



State Budget 2012-13

# Service Delivery Statements

Department of Energy and Water Supply



# **2012–13 State Budget Papers**

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
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## **Appropriation Bills**

The suite of Budget Papers is similar to that published in 2011-12.

In April 2012, machinery-of-Government changes saw the creation of 20 departments with each department reporting directly to one Minister.

These new arrangements have required minor changes to how information is presented in some Budget Papers. The 2012-13 Budget Papers provide continuity of information between the previous departmental structure and the new arrangements.

The Budget Papers are available online at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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## **Service Delivery Statements**

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# Department of Energy and Water Supply

## Summary of portfolio budgets

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
3	Department of Energy and Water Supply - controlled	47,047	22,819	160,270
	Department of Energy and Water Supply - administered	59,112	73,361	759,956
28	Queensland Water Commission	26,574	25,565	10,815
36	Energy and Water Ombudsman Queensland	6,092	5,852	6,293

**Note:**

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

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# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The Department of Energy and Water Supply portfolio benefits Queenslanders by delivering a sound policy, planning and regulatory environment to support cost effective energy and water supply services that underpin economic and social prosperity. This will be achieved by:

- Creating and enabling recognised and fit for purpose energy and water supply and sewerage services with a bias for innovation
- Providing the policy, planning and legislative framework for the delivery of safe, secure and reliable energy and water supplies to meet Queensland's economic and lifestyle aspirations
- Identifying and implementing strategies to address cost pressures on energy and water prices
- Adopting and ensuring the application of streamlined and efficient planning, regulatory and commercial frameworks to provide better value for money
- Implementing an integrated, whole-of-supply chain approach to realise better synergies and interdependencies
- Creating a skilled, adaptive and resilient workforce.

## Department of Energy and Water Supply:

- *Energy*: responsible for reforming, regulating and assisting in the development of the Queensland energy sector, designing energy concessions and rebates, participating in national energy efficiency programs, facilitating access to funding and red tape reduction, and for implementing the Government's decision to conduct a major independent review of the energy sector to address cost of living pressures and the sustainability of the sector.
- *Water Supply and Sewerage Services*: responsible for strategic planning for sourcing of regional water supplies and the regulation of water and sewerage service providers in Queensland so that agriculture, mining, industry and urban communities have access to safe, secure and sustainable water supply. It is also responsible for planning and implementing the reform of the South East Queensland (SEQ) water sector to address cost of living pressures. From 1 January 2013 this service area will also deliver the relevant functions transferred from the Queensland Water Commission (QWC).

## Queensland Water Commission:

The QWC is an independent statutory body established under the *Water Act 2000*. It is responsible for planning for the provision of a safe, secure and sustainable water supply and for improving institutional and regulatory frameworks for SEQ. The QWC is also responsible for providing sound, evidence-based advice on managing the impacts of coal seam gas (CSG) extraction on underground water resources.

## Energy and Water Ombudsman Queensland:

The Energy and Water Ombudsman Queensland (EWOQ) was established on 1 July 2007, as a free, fair and independent dispute resolution service to assist energy or water customers if they are unable to resolve a complaint with their electricity, gas or water supplier.

Further information about the work of the department may be found at:

<http://www.dews.qld.gov.au>.

## Portfolio Structure and Services

### Minister for Energy and Water Supply The Honourable Mark McArdle MP

### Department of Energy and Water Supply Director General: Jon Black

Service Area 1: Energy

Service Area 2: Water Supply and Sewerage Services

### Queensland Water Commission Chief Executive Officer: Karen Waldman

**Objective:** The QWC is an independent statutory body responsible for planning for the provision of a safe, secure and sustainable water supply and for improving institutional and regulatory frameworks for SEQ. The QWC is also responsible for providing sound, evidence-based advice on managing the impacts of CSG extraction on underground water resources.

### Energy and Water Ombudsman Ombudsman: Forbes Smith

**Objective:** The EWOQ is a free, fair and independent dispute resolution service committed to providing an effective, efficient and confidential service for residential and small business energy customers across Queensland and water customers in SEQ.

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The department contributes to the Queensland Government's objectives for the community, *'Getting Queensland back on track'* by contributing to lowering the cost of living, growing a four pillar economy, delivering better infrastructure and planning and restoring accountability in Government by delivering a sound policy, planning and regulatory environment to support cost effective energy and water supply services.

The department's long term vision is reduced cost of living pressures through innovative and efficient energy and water supply services for Queenslanders. The department's purpose is to develop and deliver innovative policy, planning and regulatory solutions in partnership with our stakeholders. To achieve its purpose the department is focused on five main objectives:

- Cost-effective, safe, secure and reliable energy and water supply
- Effective reform
- Engaged stakeholders
- Optimise shareholder value
- A capable, flexible and proud workforce.

The department faces a number of challenges, which impact on its operating environment including increasing demand for energy and water supply, cost of living pressures not addressed by sustainable solutions, and balancing stakeholder expectations.

In 2012–13, the department will:

- Deliver cost-effective, safe, secure and reliable energy and water supply by:
  - Developing 30-year plans for Queensland's energy and water supply sectors
  - Identifying and implementing strategies to address cost pressures on energy and water prices
  - Managing risks associated with energy and water supply services through effective planning and policy
  - Ensuring efficient and effective regulation
  - Adopting an integrated, whole-of-supply chain approach to realise better synergies and interdependencies
  - Anticipating and providing policy and regulatory advice on emerging market dynamics and technologies
  - Providing sound, evidence-based advice on management of the impacts of CSG extraction on underground water resources.
- Deliver effective reform by:
  - Implementing energy sector reform
  - Implementing the reform of the South East Queensland water sector
  - Reducing red tape and streamlining regulatory requirements
  - Implementing relevant Queensland Floods Commission of Inquiry recommendations
- Engage our stakeholders by:
  - Positively engaging and influencing our stakeholders to ensure a shared understanding of expectations, roles and responsibilities
  - Working in partnership with our stakeholders to develop and deliver innovative solutions

- Enabling service providers to build their capacity and capability
- Supporting innovation, research and development in the energy and water supply industry
- Influencing national energy and water supply agendas.
- Optimise shareholder value by:
  - Actively managing portfolio Ministers’ shareholding interests in government owned entities
  - Representing portfolio Ministers’ interest in ensuring financially sustainable and viable government owned entities
  - Representing portfolio Ministers’ interest in ensuring compliance with shareholder service requirements
  - Optimising the performance of government owned entities.
- Deliver a capable, flexible and proud workforce by:
  - Ensuring accountable, transparent and effective corporate governance
  - Building a flexible, skilled and performance orientated workforce
  - Valuing staff through effective communication and engagement
  - Fostering a zero harm culture
  - Ensuring business continuity and retention of corporate knowledge
  - Developing systems to support robust advice, decision-making, monitoring and reporting.

