

## Service Delivery Statements

Department of Local Government,  
Community Recovery and Resilience

# **2014–15 State Budget Papers**

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
- 5. Service Delivery Statements**

**Appropriation Bills**

**Concessions Statement**

The suite of Budget Papers is similar to that published in 2013-14.

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**

ISSN 1445-4890 (Print)  
ISSN 1445-4904 (Online)



# Department of Local Government, Community Recovery and Resilience

## Summary of portfolio budgets

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
2	Department of Local Government , Community Recovery and Resilience controlled	235,980	204,034	207,549
	Department of Local Government , Community Recovery and Resilience - administered	4,563,596	4,087,026	2,751,216
26	Queensland Reconstruction Authority	4,142,774	3,656,145	1,851,828

### Notes:

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

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Local Government, Community Recovery and Resilience:

<b>Minister for Local Government, Community Recovery and Resilience</b> The Honourable David Crisafulli MP
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<b>Department of Local Government, Community Recovery and Resilience</b>
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Director General: Craig Evans
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Service Area 1: Local Government
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Service Area 2: Community Recovery and Resilience
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<b>Queensland Reconstruction Authority</b>
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Title of CEO: Graeme Newton
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Objective: To reconnect, rebuild and improve Queensland communities and economy
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Additional information about these agencies can be sourced from [www.dlgcrr.qld.gov.au](http://www.dlgcrr.qld.gov.au) and [www.qldreconstruction.org.au](http://www.qldreconstruction.org.au)

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Department of Local Government, Community Recovery and Resilience is responsible for administration of local government legislation and has responsibility for coordinating programs to build Queensland communities' preparedness for and resilience to natural disasters.

The department will continue to support the autonomy and accountability of councils and to lead the implementation of key resilience projects in partnership with councils, government and other agencies. Its vision is for dynamic councils building vibrant and resilient local communities.

The department has two service areas:

- **Local Government** – to be delivered through program implementation and review, targeted capacity building initiatives, support for local government financial sustainability, administration of the Local Government Grants and Subsidies Program and the network of regional offices in the department's northern and southern regions
- **Community Recovery and Resilience** – to be delivered through the department's Strategy, Governance and Resilience Division and in collaboration with other State agencies closely involved in natural disaster recovery and resilience initiatives.

### Objectives and highlights for 2014 -15

- Provide and administer a strategic policy and legislative framework for local government, including reform of the *Local Government (Electoral) Act 2011*.
- Ensure grant funding is administered effectively and in accordance with the Government's priorities to support the Queensland Local Government Grants Commission.
- Highlight local government financial sustainability issues and provide support through education and training.
- Work with councils to ensure timely project delivery.
- Monitor councils' performance and corporate governance to determine appropriate capacity building and intervention strategies, foster strong working relationships with councils.
- Develop and facilitate delivery of targeted capacity building programs and projects for local governments.
- Develop and maintain comprehensive online resources to promote understanding of local government legislation.
- Co-deliver the Diploma of Local Government Administration program with the Local Government Association of Queensland.
- Monitor the planning and construction of disaster mitigation and resilience infrastructure projects delivered by local governments.
- Oversee the implementation of the Queensland Strategy for Disaster Resilience.
- Deliver the annual Get Ready Queensland disaster preparedness and resilience campaign.
- Manage arrangements with the not-for-profit organisation GIVIT, provide regular reporting to both Government and the community on recovery and resilience activities and achievements.
- Manage governance frameworks to oversee and coordinate recovery and resilience activities undertaken by Queensland Government agencies.

