs as part of the Cash Management Strategy.
89. The increase in non-current interest bearing liabilities reflects transfers from the redraw facility within QTC borrowings.

## **Administered cash flow statement**

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

90. Administered appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Note 93.
91. The increase in royalties and land rents reflects the impact of higher coal prices on coal royalties.
92. The decrease in interest received reflects the netting off interest from the redraw facility against the interest expense.
93. The increase in grants and subsidies reflects higher Queensland First Home Owners' Grant payments.
94. The increase in investments redeemed represents withdrawals from the redraw facility to the QTC cash fund during the year.
95. Payments for investments in the 2017-18 Estimated Actual relate to investment of surplus cash from operations into the QTC Cash Fund during 2017-18 which was subsequently transferred to the redraw facility to offset debt.
96. The increase in borrowings mainly represents gross inflows of advances from GOCs and lower QTC borrowings required due to improved cash flows.
97. The increase in equity injections is mainly in relation to a correction for 2016-17 equity.
98. The increase in borrowing redemptions mainly reflects gross outflows of advances repaid to the GOCs.
99. The decrease in equity withdrawals mainly reflects that no new borrowing was raised in 2017-18 due to the improved operating position of the State.
100. This represents cash transfers as a result of the machinery-of-government changes.

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

101. Administered Appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 108 to 110.
102. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes, partially offset by increased SPER fee income due to increased volume of debt referrals.
103. The increase in royalties and land rents reflects the impact of higher coal and oil prices.
104. The decrease in grants and other contributions reflects decreased GST payments and specific purpose payments from the Australian Government.

105. The decrease in interest received reflects the netting off interest from the redraw facility against the interest expense.
106. The increase in taxes is primarily due to payroll tax reflecting more favourable employment conditions and workforce participation, increased rate of land tax on holdings above \$10 million and the introduction of a point of consumption betting tax of 15%.
107. The increase in other operating inflows relates to higher competitive neutrality fees.
108. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes.
109. The decrease in borrowing costs is mainly due to lower levels of QTC borrowings.
110. The increase in other operating outflows mainly relates to higher Annual Leave Central Scheme payments and the State's share of superannuation beneficiary payments.
111. The increase in investments redeemed reflects expected transfer of funds from the redraw facility to the QTC cash fund and their subsequent redemption.
112. The decrease in borrowings reflects lower QTC borrowings and the fact that most GOCs are now included in the cash management facility.
113. The increase in equity injections primarily relates to funding for payment to the Cross River Rail Delivery Authority.
114. The increase in borrowing redemptions reflects the repayment of advances to GOCs under the Cash Management Strategy.
115. The equity withdrawals in 2018-19 represents the payment to the Cross River Rail Delivery Authority through equity transfer. The Equity withdrawals in 2017-18 Adjusted Budget was primarily for expected borrowings that were not required.

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

116. The decrease in user charges and fees is primarily due to the full year impact of machinery-of-government changes, partially offset by increased SPER fee income due to increased volume of debt referrals.
117. The decrease in grants and other contributions reflects decreased GST payments and specific purpose payments from the Australian Government.
118. The increase in taxes is primarily due to payroll tax reflecting more favourable employment conditions and workforce participation, increased rate of land tax on holdings above \$10 million and the introduction of a point of consumption betting tax of 15 per cent.
119. The increase in other operating inflows relates to higher competitive neutrality fees and other SPER fines and forfeitures.
120. The decrease in grants and subsidies is primarily due to the full year impact of machinery-of-government changes.
121. The decrease in borrowing costs is mainly due to lower levels of QTC borrowings.
122. The increase in other operating outflows mainly relates to the State's share of superannuation beneficiary payments and higher Annual Leave Central Scheme payments.
123. The decrease in investments redeemed relates to the need for lower net drawdowns from the redraw facility to the QTC cash fund to fund operating and capital requirements.
124. The decrease in payments for investments represents lower deposits into the redraw facility in 2018-19 as operating cash surpluses are used to fund current year operating and capital requirements.
125. The decrease in borrowings reflects the fact that most GOCs are now included in the cash management facility.
126. The increase in equity injections primarily relates to funding for payment to the Cross River Rail Delivery Authority.
127. The increase in equity withdrawals represents the increased payment to the Cross River Rail Delivery Authority through equity transfer.

# Statutory bodies

## Motor Accident Insurance Commission/Nominal Defendant

### Overview

The Motor Accident Insurance Commission (MAIC) and the Nominal Defendant statutory bodies share the vision of ensuring financial protection that makes Queensland stronger, fairer and safer. To deliver this protection:

- MAIC regulates and improves Queensland's Compulsory Third Party (CTP) insurance scheme and manages the Motor Accident Insurance and Nominal Defendant funds
- the Nominal Defendant compensates people who are injured as a result of negligent driving of unidentified motor vehicles and motor vehicles with no CTP insurance, and acts as an insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.