In 2011–12 the department achieved the following:

- Commenced work on establishing strategies to develop a sustainable domestic gas supply industry in Queensland
- Established an Interdepartmental Committee on the Electricity Sector Reform to meet the Government’s commitment to address cost of living pressures
- Commenced closure of various clean energy initiatives to address the Government’s commitment to cutting waste and inefficiency
- Contributed to reduced peak electricity demand in Queensland by working with Queensland’s electricity distributors to develop a range of energy conservation and demand management measures in the residential, commercial and industrial sectors
- Undertaken a Gas Market Review to assess supply/demand balance and inform Government of options to ensure adequate gas supply for domestic and export gas users
- Worked with drinking water service providers to ensure that the supply of reticulated drinking water to the Queensland population is safe and that regulatory requirements are maintained
- Provided ongoing support of water service providers in:
  - the monitoring of incidents
  - the review and approval of Drinking Water Quality Management Plans, ensuring plans are developed and submitted in accordance with legislative requirements
- Undertook the ongoing monitoring of referable dams in accordance with legislative requirements
- Released consultation draft North West Queensland Regional Water Supply Strategy
- Lead agency role in the development of policy and implementation of the new five-year SunWater rural irrigation price path
- Delivered effective governance oversight of Queensland’s bulk water entities ensuring the Minister met all statutory obligations as shareholding and responsible Minister
- Significantly progressed the Queensland Floods Commission of Inquiry recommendations
- Actively managed shareholding Ministers’ interests in government owned entities and streamlined regulatory practices



- In response to the Government's Four Point Water Plan:
  - Established a Project Team and an Interdepartmental Committee on Water Supply Reform to meet the Government's commitment to address cost of living pressures
  - Commenced the merging of the South East Queensland bulk water entities
  - Completed planning to transfer Queensland Water Commission staff into the department's interim structure and put arrangements in place to ensure the Commission can continue to deliver its statutory obligations until abolished
  - Commenced the review of Options for the Gold Coast Desalination Plant and Western Corridor Recycled Water Scheme.

## Departmental Budget Summary

The table below shows the total resources available in 2012-13 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Energy and Water Supply	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services <sup>1,2</sup>			
Deferred from previous year/s	..	..	3,140
Balance of service appropriation	46,572	22,295	153,346
Other revenue	475	524	3,784
<b>Total income</b>	<b>47,047</b>	<b>22,819</b>	<b>160,270</b>
<b>Expenses</b>			
Energy	30,992	12,563	36,418
Water	16,055	10,256	123,852
<b>Total expenses</b>	<b>47,047</b>	<b>22,819</b>	<b>160,270</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>8,284</b>	<b>8,734</b>	<b>9,234</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation of administered items	58,585	72,834	759,956
Other administered revenue	..	..	..
<b>Total revenue</b>	<b>58,585</b>	<b>72,834</b>	<b>759,956</b>
<b>Expenses</b>			
Transfers to government	(527)	(527)	..
Administered expenses	59,112	73,361	759,956
<b>Total expenses</b>	<b>58,585</b>	<b>72,834</b>	<b>759,956</b>
<b>Net assets</b>	<b>13,365</b>	<b>22,275</b>	<b>22,275</b>
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1,3</sup>	46,572	22,855	151,926
Equity adjustment	..	(100)	500
<b>Administered items</b>	<b>58,585</b>	<b>115,145</b>	<b>717,645</b>
<b>VOTE TOTAL<sup>3</sup></b>	<b>105,157</b>	<b>137,900</b>	<b>870,071</b>

Notes:

1. Appropriation for services does not match appropriation for departmental services due to appropriation receivable of \$4.6 million.
2. Includes State and Commonwealth funding.
3. As represented in the 2012-13 Appropriation Bills apart from the 2011-12 Adjusted Budget which shows the effect of machinery of Government changes during 2011-12.

## Budget Measures Summary

The table shows a summary of Budget measures relating to the department since the 2011-12 Budget. Further details are contained in Budget Paper No. 4.

<b>Department of Energy and Water Supply</b>	<b>2011-12 \$'000</b>	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>
<b>Revenue measures</b>					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Total revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Up to and including 2011-12 MYR					
Administered	2,260	..	..	..	..
Departmental	9,265	..	..	..	..
2012-13 Budget					
Administered	..	155,000	..	..	..
Departmental	(12,140)	(35,601)	(48,266)	(46,426)	(11,376)
<b>Total expense measures</b>					
Administered	..	<b>155,000</b>	..	..	..
Departmental	<b>(615)</b>	<b>(35,601)</b>	<b>(48,266)</b>	<b>(46,426)</b>	<b>(11,376)</b>
<b>Capital measures</b>					
Up to and including 2011-12 MYR					
Administered	1,000	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Total capital measures</b>					
Administered	<b>1,000</b>	..	..	..	..
Departmental	..	..	..	..	..

## Staffing<sup>1</sup>

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget <sup>2</sup>	2011-12 Est. Actual	2012-13 Estimate <sup>5</sup>
<b>Total</b>	3, 4	<b>344</b>	<b>324</b>	<b>273</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2011-12 Adjusted Budget FTEs have been recast to reflect the following Machinery of Government (MoG) changes:
  - a. addition of that part of the Department of Employment, Economic Development and Innovation responsible for energy including the Office of the Queensland Energy Regulator, the Gas Market Advisor and the associated executive support services.
  - b. addition of that part of the Department of Environment and Resource Management responsible for Water Utilities, Bulk Water supply, Distribution and Retail Arrangements and the associated executive support services.
3. Department of Energy and Water Supply is one of six agencies engaged in the Business and Corporate Partnership; other agencies are:
  - a. Department of Agriculture, Fisheries and Forestry;
  - b. Department of Tourism, Major Events, Small Business and the Commonwealth Games;
  - c. Department of Natural Resources and Mines;
  - d. Department of Environment and Heritage Protection; and
  - e. Department of National Parks, Recreation, Sport and Racing.
4. Department of Energy and Water Supply does not host Corporate Partnership FTEs.
5. The 2012-13 Estimate includes the FTE impact relating to the absorption of relevant functions previously performed by the Queensland Water Commission including those associated with the Coal Seam Gas Water function.

## SERVICE PERFORMANCE

Our service areas are:

### Energy

This service area is responsible for reforming, regulating and assisting in the development of the Queensland energy sector, designing energy concessions and rebates, participating in national energy efficiency programs, facilitating access to funding and red tape reduction and for implementing the Government's decision to conduct a major independent review of the electricity sector to address cost of living pressures and sustainability of the sector.

The interim functional areas are:

- Energy Sector Reform
- Energy Sector Monitoring
- Queensland Energy Regulator
- Sustainable Energy Industry Development
- Queensland Gas Market Advisor.

Expected outcomes include: finalisation of a 30 year plan for Queensland's electricity sector; State-wide policy for wind farms; overall sustainable gas industry in Queensland; alternative fuels policy (including ethanol); participation in national energy efficiency programs; optimisation of shareholding interests through governance oversight and stakeholder liaison; identification and implementation of strategies to address cost pressures on electricity prices; reduced regulatory burden and implementation of the Queensland Floods Commission of Inquiry recommendations.

### Water Supply and Sewerage Services

This service area is responsible for strategic planning for the sourcing of regional water supplies and the regulation of water supply and sewerage services in Queensland so that agriculture, mining, industry and urban communities have access to safe, secure and sustainable water supply. It is also responsible for planning and implementing the reform of the SEQ water sector to address cost of living pressures.

The interim functional areas are:

- Water Supply and Sewerage Planning
- Water Supply and Sewerage Reform
- Queensland Water Regulator
- Coal Seam Gas Water.