## Key achievements for 2013 -14

- Prepared the *Local Government (De-amalgamation Implementation) Regulation 2013* which enabled the creation of four new local governments on 1 January 2014.
- Commenced the review of the *Local Government (Electoral) Act 2011*.
- Implemented the Government's framework to reduce the regulatory burden on local governments.
- Managed and implemented the Local Government Grants and Subsidies Program by:
  - allocating \$13.17 million for 42 flood related projects in 29 councils delivering \$1 million to fund the second year of the three year Brisbane River Catchment Flood Study; and
  - delivering \$14.8 million to 49 councils for 85 local government infrastructure projects.
- Developed and implemented the \$1.5 million Business Incentive Scheme and the \$1.5 million Service Delivery Fund to assist Indigenous councils.
- Allocated \$2 million under the GraffitiSTOP program to assist councils with graffiti management.
- Assumed administrative responsibility for the State/Australian Government funded Natural Disaster Resilience Program.
- Developed and facilitated delivery of State-wide capacity building programs and projects for local governments, developed comprehensive online resources to support and promote understanding of local government legislation including:
  - revised statutory guidelines on financial management (sustainability);
  - new best practice guidelines on council meeting procedures, own source revenue policies and options for local governments, and a revised councillor resource kit information about councillors' accountability for ethical and legal behaviour;
  - information about the making of local laws; and
  - advice on preparation of annual financial statements.
- Co-delivered, with the Local Government Association of Queensland, three offerings of the Diploma of Local Government Administration program.
- Provided targeted support for small rural, remote, and Indigenous councils in relation to financial management and good governance.
- Provided grant funding to a number of councils to undertake projects to improve their financial management and to build their financial sustainability.
- Managed complaints regarding councillors through a robust, timely and efficient process.
- Provided support to the Tribunal and the Regional Conduct Review Panels.
- Conducted the first Regional Round Table meeting in Townsville.
- Oversaw the implementation of the 2013 Flood Recovery Plan.
- Developed the Queensland Strategy for Disaster Resilience.
- Developed the Annual Resilience Action Plan and monitored the planning and construction of disaster mitigation infrastructure projects.
- Developed and implemented a service agreement to manage the arrangements with GIVIT for the two-year trial program.
- Delivered community events and awareness activities, as part of the Get Ready Queensland initiative.

## Departmental Budget Summary

The table below shows the total resources available in 2014-15 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Local Government, Community Recovery and Resilience	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	82,451	55,819	66,204
Balance of service appropriation	116,020	111,132	109,660
Other revenue	446	4,594	1,112
<b>Total income</b>	<b>198,917</b>	<b>171,545</b>	<b>176,976</b>
<b>Expenses</b>			
Local Government	193,252	160,188	146,882
Community Recovery and Resilience	42,728	43,846	60,667
<b>Total expenses</b>	<b>235,980</b>	<b>204,034</b>	<b>207,549</b>
<b>Operating surplus/deficit</b>	<b>(37,063)</b>	<b>(32,489)</b>	<b>(30,573)</b>
<b>Net assets</b>	<b>73,160</b>	<b>83,782</b>	<b>60,494</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	223,928	229,456	453,600
Appropriation revenue	4,339,224	3,857,126	2,297,172
Other administered revenue	444	444	444
<b>Total revenue</b>	<b>4,563,596</b>	<b>4,087,026</b>	<b>2,751,216</b>
<b>Expenses</b>			
Transfers to government	224,372	222,900	451,044
Administered expenses	4,339,224	3,864,126	2,300,172
<b>Total expenses</b>	<b>4,563,596</b>	<b>4,087,026</b>	<b>2,751,216</b>
<b>Net assets</b>	<b>..</b>	<b>..</b>	<b>..</b>

Notes:

1. Includes State and Commonwealth funding.

## Budget Measures Summary <sup>1</sup>

The table shows a summary of Budget measures relating to the department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4.

<b>Department of Local Government, Community Recovery and Resilience</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	5,700	30,375	..	..	..
Departmental	5,719	12,620	..	..	..
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The total reconciles with Budget Paper 4.



## Staffing<sup>1</sup>

Service Areas <sup>2</sup>	Notes	2013-14	2013-14	2014-15
		Adjusted Budget	Est. Actual	Budget
Local Government	3	110	109	109
Community Recovery and Resilience		14	13	12
<b>TOTAL</b>		<b>124</b>	<b>122</b>	<b>121</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 2013-14 Adjusted budget has been updated from 114 FTEs to 124 FTEs to include ten positions that were transferred from the Public Safety Business Agency as part of the transfer of the Natural Disaster Resilience Program and the Natural Relief and Recovery Arrangements to the department, on 1 November 2013.