In 2018-19, MAIC and the Nominal Defendant's strategic objectives are to:

- provide a viable and equitable personal injury motor accident insurance scheme
- improve the operational performance of the Nominal Defendant.

In 2018-19, the Queensland Government's objectives will be supported by:

- keeping communities safe by investing in road safety initiatives to reduce the frequency of motor vehicle accidents and minimise their impact on the community
- being a responsive Government by investing in targeted research and service delivery initiatives to improve health outcomes for people injured in motor vehicle accidents.

The major factors that may impact on MAIC and the Nominal Defendant's objectives include unexpected adverse claim trends, broader economic volatility and the risk of licensed insurer insolvency.

### Service summary

Key achievements for 2017-18 include:

- implementing the CTP Scheme Review recommendations to increase scheme efficiency and affordability
- using the CTP scheme insights model to improve data analytics
- using market research, stakeholder engagement and social media to increase public awareness of Scheme coverage
- establishing an online CTP insurer changeover service in partnership with the Department of Transport and Main Roads
- using MAIC research funding to support the establishment of the Hopkins Centre and the Braking the Cycle program. These investments facilitate research into rehabilitation and long-term disability support, as well as educating young, disadvantaged drivers about road safety as they undertake the mandatory 100 hours of driving to obtain a Queensland driver licence.

MAIC and the Nominal Defendant's key priorities for 2018-19 include:

- continuing to investigate regulatory changes required to introduce automated ('driverless') vehicles into the Australian market by 2020
- exploring opportunities for MAIC and the CTP scheme to manage future innovation and disruption
- strengthening supervision and regulation of insurers to mitigate potential fraud and 'claim farming' (unsolicited encouragement to lodge compensation claims which are then on-sold to law firms).

# Service performance

## Performance statement

### Motor Accident Insurance Commission/Nominal Defendant

#### Service area objective

To provide a viable and equitable personal injury motor accident insurance scheme and continually improve the operational performance of the Nominal Defendant.

#### Service area description

MAIC's role is to regulate and improve Queensland's CTP insurance scheme and manage the Motor Accident Insurance and Nominal Defendant's funds. The Nominal Defendant's role is to compensate people who are injured as a result of negligent driving of unidentified motor vehicles and motor vehicles with no CTP insurance, and act as the insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.

Motor Accident Insurance Commission / Nominal Defendant	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
<b>Service area: Motor Accident Insurance Commission/Nominal Defendant</b>				
<b>Service standards</b> <i>Effectiveness measure</i> Highest filed CTP premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings		<45%	<45%	<45%
<i>Efficiency measures</i> Percentage of Nominal Defendant claims finalised compared to the number outstanding at the start of the financial year	1	50%	50%	50%
Percentage of Nominal Defendant claims settled within two years of compliance	1	50%	50%	50%
Percentage of Nominal Defendant claims with General Damages paid within 60 days of the settlement date	1	95%	95%	95%

Note:

- These measures are based on insurance industry standard efficiency measures and explain the Nominal Defendant's efficiency in managing and settling claims.

# Staffing<sup>1</sup>

Motor Accident Insurance Commission/ Nominal Defendant	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Motor Accident Insurance Commission/Nominal Defendant	2	37	46	46

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 2017-18 FTE increase mainly reflects a strengthening of MAIC prudential supervision and data analysis capabilities. The increase has been approved and will occur at no additional cost to motorists and no increase in the Statutory Insurance Scheme levy.

# Income statement

Motor Accident Insurance Commission	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>INCOME</b>				
Taxes		6,312	6,312	6,439
User charges and fees	1,8	..	542	..
Grants and other contributions		..	..	..
Interest	4,9	10,562	10,562	9,449
Other revenue		7,000	7,000	7,000
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>23,874</b>	<b>24,416</b>	<b>22,888</b>
<b>EXPENSES</b>				
Employee expenses	5,10	2,758	2,966	3,857
Supplies and services	2,6,11	4,066	4,313	3,093
Grants and subsidies	3,7,12	17,000	20,000	24,000
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		50	50	51
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>23,874</b>	<b>27,329</b>	<b>31,001</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>(2,913)</b>	<b>(8,113)</b>



# Balance sheet

Motor Accident Insurance Commission	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	13,18	2,568	3,342	3,342
Receivables	14,19	399	771	769
Other financial assets	15,20	28,208	160	160
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>31,175</b>	<b>4,273</b>	<b>4,271</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	16,21,24	143,455	171,177	163,072
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>143,455</b>	<b>171,177</b>	<b>163,072</b>
<b>TOTAL ASSETS</b>		<b>174,630</b>	<b>175,450</b>	<b>167,343</b>
<b>CURRENT LIABILITIES</b>				
Payables	17,22	320	558	562
Accrued employee benefits		108	102	104
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>428</b>	<b>660</b>	<b>666</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	42	42
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>42</b>	<b>42</b>
<b>TOTAL LIABILITIES</b>		<b>428</b>	<b>702</b>	<b>708</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>174,202</b>	<b>174,748</b>	<b>166,635</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	23,25	<b>174,202</b>	<b>174,748</b>	<b>166,635</b>