Expected outcomes include: release of a discussion paper for a 30 year plan for Queensland's water supply sector; amalgamation of the bulk water entities; handing back control of water distribution and retailing to local councils; completion of the South East Queensland bulk water price path review; completion of the manufactured water assets review; optimisation of shareholding interests through governance oversight and stakeholder liaison; identification and implementation of strategies to address cost pressures on water prices; reduced regulatory burden and implementation of the Queensland Floods Commission of Inquiry recommendations.

In addition, the Liaison Office plays a critical role as the single point of entry into the department and the Minister's office for Government Owned Corporations and other State owned entities.

## 2012-13 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Energy	36,418	36,393	25	..	..
Water Supply and Sewerage Services	123,852	119,988	3,757	105	2
<b>Total</b>	<b>160,270</b>	<b>156,381</b>	<b>3,782</b>	<b>105</b>	<b>2</b>

Note:

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

## Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
<b>Service Area: Energy</b>				
<b>Service standards</b>				
Relative reduction in peak electricity network demand capacity from demand management/energy efficiency initiatives and projects facilitated	1,2	55 MW	87.81MW	92MW Cumulative target
<b>Other measures</b>				
Level of compliance with energy regulatory and shareholder service requirements by energy retailers, distributors and generators	1	>95%	99%	95%
Consultative and engagement forums with industry and community stakeholders	1,4,5	162	193	185
30-year plan for Queensland's energy sector developed within agreed timeframes and endorsed by Cabinet	3	New measure	New measure	100%
Energy sector regulatory reduction initiatives completed	6	New measure	New measure	1
<b>State contribution (\$000)</b>		<b>30,992</b>	<b>12,563</b>	<b>36,393</b>
<b>Other revenue (\$000)</b>		<b>..</b>	<b>..</b>	<b>25</b>
<b>Total cost (\$000)</b>		<b>30,992</b>	<b>12,563</b>	<b>36,418</b>

### Service Area: Water Supply and Sewerage Services

#### Other measures

Percentage of the State's drinking water services that have appropriate drinking water quality monitoring and response frameworks in place

7,8,9      100%      83.3%      100%

30-year plan for Queensland's water supply sector developed within agreed timeframes and endorsed by Cabinet

3      New  
measure      New  
measure      100%



	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Water supply and sewerage services regulatory reduction initiatives completed	6	New measure	New measure	7
<b>State contribution (\$000)</b>		<b>15,580</b>	<b>9,732</b>	<b>119,988</b>
<b>Other revenue (\$000)</b>		<b>475</b>	<b>524</b>	<b>3,864</b>
<b>Total cost (\$000)</b>		<b>16,055</b>	<b>10,256</b>	<b>123,852</b>

Notes:

1. This performance measure was transferred from the (former) Department of Employment, Economic Development and Innovation following Machinery of Government changes. The measure was previously presented under the 'Mines and Energy' service area.
2. Over target due to a number of outcomes being achieved ahead of schedule, changes to the MW calculations and as a result of information now to hand which was previously unknown.
3. New measure addresses the Government's six month action plan (July – December 2012) commitments.
4. Due to the transition of the COAG council system, new working groups have developed and meetings have increased.
5. This performance measure was transferred from the (former) Department of Employment, Economic Development and Innovation and was a whole of department measure. This figure only represents the Energy business area. The Mining and Petroleum and the Mines Safety and Health components of this measure are presented in the SDS for the Department of Natural Resources and Mines.
6. New measure that addresses the Minister's Charter to reduce red tape.
7. This performance measure was transferred from the (former) Department of Environment and Resource Management following Machinery of Government changes. The measure was previously presented under the 'Water' service area.
8. There are currently 78 drinking water service providers of which 7 have approved Drinking Water Quality Management Plans and 71 monitor *E. coli* levels. Reviews are being conducted on non-compliant providers to determine if further action needs to be taken to ensure providers achieve compliance.
9. The variance is due to issues such as natural disasters, capacity, and staff turnover within the providers. By 1 July 2013 all providers will be required to have an approved Drinking Water Quality Management Plan in place.

## Discontinued Measures

Performance measures included in the 2011-12 Service Delivery Statements that have been discontinued or replaced by better measures are reported in the following table.

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
<b>Energy</b>	1			
Estimated amount of new energy generated from renewable energy initiatives and projects facilitated	2	120MW	257MW	Discontinued measure
Estimated greenhouse gas emissions saved (tonnes Co2 equivalent) from clean energy initiatives and projects facilitated	2	200,000	287,797t/Co2e	Discontinued measure
Number of initiatives and projects facilitated that drive clean energy and energy efficiency solutions for Queensland	2	35	91	Discontinued measure
Significant one-on-one business consultations undertaken	3,6	1,000	0	Discontinued measure
Information transactions and packages	4,7	95,300	31,268	Discontinued measure
Pieces of legislation and regulatory frameworks reviewed and reformed	5	30	30	Discontinued measure

### Notes:

1. The measures presented are from the Mines and Energy service area of the former Department of Employment, Economic Development and Innovation.
2. This performance measure is discontinued in 2012-13 as the funding for this program has ceased.
3. The Climate Smart Business Service never commenced therefore no consultations with firms were undertaken.
4. The 2011-12 target/estimate only represents the Energy business area. The Mining and Petroleum component of this measure is presented in SDS for the Department of Natural Resources and Mines. Information transaction packages decreased due to the closure of the Federal Rebate of Solar Hot Water Scheme. Application packs would have also been provided to customers through suppliers. Also, data from Bright Thing campaign has been decommissioned.
5. This performance measure is discontinued and replaced by regulatory reduction initiatives completed as it contribution to 20% reduction in red tape target.
6. The 2011-12 target/estimate presented represents the Energy business area only. The Mine Safety and Health element of this measure is presented in the SDS for the Department of Natural Resources and Mines.
7. The 2011-12 target/estimate presented represents the Energy business area only. The Mines element of this measure is presented in the SDS for the Department of Natural Resources and Mines.

## Administered Items

Administered activities are those undertaken by departments on behalf of the Government. The Department of Energy and Water Supply administers funds on behalf of the State including:

### Community Service Obligation Transactions

Under the *Electricity Act 1994*, electricity retailers must charge customers who have not entered into market contracts for their electricity supply at Notified Prices determined in accordance with the Act. The Notified Prices for customers of a particular customer class are uniform across the State.

The supply of electricity to customers in regional and remote parts of Queensland generally involves costs which are significantly higher than what the retailer can cover under the Notified Prices due mainly to the vast electricity grid required to serve these customers.

Through an appropriation administered by the department, the Government provides Community Service Obligation (CSO) payments to Ergon Energy Queensland Pty Ltd, the electricity retailer responsible for supplying the non-market customers in regional Queensland.

It is estimated that CSO payments in relation to energy in 2012-13 will total \$667 million which includes \$63 million as compensation for foregone revenue under the Government's freeze on the standard residential electricity tariff (Tariff 11) for both the Ergon and ENERGEX distribution areas.

An estimated \$92 million will be paid to the water businesses in SEQ to compensate them for providing a rebate in the water and sewerage accounts of their household customers during 2012-13.

Financial statements and variance explanations in relation to Administered Items appear in the departmental Financial Statements.