## SERVICE PERFORMANCE

The department has two service areas reflecting the department's key roles in administering local government legislation, supporting and promoting the authority and autonomy of councils and in leading and managing vital flood recovery and resilience initiatives across Queensland.

### Services

Our service areas are:

#### Local Government

The Local Government service area of the department will ensure local governments are able to make effective decisions that bring increased economic prosperity and social cohesion to their local government areas. The department wants all local governments to have the necessary autonomy, authority, capacity and resilience to deliver the best outcomes for their community. Services to local governments are delivered through a network of regional offices in the department's Northern and Southern regions. The department's local government service objectives are that:

- Councils have the authority and capacity to manage their interests, to be financially sustainable and accountable
- Councils have access to high quality capacity building programs and resources.

To achieve these objectives, the Local Government service area provides support and advice in the following program areas:

- Financial sustainability and accountability
  - Administer the Local Government Grants and Subsidies Program to maximise outcomes for the Queensland community;
  - Support local governments to identify and manage financial sustainability issues;
  - Administer the councillor conduct complaints management and referral process in accordance with legislation; and
  - Provide and administer a strategic policy and legislative framework for local government
  - Support councils in managing their statutory obligations.
- Capacity building
  - Develop and deliver targeted and high quality capacity building resources, training and solutions for councils to enable strong and responsive local government for Queensland;
  - Assist councils to identify opportunities for inter-council collaboration to build capacity, efficiencies and revenue; and
  - Implement an internal capacity building model for staff to improve and maintain understanding of local government.

#### Community Recovery and Resilience

The Community Recovery and Resilience service area of the department facilitates Queensland Government agencies working together to build community resilience based on an all hazards approach in disaster ravaged areas. Resilience focus areas include examination of the feasibility of levees and dams, natural safeguards and also community infrastructure such as community based, and led, support plans.

The clear priorities in 2014-15 will be continuing to ensure all communities affected by natural disasters get back on their feet, and shifting the long-term focus of all levels of government to minimising the flood impact on towns and vital infrastructure, in lieu of constant repair jobs. In line with the Queensland Strategy for Disaster Resilience, the department will look at ways to build up resilience to natural disasters or ease the impacts in those areas where solutions cannot be found.

The department's Community Recovery and Resilience service objectives are that:

- local government and other key government agencies and asset owners work closely together to ensure that recovery actions are focussed on community outcomes, and that services are integrated and efficient
- recovery projects are delivered and resilience activities implemented to mitigate the effect of natural disasters
- the 2013 Flood Recovery Plan continues to be implemented until the expiration of its scope in June 2015
- the Queensland Strategy for Disaster Resilience is implemented across government and agency operational plans align with its goals and objectives
- communities are aware of the risks and prepare for disaster events through the Get Ready Queensland campaign
- community resilience is built on an all hazards approach in disaster ravaged areas.

To achieve these objectives, the Community Recovery and Resilience service area provides:

- support and advice to oversee community recovery and resilience initiatives at a whole-of Government level
- governance frameworks to oversee and coordinate recovery and resilience activities undertaken by government agencies
- regular reporting to Government and the community on recovery and resilience activities and achievements
- a coordinated approach to working in partnership with communities at the grass roots level to identify simple, practical and cost-effective solutions to minimise the impact of future natural disasters.

## Red tape reduction

In 2013-14 the department contributed to the Government's commitment to red tape reduction by implementing four initiatives:

- reduced reporting requirements for State Government Financial Aid for Indigenous Local Governments - Indigenous local governments reporting to the State Government on financial aid initiatives are now required six monthly instead of three monthly
- developed new guidelines for conducting public interest tests on possible anti-competitive provisions in proposed local government local laws which streamlined the local law making process by only requiring a full cost benefit analysis to be undertaken where the impact on stakeholders is considered to be substantial
- worked with the Department of State Development, Infrastructure and Planning, the Department of Communities, Child Safety and Disability Services and the Queensland Reconstruction Authority to improve coordination and administration of all State funded flood mitigation programs, reducing duplication and delivering more effective project outcomes
- introduced a more streamlined approach to both application and acquittal processes for local government funding programs.