# Cash flow statement

Motor Accident Insurance Commission	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	26,35	2	544	2
Grants and other contributions		..	..	..
Interest received	30,36	10,562	10,562	9,449
Taxes		6,312	6,312	6,439
Other		7,000	7,000	7,000
<b>Outflows:</b>				
Employee costs	31,37	(2,756)	(2,964)	(3,855)
Supplies and services	27,32,38	(4,062)	(4,309)	(3,089)
Grants and subsidies	28,33,39	(17,000)	(20,000)	(24,000)
Borrowing costs		..	..	..
Other		(50)	(50)	(51)
<b>Net cash provided by or used in operating activities</b>		<b>8</b>	<b>(2,905)</b>	<b>(8,105)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed	29,34,40	..	2,905	8,105
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		..	..	..
Payments for investments		(8)	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(8)</b>	<b>2,905</b>	<b>8,105</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>2,568</b>	<b>3,342</b>	<b>3,342</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>2,568</b>	<b>3,342</b>	<b>3,342</b>

# 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 income relates to the provision of corporate support services to the National Injury Insurance Agency Queensland (NIIAQ) which commenced operations on 1 July 2016.
2. The increase in supplies and services is primarily due to ICT related costs and NIIAQ reimbursable rent expenditure.
3. The increase in grants and subsidies is due to additional investments in research activities in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.

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

4. The budget assumption for 2018-19 is based on QIC's estimate of the long term average annual rate of return for the investment portfolio on the projected QIC balance as at 30 June 2018.
5. The increase in employee expenses is primarily due to additional positions created to address increasing supervision and regulatory oversight of the CTP scheme, strengthening capacity to supervise licensed insurers and increase data monitoring and analytical capability.
6. The decrease in supplies and services is primarily due to cessation of costs associated with MAIC implementing the recommendations of the CTP scheme review.
7. The grants and subsidies expense reflects proposed investment in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.

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

8. The decrease in user charges and fees income relates to the cessation of corporate support services to NIIAQ in 2018-19. Corporate support services were provided in 2017-18 to assist with the establishment of NIIAQ. It is anticipated that the services will no longer be required in 2018-19.
9. The budget assumption for 2018-19 is based on QIC's estimate of the long term average annual rate of return for the investment portfolio on the projected QIC balance as at 30 June 2018.
10. The increase in employee expenses is primarily due to additional positions created to address increasing supervision and regulatory oversight of the CTP scheme, strengthening capacity to supervise licensed insurers and increase data monitoring and analytical capability.
11. The decrease in supplies and services is primarily due to cessation of costs associated with MAIC implementing the recommendations of the CTP scheme review.
12. The grants and subsidies expense reflects proposed investment in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.

## Balance sheet

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

13. The increase in cash assets is primarily due to higher audited opening balance.
14. The increase in receivables is due to fluctuations in accrued revenue at 30 June.
15. The decrease in current other financial assets is due to reclassification from current to non-current other financial assets.
16. The increase in non-current other financial assets is due to reclassification from current to non-current other financial assets.
17. The increase in payables is due to fluctuations in accrued expenses at 30 June.

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

18. The increase in cash assets is primarily due to higher audited opening balance.
19. The increase in receivables is due to fluctuations in accrued revenue at 30 June.

20. The decrease in current other financial assets is due to reclassification from current to non-current other financial assets.
21. The increase in non-current other financial assets is due to reclassification from current to non-current other financial assets, partially offset by the withdrawal of investment to fund operating activities.
22. The increase in payables is due to fluctuations in accrued expenses at 30 June.
23. The decrease in total equity is a result of a decrease in the projected operating result primarily due to increased investment in grants and subsidies, where the related revenue has been received and recognised as income in a prior year and invested in other financial assets.

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

24. The decrease in non-current other financial assets is due to the withdrawal of investment to fund operating activities.
25. The decrease in total equity is a result of a decrease in the projected operating result primarily due to increased investment in grants and subsidies, where the related revenue has been received and recognised as income in a prior year and invested in other financial assets.

## Cash flow statement

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

26. The increase in user charges and fees income relates to the provision of corporate support services to NIIAQ which commenced operations on 1 July 2016.
27. The increase in supplies and services is primarily due to ICT related costs and NIIAQ reimbursable rent expenditure.
28. The increase in grants and subsidies is due to additional investments in research activities in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.
29. The increase in investments redeemed reflects the withdrawal of investment to fund operating activities as a result of the projected decrease in the 2017-18 operating result.