## CAPITAL

### Capital program

A total of \$0.56 million will be invested by the department in 2012-13 primarily in the Water Industry Asset Management system which supports the regulation of referable dams, drinking water quality and recycled water. The investment will enable system enhancements and implementation to a new software platform.

### Capital budget statement

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		..	..	..
Total other capital		2,507	2,407	564
<b>Total Capital Purchases</b>		<b>2,507</b>	<b>2,407</b>	<b>564</b>

Note:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.

# BUDGETED FINANCIAL STATEMENTS

## Analysis of budgeted financial statements

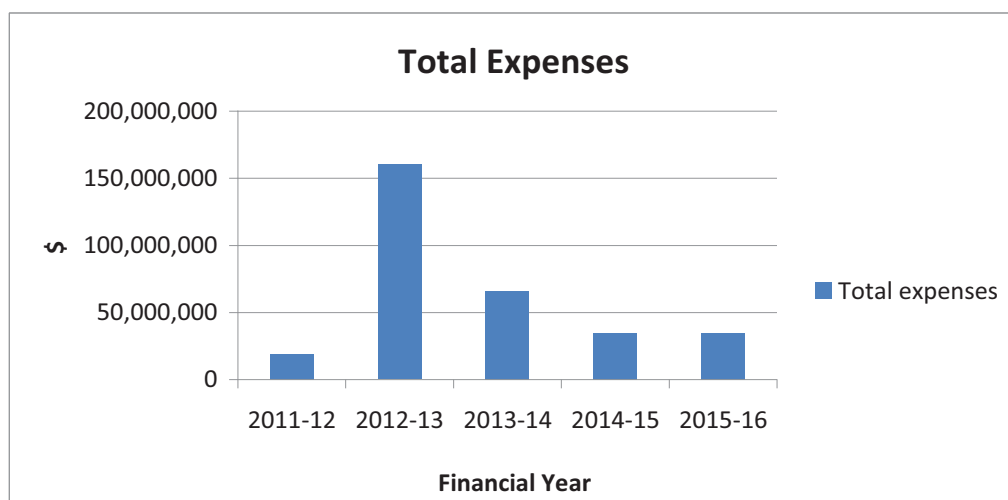
An analysis of the department's budgeted financial statements is provided below.

### Departmental income statement

The department was formed on 3 April 2012 as a result of Machinery of Government changes and therefore, 2012-13 will be the first full financial year of operation.

The department's total estimated budget for 2012-13 is \$160.3 million and primarily consists of:

- Employee Expenses of \$29.1 million
- Capital grants of \$78.8 million for the Dam Spillway Upgrade program
- Other grants and subsidies expenses of \$33.5 million for initiatives and programs including Rural Water Pricing, Geothermal Centre of Excellence, Wide Bay Pilot Community Solar Farm, CSO payments for the provision of rural irrigation services and the funding agreement with the Australian Energy Market Commission
- Supplies and Services of \$18.1 million relating to solar initiatives, residual climate change programs and operating expenses such as accommodation, contractors and consultants and facilities and information technology charges.



Note: Direct comparison cannot be made between expenses in the 2011-12 year and expenses in the 2012-13 and subsequent years because of machinery-of-government changes which took place in 2011-12.

Total expenses reduce across the 2013-14 and 2014-15 financial years mainly as a result of lower grant expenditure relating to Dam Spillway Upgrades, lower expenditure on supplies and services associated with cessation of solar initiatives and climate change programs together with finalisation of the Water Infrastructure Asset Management program. The development of the department's optimal organisational structure is expected to become effective from January 2013 following completion of detailed business planning to establish the department to deliver on the Government's objectives.

The department will realise savings in 2012-13 of \$35.6 million through a range of initiatives including:

- Energy sector reform
- Sustainable energy projects
- Water and sewerage planning

- Water supply and water demand regulatory arrangements
- Cessation of redundant carbon schemes
- Efficiencies as a result of an organisational review.

The full impact of implementing these savings is expected to be \$48.3 million in 2013-14 and \$46.4 million in 2014-15 and \$11.4 million ongoing.

### **Departmental balance sheet**

The department's non-current major assets are in intangibles, primarily IT systems (\$3.32 million), and property, plant and equipment (\$0.41 million). The department's main liabilities relate to payables which fluctuate as payments to suppliers become due.

## INCOME STATEMENT

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
<b>Income</b>				
Service revenue	1,5	46,572	22,295	156,486
User charges	6	475	524	3,782
Grants and other contributions		..	..	..
Other revenue		..	..	2
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>47,047</b>	<b>22,819</b>	<b>160,270</b>
<b>Expenses</b>				
Employee expenses	2,7	8,534	10,113	29,091
Supplies and services	3,7	12,370	2,073	18,131
Grants and subsidies	4,8	25,766	10,160	112,254
Depreciation and amortisation		60	60	326
Finance/borrowing costs		..	..	..
Other expenses		317	413	468
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>47,047</b>	<b>22,819</b>	<b>160,270</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)	9	..	(100)	500
Equity adjustments (MoG transfers)		8,284	8,834	..
<b>Total movement in equity for period</b>		<b>8,284</b>	<b>8,734</b>	<b>500</b>

## BALANCE SHEET

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	10,17	4,698	9,021	4,723
Receivables	11,17	4,778	1,334	520
Other financial assets		..	..	..
Inventories		60	60	60
Other	12	19	5,501	5,501
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>9,555</b>	<b>15,916</b>	<b>10,804</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	13	..	2,654	2,654
Other financial assets		..	..	..
Property, plant and equipment		254	671	411
Intangibles		2,922	2,822	3,320
Other		..	..	..
<b>Total non-current assets</b>		<b>3,176</b>	<b>6,147</b>	<b>6,385</b>
<b>TOTAL ASSETS</b>		<b>12,731</b>	<b>22,063</b>	<b>17,189</b>
<b>CURRENT LIABILITIES</b>				
Payables	14	4,020	7,461	7,461
Accrued employee benefits		392	494	494
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	15,18	35	5,374	..
<b>Total current liabilities</b>		<b>4,447</b>	<b>13,329</b>	<b>7,955</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>4,447</b>	<b>13,329</b>	<b>7,955</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>8,284</b>	<b>8,734</b>	<b>9,234</b>
<b>EQUITY</b>				
Capital/contributed equity	16,19	8,284	8,734	9,234
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>8,284</b>	<b>8,734</b>	<b>9,234</b>



## CASH FLOW STATEMENT

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	20,23	46,572	26,855	151,926
User charges	24	475	524	3,782
Grants and other contributions		..	..	..
Other		..	..	2
<b>Outflows:</b>				
Employee costs	21,25	(8,534)	(10,113)	(29,091)
Supplies and services	22,25	(12,370)	(6,073)	(18,131)
Grants and subsidies	22,26	(25,766)	(6,160)	(112,254)
Borrowing costs		..	..	..
Other		(317)	(413)	(468)
<b>Net cash provided by/(used in) operating activities</b>		<b>60</b>	<b>4,620</b>	<b>(4,234)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(2,507)	(2,407)	(564)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,507)</b>	<b>(2,407)</b>	<b>(564)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	500
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	(100)	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>(100)</b>	<b>500</b>
<b>Net increase/(decrease) in cash held</b>		<b>(2,447)</b>	<b>2,113</b>	<b>(4,298)</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>..</b>	<b>9,021</b>
Cash transfers from restructure		7,145	6,908	..
<b>Cash at the end of financial year</b>		<b>4,698</b>	<b>9,021</b>	<b>4,723</b>