In 2014-15, the department will implement three red tape reduction initiatives which will be:

- amend the *Local Government Electoral Act 2011* to complement the objectives of the *Electoral Reform Amendment Bill 2013* by aligning the local government electoral system with the State system, and reducing unnecessary red tape in electoral processes
- continue to review the *Local Government Act 2009*, *City of Brisbane Act 2010*, and regulations
- implement the recommendations of the 2013 Ministerial Regional Round Table.

## 2014-15 Service Summary <sup>1</sup>

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Local Government	146,882	117,720	430	1,384	494
Community Recovery and Resilience	60,667	41,855	..	14,905	188
<b>TOTAL</b>	<b>207,549</b>	<b>159,575</b>	<b>430</b>	<b>16,289</b>	<b>682</b>

Notes:

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

## Performance Statement

Department of Local Government , Community Recovery and Resilience	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Local Government</b>				
<b>Service standards</b>				
Percentage of Local Governments satisfied with advice and services provided by the department	1	85%	82%	85%
Percentage of scheduled capacity building activities and training programs undertaken by the department completed within agreed timeframes and budget	2	85%	100%	85%
Percentage of Local Government Grants and Subsidies (Infrastructure) Program funding agreements managed according to agreed timeframes		90%	100%	90%
<b>State contribution (\$000)</b>		<b>151,360</b>	<b>126,324</b>	<b>117,720</b>
<b>Other revenue (\$000)</b>		<b>2,380</b>	<b>3,585</b>	<b>2,308</b>
<b>Total cost (\$000)</b>		<b>193,252</b>	<b>160,188</b>	<b>146,882</b>
<b>Service Area: Community Recovery and Resilience</b>				
<b>Service standards</b>				
Percentage of Local Government Grants and Subsidies (Flood) Program funding agreements managed according to agreed timeframes		90%	100%	90%
<b>State contribution (\$000)</b>		<b>26,165</b>	<b>26,909</b>	<b>41,855</b>
<b>Other revenue (\$000)</b>		<b>19,012</b>	<b>14,727</b>	<b>15,093</b>
<b>Total cost (\$000)</b>		<b>42,728</b>	<b>43,846</b>	<b>60,667</b>

Note:

1. A survey response rate of 88.3 per cent was achieved from a pool of 154 mayors and chief executive officers, with 82.4 per cent indicating they were satisfied or very satisfied.
2. The wording of this service standard has been amended to include specific details about the programs and activities that are included in the measure. The calculation methodology for the measure remains unchanged.

## Administered Items

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

The Department of Local Government, Community Recovery and Resilience administers funds on behalf of the State which include:

**Queensland Reconstruction Authority (QRA)** – The QRA manages and coordinates the Government’s program of infrastructure reconstruction across disaster affected communities. The department administers funding to the QRA of \$3.6 billion in 2013-14 and an estimated \$1.8 billion projected for 2014-15.

**Australian Government Financial Assistance Grants (FAG)** - Under the *Local Government (Financial Assistance) Act 1995* the Australian Government provides grant funding to support Queensland councils in delivering services to their communities. In 2013-14, \$222.46 million was made available to local governments as untied funding. The Australian Government also made an early payment of \$223.9 million of the 2013-14 financial year’s FAG in June 2013.

**Australian Government National Insurance Affordability Initiative - Ipswich and Roma** – the Australian Government is contributing \$17 million over three years to build the Roma flood levee (\$7 million) and to upgrade flood defences in Ipswich (\$10 million). The funding available is \$7 million in 2013-14, \$3 million in 2014-15 and \$7 million in 2015-16.

**Kuranda Rail Levy** supports tourist infrastructure in the town of Kuranda, located in Mareeba Shire Council. The department administers an arrangement which will result in an estimated \$0.4 million in 2013-14 being provided to Mareeba Shire Council for the provision of tourist infrastructure in Kuranda.

**Kuranda Skyrail Levy** – The department administers an arrangement between the Government and the operator of the Skyrail through which contributions of approximately \$0.3 million is provided to Mareeba Shire Council for the provision of tourist infrastructure in Kuranda.