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

30. The budget assumption for 2018-19 is based on QIC's estimate of the long term average annual rate of return for the investment portfolio on the projected QIC balance as at 30 June 2018.
31. The increase in employee expenses is primarily due to additional positions created to address increasing supervision and regulatory oversight of the CTP scheme, strengthening capacity to supervise licensed insurers and increase data monitoring and analytical capability.
32. The decrease in supplies and services is primarily due to cessation of costs associated with MAIC implementing the recommendations of the CTP scheme review.
33. The grants and subsidies expense reflects proposed investment in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.
34. The increase in investments redeemed reflects the withdrawal of investment to fund operating activities as a result of the projected decrease in the 2018-19 operating result.

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

35. The decrease in user charges and fees income relates to the cessation of corporate support services to NIIAQ in 2018-19. Corporate support services were provided in 2017-18 to assist with the establishment of NIIAQ. It is anticipated that the services will no longer be required in 2018-19.
36. The budget assumption for 2018-19 is based on QIC's estimate of the long term average annual rate of return for the investment portfolio on the projected QIC balance as at 30 June 2018.
37. The increase in employee expenses is primarily due to additional positions created to address increasing supervision and regulatory oversight of the CTP scheme, strengthening capacity to supervise licensed insurers and increase data monitoring and analytical capability.
38. The decrease in supplies and services is primarily due to cessation of costs associated with MAIC implementing the recommendations of the CTP scheme review.
39. The grants and subsidies expense reflects proposed investment in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.

40. The increase in investments redeemed reflects the withdrawal of investment to fund operating activities as a result of the projected decrease in the 2018-19 operating result.

# Income statement

Nominal Defendant	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>INCOME</b>				
Taxes	3,7	41,642	41,642	38,250
User charges and fees		..	..	..
Grants and other contributions		..	..	..
Interest	4,8	23,068	23,068	18,945
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>64,710</b>	<b>64,710</b>	<b>57,195</b>
<b>EXPENSES</b>				
Employee expenses	5,9	1,615	1,661	1,880
Supplies and services	1,10	2,376	2,631	2,387
Grants and subsidies		..	..	..
Depreciation and amortisation		519	519	519
Finance/borrowing costs		..	..	..
Other expenses	2,6,11	50,983	46,041	48,489
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>55,493</b>	<b>50,852</b>	<b>53,275</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>9,217</b>	<b>13,858</b>	<b>3,920</b>

# Balance sheet

Nominal Defendant	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		3,358	3,522	3,522
Receivables	12,19	1,031	1,842	1,850
Other financial assets	13,20,25	88,178	42,870	47,612
Inventories		..	..	..
Other		5	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>92,572</b>	<b>48,234</b>	<b>52,984</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		2,693	2,425	2,425
Other financial assets	14,21,26	351,284	421,867	438,668
Property, plant and equipment		..	..	..
Intangibles		1,471	1,471	952
Other		..	..	..
<b>Total non-current assets</b>		<b>355,448</b>	<b>425,763</b>	<b>442,045</b>
<b>TOTAL ASSETS</b>		<b>448,020</b>	<b>473,997</b>	<b>495,029</b>
<b>CURRENT LIABILITIES</b>				
Payables		441	212	262
Accrued employee benefits		62	67	68
Interest bearing liabilities and derivatives		..	..	..
Provisions	15,27	39,266	35,083	38,836
Other	16,22	21,827	18,885	18,885
<b>Total current liabilities</b>		<b>61,596</b>	<b>54,247</b>	<b>58,051</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	24	24
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions	17,23,28	147,715	124,383	137,691
Other		..	..	..
<b>Total non-current liabilities</b>		<b>147,715</b>	<b>124,407</b>	<b>137,715</b>
<b>TOTAL LIABILITIES</b>		<b>209,311</b>	<b>178,654</b>	<b>195,766</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>238,709</b>	<b>295,343</b>	<b>299,263</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	18,24,29	<b>238,709</b>	<b>295,343</b>	<b>299,263</b>

# Cash flow statement

Nominal Defendant	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees		..	..	..
Grants and other contributions		..	..	..
Interest received	33,38	23,068	23,068	18,945
Taxes	34,39	41,642	41,642	38,250
Other		..	..	(8)
<b>Outflows:</b>				
Employee costs	35,40	(1,614)	(1,660)	(1,879)
Supplies and services	30,41	(2,326)	(2,581)	(2,337)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	31,36,42	(28,934)	(25,633)	(31,428)
<b>Net cash provided by or used in operating activities</b>		<b>31,836</b>	<b>34,836</b>	<b>21,543</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		..	..	..
Payments for investments	32,37,43	(31,836)	(34,836)	(21,543)
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(31,836)</b>	<b>(34,836)</b>	<b>(21,543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>3,358</b>	<b>3,522</b>	<b>3,522</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>3,358</b>	<b>3,522</b>	<b>3,522</b>



# 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 supplies and services is primarily due to higher QIC management fees as a result of higher than anticipated investment fund balance during the year.
2. The decrease in other expenses reflects a projected decrease in Nominal Defendant (ND) claim costs.