## ADMINISTERED INCOME STATEMENT

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>Revenues</b>				
Commonwealth grants		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	27,28	58,585	72,834	759,956
Other		..	..	..
<b>Total revenues</b>		<b>58,585</b>	<b>72,834</b>	<b>759,956</b>
<b>Expenses</b>				
Supplies and services		527	1,087	956
Depreciation and amortisation				
Grants and subsidies	27,28	58,585	72,274	759,000
Benefit payments				
Borrowing costs		..	..	..
Other		..	..	..
<b>Total expenses</b>		<b>59,112</b>	<b>73,361</b>	<b>759,956</b>
<b>Net surplus or deficit before transfers to Government</b>		<b>(527)</b>	<b>(527)</b>	<b>..</b>
<b>Transfers of administered revenue to Government</b>		<b>(527)</b>	<b>(527)</b>	<b>..</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	29,33	(2,276)	73,156	30,845
Receivables		..	..	..
Inventories				
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>(2,276)</b>	<b>73,156</b>	<b>30,845</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		15,647	15,647	15,647
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>15,647</b>	<b>15,647</b>	<b>15,647</b>
<b>TOTAL ADMINISTERED ASSETS</b>		<b>13,371</b>	<b>88,803</b>	<b>46,492</b>
<b>CURRENT LIABILITIES</b>				
Payables	30	..	24,211	24,211
Transfers to Government payable		6	6	6
Interest-bearing liabilities		..	..	..
Other	31,34	..	42,311	..
<b>Total current liabilities</b>		<b>6</b>	<b>66,528</b>	<b>24,217</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>		<b>6</b>	<b>66,528</b>	<b>24,217</b>
<b>ADMINISTERED NET ASSETS/(LIABILITIES)</b>		<b>13,365</b>	<b>22,275</b>	<b>22,275</b>
<b>EQUITY</b>				
Capital/Contributed equity	32	13,365	22,275	22,275
Accumulated surplus/(Accumulated deficit)		..	..	..
Reserves:		..	..	..
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL ADMINISTERED EQUITY</b>		<b>13,365</b>	<b>22,275</b>	<b>22,275</b>

## ADMINISTERED CASH FLOW STATEMENT

Department of Energy and Water Supply	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Administered item receipts	35,36	58,585	115,145	717,645
Grants and other contributions		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenues		..	..	..
Other		..	..	..
<b>Outflows:</b>				
Transfers to Government		527	527	..
Grants and subsidies	35,36	(58,585)	(72,274)	(759,000)
Supplies and services		(527)	(1,087)	(956)
Borrowing costs		..	..	..
Other		..	..	..
<b>Net cash provided by/(used in) operating activities</b>		..	<b>42,311</b>	<b>(42,311)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</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/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	<b>42,311</b>	<b>(42,311)</b>
<b>Administered cash at beginning of financial year</b>		..	..	<b>73,156</b>
Cash transfers from restructure		(2,276)	30,845	..
<b>Administered cash at end of financial year</b>		<b>(2,276)</b>	<b>73,156</b>	<b>30,845</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

The Department of Energy and Water Supply was created in April 2012 as a result of Machinery of Government changes. Consequently, the 2011-12 Adjusted Budget and 2011-12 Estimated Actual in the Departmental Budget Summary and financial statements reflect two months of activities while the 2012-13 Estimate contains a full year's budget.

### Income statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated Actual include:

1. The decrease is largely due to the cessation of various climate initiatives such as the Queensland Government Solar Hot Water Rebate Scheme, Solar Atlas, Cloncurry Solar Thermal Trial Site Remediation and Solar Farm, Bright Thing Campaign, Renewable Energy Industry Development Plan, and Climate Smart Business Service. It has also decreased due to deferrals of various energy and water supply initiatives such as the Dam Spillway Upgrade Program, Wide Bay Pilot Community Solar Farm project and Interdepartmental Committee on Electricity Reform.
2. The increase in employee expenses is predominately due to the finalisation of functions transferring into the department as a result of Machinery of Government changes.
3. The decrease is largely due to cessation of climate initiatives such as the Queensland Government Solar Hot Water Rebate Scheme.
4. The decrease is largely due to deferrals for the Dam Spillway Upgrade Program to 2012-13.

Major variations between 2011-12 Estimated Actual and the 2012-13 Estimate include:

5. The increase in Service Revenue is largely due to the deferral of Dam Spillway Upgrade Program which was deferred from 2011-12 offset by savings in initiatives and functions including Sustainable Energy Industry Development, Smart Energy Savings Scheme and Water Supply Dam Safety.
6. The increase in the 2012-13 Estimate reflects levy raised on petroleum tenure holders in relation to Coal Seam Gas Water functions which will transfer to the department from 1 January 2013.
7. The increase in the 2012-13 Estimate reflects the full year impact of energy and water supply functions transferring into the department as a result of Machinery of Government changes offset by savings in initiatives and functions including Sustainable Energy Industry Development, Smart Energy Savings Scheme and Water Supply Dam Safety and managing establishment to sustainable levels.
8. The increase in grants and subsidies predominately relates to funding for the Dam Safety Spillway Upgrade which was deferred from 2011-12 offset by savings in initiatives such as Energy Demand Management and funding for the Australian Energy Market Commission.

### Statement of changes in equity

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

9. The increase reflects the capital investments primarily in the Water Industry Asset Management system in 2012-13 offset by capital savings measures in 2011-12.

### Balance sheet

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated Actual include:

10. The increase in the cash balance predominately relates to timing differences with regard to end of year deferrals.
11. The decrease in current receivables is predominately due to the finalisation of functions transferring into the department as a result of Machinery of Government changes.
12. The increase is largely as a result of prepayments for the Solar Hot Water Program.
13. The increase in non-current receivables is predominately due to the finalisation of functions transferring into the department as a result of Machinery of Government changes.
14. The increase in payables is predominately due to a timing difference with regards to end of year deferrals.
15. The increase relates to the Machinery of Government arrangements effective 3 April 2012 and end of year deferrals for various Energy and Water Supply initiatives.
16. The increase in equity is predominately due to the finalisation of functions transferring into the department as a result of Machinery of Government changes.

Major variations between 2011-12 Estimated Actual and the 2012-13 Estimate include:

17. The decrease predominately relates to timing differences with regard to end of year deferrals.
18. The decrease in other current liabilities reflects the return of funding of 2011-12 deferrals for various Energy and Water Supply initiatives.
19. The increase reflects the capital investments in 2012-13.

## **Cash flow statement**

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

20. The decrease is largely due to the cessation of various climate initiatives such as the Queensland Government Solar Hot Water Rebate Scheme, Solar Atlas, Cloncurry Solar Thermal Trial Site Remediation and Solar Farm, Bright Thing Campaign, Renewable Energy Industry Development Plan, and Climate Smart Business Service. It has also decreased due to deferrals of various climate and water supply initiatives such as the Dam Spillway Upgrade Program, Wide Bay Pilot Community Solar Farm project and Interdepartmental Committee on Electricity Reform.
21. The increase in employee expenses is predominately due to the finalisation of functions transferring into the department as a result of Machinery of Government changes.
22. The decrease is largely due to cessation of climate initiatives such as the Queensland Government Solar Hot Water Rebate Scheme and deferrals such as the Dam Spillway Upgrade Program to 2012-13.

Major variations between 2011-12 estimated actual and the 2012-13 Estimate include:

23. The increase in Service receipts is largely due to funding for the Dam Spillway Upgrade Program offset by savings in initiatives and functions including Sustainable Energy Industry Development, Smart Energy Savings Scheme and Water Supply Dam Safety and managing establishment to sustainable levels.
24. The increase in the 2012-13 Estimate reflects levy raised on petroleum tenure holders in relation to Coal Seam Gas Water functions which will transfer to the department from 1 January 2013.
25. The increase in the 2012-13 Estimate reflects the full year impact of energy and water supply functions transferring into the department as a result of Machinery of Government changes offset by savings in initiatives and functions including Sustainable Energy Industry Development, Smart Energy Savings Scheme and Water Supply Dam Safety and managing establishment to sustainable levels.
26. The increase in grants and subsidies predominately relates to funding for the Dam Safety Spillway Upgrade offset by savings in initiatives such as Energy Demand Management.

## **Administered income statement**

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

27. The increase is primarily due to increased Community Service Obligations (CSO) payments to Ergon Energy Queensland for electricity tariff adjustments, which are determined each year by a number of factors including the Benchmark Retail Cost Index, franchise load growth and the purchasing cost of energy.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

28. The increase reflects the full year impact of CSO payments made to Ergon for CSO electricity tariff adjustments, additional funding to deliver rebates for domestic water connections in South East Queensland and compensation to electricity retailers including Ergon for foregone revenue under the Government's freeze on the standard residential electricity tariff.

## **Administered balance sheet**

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

29. The increase in cash is mainly due to the Machinery of Government transfer from the Department of Economic Employment Development and Innovation to the department for CSO payments to Ergon for electricity tariff adjustments.
30. The increase in payables reflects the finalisation of Machinery of Government transfers.
31. The increase in other relates to a timing difference as to when the CSO payment to Ergon was realised as a payable and the cash settled.
32. The increase in equity reflects the finalisation of Machinery of Government transfers.

Major variations between 2011-12 estimated actual and the 2012-13 Estimate include:

- 33. The decrease in cash predominantly reflects the payment of the CSO payments.
- 34. The decrease relates to a timing difference as to when the CSO payments were realised as a payable and the cash settled.

### **Administered cash flow statement**

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

- 35. The increase is primarily due to increased Community Service Obligations (CSO) payments to Ergon Energy Queensland for electricity tariff adjustments, which are determined each year by a number of factors including the Benchmark Retail Cost Index, franchise load growth and the purchasing cost of energy.

Major variations between 2011-12 estimated actual and the 2012-13 Estimate include:

- 36. The increase reflects the full year impact of CSO payments made to Ergon for CSO electricity tariff adjustments, additional funding to deliver rebates for domestic water connections in South East Queensland and compensation to electricity retailers including Ergon for foregone revenue under the Government's freeze on the standard residential electricity tariff.

# STATUTORY BODIES

## QUEENSLAND WATER COMMISSION

### AGENCY OVERVIEW

#### Strategic direction

The Queensland Water Commission (QWC) is an independent statutory body established under the *Water Act 2000*. As part of its Four Point Water Plan to reduce water prices, the Government has decided to abolish the QWC. The QWC's staff were transferred into the Department of Energy and Water Supply on 1 July 2012. Arrangements have been put in place for the Department to provide services back to the QWC, to ensure its statutory obligations continue to be delivered until it is abolished, which is intended to occur by the end of December 2012.

The QWC's functions are:

- planning for the provision of a safe, secure and sustainable water supply for SEQ to achieve the desired Level of Service objectives
- improving the institutional and regulatory frameworks to enable efficient and cost-effective service delivery to water customers in SEQ
- providing sound, evidence-based advice on management of the impacts of CSG extraction on underground water resources
- implementing relevant Queensland Floods Commission of Inquiry recommendations, including providing advice to Government on the security of supply and flood mitigation implications of temporary alterations to the full supply volume of dams in SEQ.

### RESOURCES AND PERFORMANCE

In 2011–12, the QWC has:

- progressed the SEQ Water Strategy actions and issued the first annual report on the Strategy
- developed and released the System Operating Plan Revision 4.0
- as required by the SEQ regional plan, led the development of sub-regional total water cycle management plans in Caboolture West, Ripley Valley and Caloundra South / Palmview
- reviewed Permanent Water Conservation Measures (PWCMS) and removed a number of primarily non-residential measures which reduced regulatory burden
- undertook work to inform the Statutory Review of the SEQ Market Rules and undertook the Rules Administrator's Annual Market Rules Review 2010–11
- provided advice on the frameworks and legislation required for the dissolution of Allconnex Water and re-establishment of council water businesses
- built the first regional groundwater flow model for the Surat Cumulative Management Area (CMA) and developed the first draft Surat Underground Water Impact Report (UWIR)
- developed and commenced the petroleum industry levy to fund the Commission's underground water management functions
- established an Expenditure Advisory Committee (EAC) as the relevant advisory body for planned expenditure on the Commission's underground water management functions.

In 2012–13, the QWC will continue to provide advice on regional water security options for SEQ, report on the SEQ Water Strategy, deliver key projects aligned to the Government's Four Point Water Plan to reduce water prices, submit the final UWIR to the Chief Executive of the Department of Environment and Heritage Protection and guide the implementation of the UWIR.



## STATEMENTS

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

Queensland Water Commission	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	1	69	65	..

Note:

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

### Performance Statement

Queensland Water Commission	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
<b>Service standards</b>				
Finalisation of SEQ Water Strategy actions on time and within budget	1	90% - 100%	76%	90% - 100%
Institutional and regulatory framework improvements delivered on time and within budget	2	85%-90%	90%	85%-90%
Independent technical expert panel members' satisfaction that the Surat underground water impact report provides sound, evidence-based advice	3	80% - 85%	100%	80% - 85%

Notes:

1. This measure reflects QWC's efficiency in planning for the provision of secure and sustainable water supply for SEQ to achieve the desired Level of Service objectives. This is a measure that assesses the progress of the suite of SEQ Water Strategy key actions, some of which are the responsibility of other agencies. Performance against these actions is based on the consolidated 26 activity groupings published in the SEQ Water Strategy Annual Report 2011. 21 groupings were planned for completion in 2011-12 and 16 were completed, forming the basis of the actual performance of 76%.
2. This measure reflects QWC's efficiency in improving the institutional and regulatory frameworks to enable efficient and cost-effective service delivery to water customers in SEQ. During 2011-12, QWC developed legislation and frameworks required for the SEQ water businesses and on behalf of the then Minister, undertook the work to inform the Statutory Review of the SEQ Market Rules. As a result, the actual target of 90% was achieved.
3. This measure reflects the QWC's effectiveness in providing sound, evidence-based advice on management of the impacts of coal seam gas extraction on underground water resources. There were six major meetings of the Technical Advisory Group. In addition, there were out-of-session discussions with members of the group, a field visit and a peer review of the regional groundwater model.