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

3. The ND levy per policy for Class 1 reduced from \$10.00 in 2017-18 to \$9.00 in 2018-19.
4. The decrease in interest received is primarily due to lower returns on QIC investments as a result of a change in ND's investment portfolio. The 2018-19 budget is based on QIC's estimate of long term average annual rate of return for the portfolio.
5. The increase in employee expenses is due to additional positions to manage the increasing volume of new claims in ND.
6. The decrease in other expenses reflects a projected decrease in ND claim costs.

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

7. The ND levy per policy for Class 1 reduced from \$10.00 in 2017-18 to \$9.00 in 2018-19.
8. The decrease in interest received is primarily due to lower returns on QIC investments as a result of a change in ND's investment portfolio. The 2018-19 budget is based on QIC's estimate of long term average annual rate of return for the portfolio.
9. The increase in employee expenses is due to additional positions to manage the increasing volume of new claims in ND.
10. The decrease in supplies and services is primarily due to lower QIC management fees as a result of a change in ND's investment portfolio.
11. The increase in other expenses reflects a projected increase in ND claim costs.

## Balance sheet

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

12. The increase in current receivables reflects the anticipated accrued revenues at 30 June.
13. The decrease in current other financial assets is due to reclassification from current to non-current investments.
14. The increase in non-current other financial assets reflects the audited opening balances, the level of surplus funding being invested and the reclassifications between current and non-current investments.
15. The decrease in current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
16. The decrease in other current liabilities primarily relates to the reduction in unearned levy revenue due to a change in accounting treatment.
17. The decrease in non-current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
18. The increase in total equity reflects audited opening balances and projected operating result for 2017-18.

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

19. The increase in current receivables reflects the anticipated accrued revenues at 30 June.
20. The decrease in current other financial assets is due to reclassification from current to non-current investments.
21. The increase in non-current other financial assets reflects the level of surplus funding being invested.
22. The decrease in other current liabilities primarily relates to the reduction in unearned levy revenue due to a change in accounting treatment.

23. The decrease in non-current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
24. The increase in total equity reflects audited opening balances for 2017-18 and projected operating result for 2017-18 and 2018-19.

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

25. The increase in current other financial assets reflects the level of surplus funding being invested.
26. The increase in non-current other financial assets reflects the level of surplus funding being invested.
27. The increase in current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
28. The increase in non-current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
29. The increase in total equity reflects the projected operating result for 2018-19.

## Cash flow statement

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

30. The increase in supplies and services is primarily due to higher QIC management fees as a result of higher than anticipated investment fund balance during the year.
31. The decrease in other operating outflows reflects a projected decrease in ND claim payments.
32. The increase in payments for investments reflects the projected increase in the operating result, resulting in surplus funding available for investment.

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

33. The decrease in interest received is primarily due to lower returns on QIC investments as a result of a change in ND's investment portfolio. The 2018-19 budget is based on QIC's estimate of long term average annual rate of return for the portfolio.
34. The ND levy per policy for Class 1 reduced from \$10.00 in 2017-18 to \$9.00 in 2018-19.
35. The increase in employee costs is due to additional positions to manage increasing volume of new claims in ND.
36. The increase in other operating outflows reflects a projected increase in ND claim payments.
37. The decrease in payments for investments reflects the projected decrease in the operating result, resulting in less funding available for investment.

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

38. The decrease in interest received is primarily due to lower returns on QIC investments as a result of a change in ND's investment portfolio. The 2018-19 budget is based on QIC's estimate of long term average annual rate of return for the portfolio.
39. The ND levy per policy for Class 1 reduced from \$10.00 in 2017-18 to \$9.00 in 2018-19.
40. The increase in employee costs is due to additional positions to manage increasing volume of new claims in ND.
41. The decrease in supplies and services is primarily due to lower QIC management fees as a result of a change in ND's investment portfolio.
42. The increase in other operating outflows reflects a projected increase in ND claim payments.
43. The decrease in payments for investments reflects the projected decrease in the operating result, resulting in less funding available for investment.

# Queensland Productivity Commission

## Overview

The Commission is an independent statutory body established under the *Queensland Productivity Commission Act 2015*. It provides independent economic and policy advice to the Queensland Government to enhance productivity, drive economic growth and raise living standards in Queensland.