## Discontinued Measures

Performance measures included in the 2011–12 Service Delivery Statements that have been discontinued or replaced by better measures are reported in the following table.

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Average residential daily water consumption in SEQ region	1	<200 litres per person per day	<160 litres per person per day	Discontinued Measure

Note:

1. This performance measure is discontinued in 2012-13 as the QWC has undertaken a review of Permanent Water Conservation Measures indicating that the community will continue to benefit from using water in an efficient and sustainable manner, yet recommending the removal of some measures. The remaining measures provide customer choice in relation to consumption. Hence the voluntary consumption target has been removed.

## INCOME STATEMENT

Queensland Water Commission	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>Income</b>				
User charges	1,6	26,324	19,570	10,640
Grants and other contributions	2	..	5,520	..
Other revenue		250	627	175
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>	5,7	<b>26,574</b>	<b>25,717</b>	<b>10,815</b>
<b>Expenses</b>				
Employee expenses		8,617	7,954	3,980
Supplies and services	3	15,671	10,859	5,598
Grants and subsidies	4,8	1,267	5,828	603
Depreciation and amortisation	9	953	839	590
Finance/borrowing costs		..	..	..
Other expenses		66	85	44
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>	5,7	<b>26,574</b>	<b>25,565</b>	<b>10,815</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>152</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Water Commission	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	152	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>152</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>152</b>	<b>..</b>

## BALANCE SHEET

Queensland Water Commission	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	10	3,545	9,849	..
Receivables	11	481	4,992	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		57	8	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>	14,15	<b>4,083</b>	<b>14,849</b>	<b>..</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		1,641	1,674	..
Intangibles		1,151	1,716	..
Other		..	..	..
<b>Total non-current assets</b>	14,15	<b>2,792</b>	<b>3,390</b>	<b>..</b>
<b>TOTAL ASSETS</b>	14,15	<b>6,875</b>	<b>18,239</b>	<b>..</b>
<b>CURRENT LIABILITIES</b>				
Payables	12,15	2,162	12,166	..
Accrued employee benefits		379	775	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		344	344	..
<b>Total current liabilities</b>	14,15	<b>2,885</b>	<b>13,285</b>	<b>..</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		36	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		1,262	1,262	..
<b>Total non-current liabilities</b>	14,15	<b>1,298</b>	<b>1,262</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>4,183</b>	<b>14,547</b>	<b>..</b>
<b>NET ASSETS/ (LIABILITIES)</b>	14,15	<b>2,692</b>	<b>3,692</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity		2,199	2,199	..
Accumulated surplus/(accumulated deficit)	13	493	1,493	..
Reserves:				..
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>	14,15	<b>2,692</b>	<b>3,692</b>	<b>..</b>

Note:

- On abolition of the Commission, there will be a reconciliation to finalise the Water Service Provider levy, establish a separate Administered Fund for the CSGW levy and account for the balance of net assets.

## CASH FLOW STATEMENT

Queensland Water Commission	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	16,19	21,658	15,230	10,524
Grants and other contributions	17,23	..	5,520	..
Other		235	1,238	175
<b>Outflows:</b>				
Employee costs	20,22	(8,782)	(7,673)	(4,755)
Supplies and services	20	(17,415)	(13,010)	(6,745)
Grants and subsidies	21,24	(1,267)	(161)	(5,697)
Borrowing costs		..	..	..
Other		(66)	(85)	(22)
<b>Net cash provided by/(used in) operating activities</b>		<b>(5,637)</b>	<b>1,059</b>	<b>(6,520)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	18	..	(302)	(275)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/ (used in) investing activities</b>			<b>(302)</b>	<b>(275)</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/ (used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		<b>(5,637)</b>	<b>757</b>	<b>(6,795)</b>
<b>Cash at the beginning of financial year</b>		<b>9,182</b>	<b>9,092</b>	<b>9,849</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>3,545</b>	<b>9,849</b>	<b>3,054</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. A review of work programs and activities, to align with Government priorities, led to a decrease in the User charges estimate in the levy for Water Service Providers.
2. The increase in Grants represents increased Coal Seam Gas Water (CSGW) seed funding of \$4.5 million and Working Capital of \$1 million received during 2011-12.
3. The decrease in Supplies and Services reflects the review of work programs and activities to align with Government priorities.
4. Increase in Grant expenditure includes repayment of \$4.5 million CSGW seed funding for 2011-12.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

5. As the Commission is to be abolished, subject to legislative change, the 2012-13 Estimate represents the budget for the six months.
6. A review of work programs and activities, to align with Government priorities, led to a decrease in the User charges estimate in the levy for Water Service Providers.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

7. As the Commission is to be abolished, subject to legislative change, the 2012-13 Estimate represents the budget for the six months.
8. 2012-13 Grant expenditure includes the repayment of CSGW seed funding of \$0.5 million compared to 2011-12 when CSGW seed grants totalling \$5.7 million were repaid.
9. Depreciation and amortisation has increased due to the capitalisation of the Surat CMA Regional Groundwater flow model in April 2012.

### Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

10. Bank Account balance includes repayment of CSGW Seed funding was not yet processed.
11. Receivables increased due to invoicing of CSGW levy \$5.3 million mid June 2012.
12. Payables as at 30 June 2012 - a) Accrual of repayment of CSGW seed funding of \$5.7 million and, b) accrual of adjustment to Water Service Provider and Petroleum Tenure Holder levies of \$5.9 million.
13. Equity- Working Capital Grant of \$1 million received during 2011-12.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

14. As the Commission is to be abolished, subject to legislative change the balance sheet as at 30 June 2013 will be zero.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

15. As the Commission is to be abolished, subject to legislative change the balance sheet as at 30 June 2013 will be zero.

### Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

16. Invoices for CSGW User Charges remained unpaid as at 30 June 2012.
17. Grants and other contributions – CSGW seed funding of \$4.5 million was received during 2011-12. Working Capital Grant of \$1 million was received to fund CSGW capital expenditure.
18. Outflows from investing activities includes Surat CMA Regional Groundwater Flow model \$280K.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

19. 12-13 Estimate of User Charges represents levies for six months.
20. Employee costs and Supplies and Services are in proportion to the Commission operating budget for six months.
21. Repayment of CSGW seed funding of \$5.7 million to occur during the first six months of 2012-13.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

22. Employee costs and Supplies and Services are in proportion to the Commission operating budget for six months.
23. No Grants or Other Contributions are required for 2012-13.
24. Repayment of CSGW seed funding of \$5.7M to occur during the first six months of 2012-13.

# ENERGY AND WATER OMBUDSMAN QUEENSLAND

## AGENCY OVERVIEW

The Energy and Water Ombudsman Queensland (EWOQ) was established on 1 July 2007, as a free, fair and independent dispute resolution service to assist residential and small business energy or water customers if they are unable to resolve a complaint with their electricity, gas or water supplier.

EWOQ is fully funded by an industry levy, imposed on electricity, gas and water distributors and retailers who service small energy and water customers.

## Strategic direction

EWOQ contributes to the State Government's objective of lowering the cost of living for families by cutting waste through the provision of a free, fair and independent and impartial dispute resolution service.

The Energy and Water Ombudsman Queensland's main strategic objectives are:

- contributing to improved service delivery in the energy and water sector
- fostering a culture of continually striving for success
- adhering to the principles of independence and accountability in all we do
- providing all Queenslanders with equal access to our service.

The Strategic Risks faced by EWOQ in meeting its main objectives include:

- loss of confidence in EWOQ's effectiveness by the government, scheme participants, residents and small business owners
- legislative changes in the energy and water sectors adversely affecting EWOQ's operational capacity
- significant increases in complaints to our office
- attraction and retention of qualified staff.

## RESOURCES AND PERFORMANCE

At the commencement of the financial year 1 July 2011, EWOQ had a staff establishment of 38 full time equivalent positions and had 40 full time equivalent positions as at 30 June 2012.

Since 1 July 2011 EWOQ has:

- dealt with over 13,500 cases
- provided best practice dispute resolution processes to assist the resolution of complaints between small electricity, gas and water customers and their energy and water suppliers
- maintained and developed ongoing relationships with key energy and water sector participants and other stakeholders through regular presentations and updates on services
- raised awareness of the services offered to energy and water customers across Queensland through various marketing, engagement and media activities
- investigated, reported and provided feedback to the Government and industry participants on systemic customer issues
- referred matters to jurisdictional regulators for action under their legislative powers.



In 2012-13, EWOQ will focus on the following key priorities:

- achieving best practice, fairness and confidence in the resolution of disputes between Queensland's small electricity and reticulated gas customers and energy suppliers and SEQ's small water customers and water suppliers
- raising awareness and proactively promoting EWOQ services to energy customers across Queensland and water customers in SEQ with an emphasis on Aboriginal peoples, Torres Strait Islanders, multicultural groups and the aged
- investigating, reporting and providing feedback on systemic energy and water customer issues
- implementing a training and development program for staff.

## STATEMENTS

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

Energy and Water Ombudsman Queensland	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
		41	40	40

Note:

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

### Performance Statement

Energy and Water Ombudsman Queensland	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
<b>Service standard</b>	1	80%	82%	..
Percentage of customers who rate the performance of the Energy and Water Ombudsman Queensland as satisfactory or better				
<b>Other measures</b>				
Percentage of complaints received which are completed by the Energy and Water Ombudsman Queensland		95%	99%	95%
Energy and water consumer complaints resolved within agreed standards		90%	98%	90%

Note:

1. EWOQ conducts Customer Satisfaction Surveys on a biennial basis. As a result, no target has been set for 2012-13.

## INCOME STATEMENT

Energy and Water Ombudsman Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>Income</b>				
User charges		6,092	5,784	6,293
Grants and other contributions		..	..	..
Other revenue		..	76	..
Gains on sale/revaluation of property, plant and equipment and investments				
<b>Total income</b>		<b>6,092</b>	<b>5,860</b>	<b>6,293</b>
<b>Expenses</b>				
Employee expenses	1, 3, 5	4,527	3,949	4,628
Supplies and services	2, 4, 6	1,530	1,865	1,628
Grants and subsidies		..	..	..
Depreciation and amortisation		3	3	3
Finance/borrowing costs		..	..	..
Other expenses		32	35	34
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>6,092</b>	<b>5,852</b>	<b>6,293</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>8</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Energy and Water Ombudsman Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	8	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>

## BALANCE SHEET

Energy and Water Ombudsman Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	7, 12, 16	438	925	761
Receivables		22	20	25
Other financial assets		..	..	..
Inventories		..	..	..
Other	8, 13	..	49	49
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>460</b>	<b>994</b>	<b>835</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	9	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>..</b>	<b>9</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>460</b>	<b>1,003</b>	<b>835</b>
<b>CURRENT LIABILITIES</b>				
Payables	9, 14	55	244	259
Accrued employee benefits		265	282	282
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	10, 16	..	183	..
<b>Total current liabilities</b>		<b>320</b>	<b>709</b>	<b>541</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		61	82	82
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>61</b>	<b>82</b>	<b>82</b>
<b>TOTAL LIABILITIES</b>		<b>381</b>	<b>791</b>	<b>623</b>
<b>NET ASSETS/ (LIABILITIES)</b>		<b>79</b>	<b>212</b>	<b>212</b>
<b>EQUITY</b>				
Capital/contributed equity		79	79	79
Accumulated surplus/(accumulated deficit)	11, 15	..	133	133
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>79</b>	<b>212</b>	<b>212</b>

## CASH FLOW STATEMENT

Energy and Water Ombudsman Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	17, 24	6094	5398	6105
Grants and other contributions		..	..	..
Other	18, 21, 25	20	78	..
<b>Outflows:</b>				
Employee costs	19, 26	4572	3795	4628
Supplies and services		1510	1535	1592
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	22	32	41	49
<b>Net cash provided by/(used in) operating activities</b>		..	105	(164)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/ (used in) investing activities</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/ (used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>	20, 23	..	105	(164)
<b>Cash at the beginning of financial year</b>		438	820	925
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		438	925	761

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The variation is due to not all budget positions being filled for the full year.
2. Higher than budgeted expenditure relates to an increase in project related activities.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

3. The increase in employee expenses is due to the Enterprise Bargaining Agreement increase.
4. Increase relates to full effect of new managed telephone system.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

5. Increase in employee expenses relates to costs associated with the filling of all budgeted positions.
6. Variation relates to non-recurrent projects not required in 2012-2013.

### Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

7. Increase relates to a combination of a higher value of unpaid expenses than anticipated at year end and unexpected receipt of 2012-13 cash in 2011-12.
8. The increase is due to an increase in prepaid expenses.
9. Increase relates to a higher value of payables which will only be settled after year end.
10. Increase relates to unexpected receipt of 2012-13 cash in 2011-12.
11. Increase relates to recognition of prior year accumulated surplus.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

12. User charges will increase as a consequence of greater complaint activity.
13. The increase is due to an increase in prepaid expenses.
14. Increase relates to a higher value of payables which will only be settled after year end.
15. Increase relates to recognition of prior year accumulated surplus.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

16. Decrease relates to unexpected receipt of 2012-13 cash in 2011-12.

### Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

17. Lower than anticipated operating costs and user charges.
18. Penalty fees and bank interest unpredictable and difficult to estimate.
19. The variation is due to not all budget positions being filled for the full year.
20. Increase relates to a combination of a higher value of unpaid expenses than anticipated at year end and unexpected receipt of 2012-13 cash in 2011-12.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

21. Penalty fees and bank interest unpredictable and difficult to estimate.
22. Increase in other costs including audit fees and Advisory Council operating costs.
23. Increase in complaint activity has resulted in an increase in operating costs and user charges.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

24. Increase in complaint activity has resulted in an increase in operating costs and user charges.
25. Penalty fees and bank interest unpredictable and difficult to estimate.
26. Variation is a combination of Enterprise Bargaining Agreement increase and costs associated with the filling of all budgeted positions.

# GLOSSARY OF TERMS

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<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.
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<b>Administered Items</b>	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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<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.
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<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>
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<b>Balance Sheet</b>	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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<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.
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<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.
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<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.
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<b>Depreciation</b>	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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<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.
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<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 well being. 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.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).



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