The Commission's main functions include:

- public inquiries into matters relating to productivity, economic development and industry in Queensland
- research and advice on productivity, economic development and industry issues
- advice and guidance to support Government agencies to develop high quality regulatory proposals
- investigation of competitive neutrality complaints about State and local government business activities.

In 2018-19, the Commission will contribute to the Queensland Government's objectives to create jobs in a strong economy and to be a responsive Government. It will do this with independent, expert policy advice that is informed by comprehensive public consultation.

The Commission's strategic objectives are to:

- base findings and recommendations on its own analysis and judgement
- provide high quality advice based on robust evidence-based analysis that is timely and useful to stakeholders
- engage effectively and openly with key stakeholders and interested parties
- attract and retain capable and committed people to deliver high quality work.

## Service summary

In 2018-19, the Commission will:

- examine economic, social and environmental issues through public inquiries and self-initiated research
- review and assess regulatory proposals from government agencies to ensure impacts on the community, business, environment and Government are carefully considered
- conduct investigations into competitive neutrality issues and complaints about state and local government business activities
- provide advice to Government on regulatory and competitive neutrality issues.

# Service performance

## Performance statement

### Queensland Productivity Commission

#### Service area objective

To undertake independent, in-depth reviews of complex economic, industry and regulatory issues through open and transparent processes informed by wide public consultation.

To formulate policy recommendations to Government to encourage stronger economic growth, improved productivity and service delivery, and higher living standards across Queensland.

The Commission operates and reports independently on tasks referred to it by Government via the Treasurer as the responsible Minister. As a review and advisory body, the Commission is not responsible for implementing government programs. The Commission reports on its performance in its annual report.

#### Staffing<sup>1</sup>

Queensland Productivity Commission	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Queensland Productivity Commission	2	28	23	28

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The difference in FTEs between the 2017-18 Budget and the 2017-18 Estimated Actual reflects staff vacancies.

# Cross River Rail Delivery Authority

## Overview

The Cross River Rail Delivery Authority (the Delivery Authority) was established under the *Cross River Rail Delivery Authority Act 2016* and commenced operations on 14 April 2017.

The Delivery Authority is a statutory body responsible for leading the procurement, development and delivery of the Cross River Rail project.

The Cross River Rail project is a 10.2 km rail line between Dutton Park and Bowen Hills, and includes a 5.9 km tunnel under the Brisbane River and Brisbane CBD connecting to the northern and southern rail networks, providing significant benefits to commuters from both directions. A second Brisbane River rail crossing will ease congestion, improve network reliability and accessibility, and allow more South East Queenslanders to travel longer distances in shorter times.

By removing a bottleneck at the core of SEQ's rail network, the Cross River Rail project will allow more trains to run more often, enabling a 'turn-up-and-go' transport system that benefits the entire region.

The Cross River Rail project includes four new underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street, and two upgraded stations at Dutton Park and the Exhibition Station.

In addition, the Delivery Authority will upgrade six stations – Fairfield to Salisbury including extension and fit out of platforms and other works.

The Delivery Authority will work with Government, private sector and community partners to facilitate urban development that support the Queensland Government's objectives for the community to create jobs in a strong economy.

## Service summary

In June 2017, the Queensland Government committed to fully fund the \$5.4 billion Cross River Rail Project.

Key activities for 2018-19 will include:

- continuing early works, including demolition of the Landcentre and adjacent buildings
- selecting and awarding of contracts for the Tunnel, Stations and Development Public-Private Partnership, including Over Station Development Albert Street and the Rail, Integration and Systems Alliance
- finalising the Cultural Heritage Management Plan and Environmental Management Plan
- finalising precinct development plans for the Boggo Road, Woolloongabba and Roma Street station precincts
- designing the upgrade of six stations between Fairfield to Salisbury
- supporting Building Queensland in the preparation of an independent business case assessment for the entertainment precinct "Brisbane Live"; and commencing planning for the entertainment precinct in partnership with AEG Ogden
- continuing property acquisition processes in relation to the project corridor.

# Service performance

## Performance statement

### Cross River Rail Delivery Authority

#### Service area objective

To deliver economic development and transport outcomes that maximise benefits for Queenslanders.

#### Service area description

The Delivery Authority's key objectives are to:

- deliver and facilitate transformational transport infrastructure development
- optimise economic and social development opportunities
- maintain strong relationships across industry sectors and government agencies.

As this service area is in its procurement phase, service standards are not reported in the 2018-19 *Service Delivery Statement*.

Measures for the 2019-20 *Service Delivery Statement* will be developed based on the Delivery Authority's Strategic Plan.

## Staffing<sup>1</sup>

Cross River Rail Delivery Authority	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Cross River Rail Delivery Authority	2	120	115	198

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. During 2018-19 the Delivery Authority will be operating at peak capacity with the procurement of multiple work packages (Tunnels, Stations and Development Public-Private Partnership and the Rail, Integration and Systems Alliance) running consecutively. An additional 78 FTEs as compared to the 2017-18 Budget are required throughout 2018-19 to manage the Request for Proposal work package and evaluation phases.

# Income statement

Cross River Rail Delivery Authority	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees		..	..	..
Grants and other contributions	1,4,7	32,000	10,000	12,000
Interest		..	2	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>32,000</b>	<b>10,002</b>	<b>12,000</b>
<b>EXPENSES</b>				
Employee expenses	2,5	8,895	2,182	1,998
Supplies and services	3,6,8	22,855	7,742	9,966
Grants and subsidies		..	..	..
Depreciation and amortisation		..	28	26
Finance/borrowing costs		..	..	..
Other expenses		250	50	10
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>32,000</b>	<b>10,002</b>	<b>12,000</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Balance sheet

Cross River Rail Delivery Authority	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	9,12,17	13,831	17,936	20,099
Receivables	13,18	1,285	2,581	6,109
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	96	13
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>15,116</b>	<b>20,613</b>	<b>26,221</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,14,19	129,000	132,841	865,815
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>129,000</b>	<b>132,841</b>	<b>865,815</b>
<b>TOTAL ASSETS</b>		<b>144,116</b>	<b>153,454</b>	<b>892,036</b>
<b>CURRENT LIABILITIES</b>				
Payables	15,20	14,408	15,986	21,013
Accrued employee benefits		708	132	687
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>15,116</b>	<b>16,118</b>	<b>21,700</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>15,116</b>	<b>16,118</b>	<b>21,700</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>129,000</b>	<b>137,336</b>	<b>870,336</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	11,16,21	<b>129,000</b>	<b>137,336</b>	<b>870,336</b>



# Cash flow statement

Cross River Rail Delivery Authority	Notes	2017-18 Budget \$'000	2017-18 Est. Act. \$'000	2018-19 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees		..	..	..
Grants and other contributions	22,26,32	32,000	10,000	12,000
Interest received		..	2	..
Taxes		..	..	..
Other	23,27,33	14,438	10,747	56,453
<b>Outflows:</b>				
Employee costs	24,28,34	(8,443)	(2,552)	(1,443)
Supplies and services	25,29,35	(37,855)	(24,188)	(69,570)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(238)	10	(99)
<b>Net cash provided by or used in operating activities</b>		<b>(98)</b>	<b>(5,981)</b>	<b>(2,659)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	30,36	(118,250)	(119,124)	(728,178)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(118,250)</b>	<b>(119,124)</b>	<b>(728,178)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	31,37	129,000	129,000	733,000
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>129,000</b>	<b>129,000</b>	<b>733,000</b>
<b>Net increase/(decrease) in cash held</b>		<b>10,652</b>	<b>3,895</b>	<b>2,163</b>
<b>Cash at the beginning of financial year</b>		<b>3,179</b>	<b>14,041</b>	<b>17,936</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>13,831</b>	<b>17,936</b>	<b>20,099</b>

# 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 in the 2017-18 Estimated Actual is due to a reassessment of capitalisation requirements for accounting purposes. The remainder of the 2017-18 Budget for grants and other contributions is to be utilised in 2018-19 and 2019-20.
2. The decrease in employee expenses in the 2017-18 Estimated Actual is due to a reassessment of capitalisation requirements.
3. The decrease in Supplies and services expenditure in the 2017-18 Estimated Actual is due to a reassessment of capitalisation requirements.

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

4. The decrease in grants and other contributions in the 2018-19 Budget is due to a reassessment of capitalisation requirements for accounting purposes. The remainder of the 2017-18 Budget for grants and other contributions is to be utilised in 2018-19 and 2019-20.
5. The decrease in employee expenses in the 2018-19 Budget is due to a reassessment of capitalisation requirements.
6. The decrease in supplies and services expenditure in the 2018-19 Budget is due to a reassessment of capitalisation requirements.

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

7. The increase in grants and other contributions in the 2018-19 Budget compared to 2017-18 Estimated Actual is due to an increase in operations as the Delivery Authority moves into delivery phase.
8. The increase in supplies and services in the 2018-19 Budget compared to 2017-18 Estimated Actual is due to an increase in operations as the Delivery Authority moves into delivery phase.

## Balance sheet

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

9. The cash assets 2017-18 Estimated Actual is greater than 2017-18 Budget due to remaining funding from 2016-17 financial year.
10. Property, plant & equipment 2017-18 Estimated Actual is greater than 2017-18 Budget due to the higher opening balances as a result of capitalisation of expenditure for the Cross River Rail Project in 2016-17.
11. The increase in equity in the 2017-18 Estimated Actual relates to operational funding from the 2016-17 financial year.

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

12. Cash assets in the 2018-19 Budget are greater than 2017-18 Budget due to working capital requirements as a result of increased project expenditure.
13. Receivables represent GST refundable from the Australian Taxation Office (ATO). 2018-19 Budget is greater than 2017-18 Budget due to an increase in project expenditure.
14. The increase in property, plant & equipment in the 2018-19 Budget compared to the 2017-18 Budget relates to capital expenditure for the Cross River Rail Project for 2018-19.
15. Payables in the 2018-19 Budget is greater than 2017-18 Budget due to an increase in project expenditure in 2018-19.
16. The increase in equity in the 2018-19 Budget compared to the 2017-18 Budget is due to contributed equity relating to funding for the Cross River Rail project for 2018-19.

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

17. Cash assets in the 2018-19 Budget is greater than 2017-18 Estimated Actual due to working capital requirements as a result of increased project expenditure.

18. Receivables represent GST refundable from the ATO. 2018-19 Budget is greater than 2017-18 Estimated Actual due to an increase in project expenditure.
19. The increase in property, plant & equipment in the 2018-19 Budget relates to capital expenditure for the Cross River Rail Project for 2018-19.
20. Payables in the 2018-19 Budget is greater than 2017-18 Estimated Actual due to increase in project expenditure.
21. Equity in the 2018-19 Budget includes contributed equity relating to funding for Cross River Rail project expenditure for 2018-19.

## Cash flow statement

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

22. The decrease in grants and other contributions in the 2017-18 Estimated Actual is due to a reassessment of capitalisation requirements for accounting purposes. The remainder of the 2017-18 Budget for Grants and other contributions is to be utilised in 2018-19 and 2019-20.
23. The decrease in other inflows represents a decrease in GST refundable from the ATO compared to 2017-18 Budget. GST received from the ATO includes GST credits on operational and capital expenditure.
24. The decrease in employee expenses in the 2017-18 Estimated Actual is due to a reassessment of capitalisation requirements.
25. The decrease in supplies and services expenditure in the 2017-18 Estimated Actual is due to a reassessment of capitalisation requirements.

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

26. The decrease in grants and other contributions in the 2017-18 Budget is due to a reassessment of capitalisation requirements for accounting purposes. The remainder of the 2017-18 Budget for Grants and other contributions is to be utilised in 2018-19 and 2019-20.
27. The increase in other inflows represents an increase in GST refundable from the ATO compared to 2017-18 Budget. GST received from the ATO includes GST credits on operational and capital expenditure.
28. The decrease in employee expenses in the 2018-19 Budget compared to the 2017-18 Budget is due to a reassessment of capitalisation requirements.
29. Supplies and services outflows include GST outflows on operational and capital expenditure. The increase in supplies and services outflows in the 2018-19 Budget compared to 2017-18 Budget is due to GST outflows on increased capital expenditure in 2018-19.
30. The increase in the 2018-19 Budget relates to capital expenditure for the Cross River Rail project for 2018-19.
31. The increase in the 2018-19 Budget relates to the receipt of capital funding for the Cross River Rail project for 2018-19.

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

32. The increase in grants and other contributions in the 2018-19 Budget compared to 2017-18 Estimated Actual is due to an increase in operations as the Delivery Authority moves into delivery phase.
33. The increase in other inflows represents an increase in GST refundable from the ATO compared to 2017-18 Estimated Actual. GST received from the ATO includes GST credits on operational and capital expenditure.
34. The decrease in employee expenses in the 2018-19 Budget compared to 2017-18 Estimated Actual is due to an increase in accrued employee benefits.
35. Supplies and services outflows include GST outflows on operational and capital expenditure. The increase in supplies and services outflows in the 2018-19 Budget compared to 2017-18 Estimated Actual is due to GST outflows on capital expenditure.
36. The increase in the 2018-19 Budget relates to capital expenditure for the Cross River Rail project for 2018-19.
37. The increase in the 2018-19 Budget relates to the receipt of capital funding for the Cross River Rail project for 2018-19.

# Glossary of terms

<b>Accrual accounting</b>	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.
<b>Administered items</b>	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
<b>Agency/entity</b>	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.
<b>Appropriation</b>	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> <li>• delivery of agreed services</li> <li>• administered items</li> <li>• adjustment of the Government's equity in agencies, including acquiring of capital.</li> </ul>
<b>Balance sheet</b>	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
<b>Capital</b>	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.
<b>Cash Flow Statement</b>	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
<b>Controlled items</b>	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.
<b>Depreciation</b>	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
<b>Equity</b>	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.
<b>Equity injection</b>	An increase in the investment of the Government in a public sector agency.

<b>Financial statements</b>	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income statement</b>	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.
<b>Outcomes</b>	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.
<b>Own-source revenue</b>	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	Key policy areas that will be the focus of Government activity.
<b>Services</b>	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
<b>Service area</b>	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
<b>Service standard</b>	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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