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

## CAPITAL

### Capital program

The department's capital program primarily relates to the capital works undertaken under the Indigenous State Infrastructure Program (ISIP). The program provides funding for water supply, sewerage, drainage, solid waste, town roads and serviced land in Queensland's Indigenous councils. These capital works projects improve the environmental health conditions for the people living in the major communities in these Indigenous council areas by providing safe and secure drinking water, safe sewerage systems, safe solid waste disposal arrangements, reductions in vector environments (such as mosquitoes) and dust reduction through sealed roads.

The total estimated capital expenditure program for ISIP is \$63.4 million, \$16.9 million in 2013-14 and \$8.4 million in 2014-15.

ISIP also supports the Council of Australian Governments National Partnership Agreement on Remote Indigenous Housing by providing serviced lots and supporting infrastructure needed for additional housing in these communities. Under this initiative, communities will have access to adequate and appropriate services in order to improve the health, safety and economic outcomes of Indigenous people.

### Capital budget statement

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure	..	22,323	16,890	8,427
Total plant and equipment	..	36	205	10
Total other capital	..	..	..	..
<b>Total Capital Purchases</b>	..	<b>22,359</b>	<b>17,095</b>	<b>8,437</b>

Notes:

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, as reflected in the department's financial statements, is provided below.

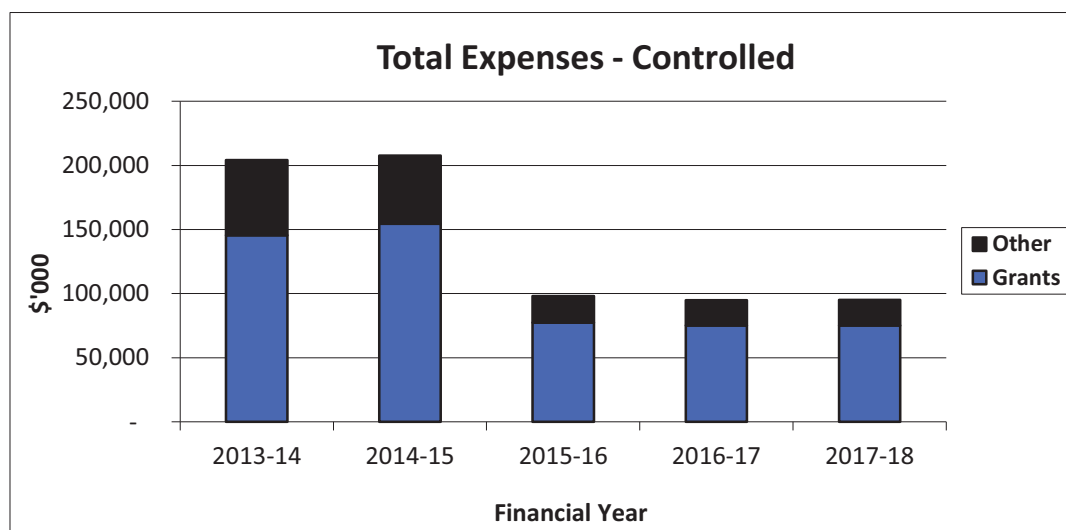
### Departmental income statement

Total expenses are estimated to be \$207.5 million in 2014-15, an increase of \$3.5 million from the 2013-14 financial year. The increase is mainly due to the impact of increased funding for the Natural Disaster Resilience Program, and the Royalties for the Regions program. This is partially offset by a reduction in funding for the Local Government Grants and Subsidies Program, as prior year grant programs are completed, the completion of the transfers of infrastructure assets to Indigenous local councils and the finalisation of the Australian government funded South West Queensland Flood Mitigation Fund.

The forecasted deficit for the department is expected to be \$30.6 million. This deficit is primarily due to the transfer of infrastructure assets to Indigenous local councils for no consideration under ISIP.

### Total departmental expenses across the Forward Estimates period

The decrease over the next few years in total departmental expenses is a result of the completion of the Local Government Subsidies Program for 2011-12 and 2012-13, the Royalties for the Regions program for 2012-13 and 2013-14, the Natural Disaster Resilience Programs ending in 2014-15 and the Indigenous State Infrastructure Program ending in 2014-15.

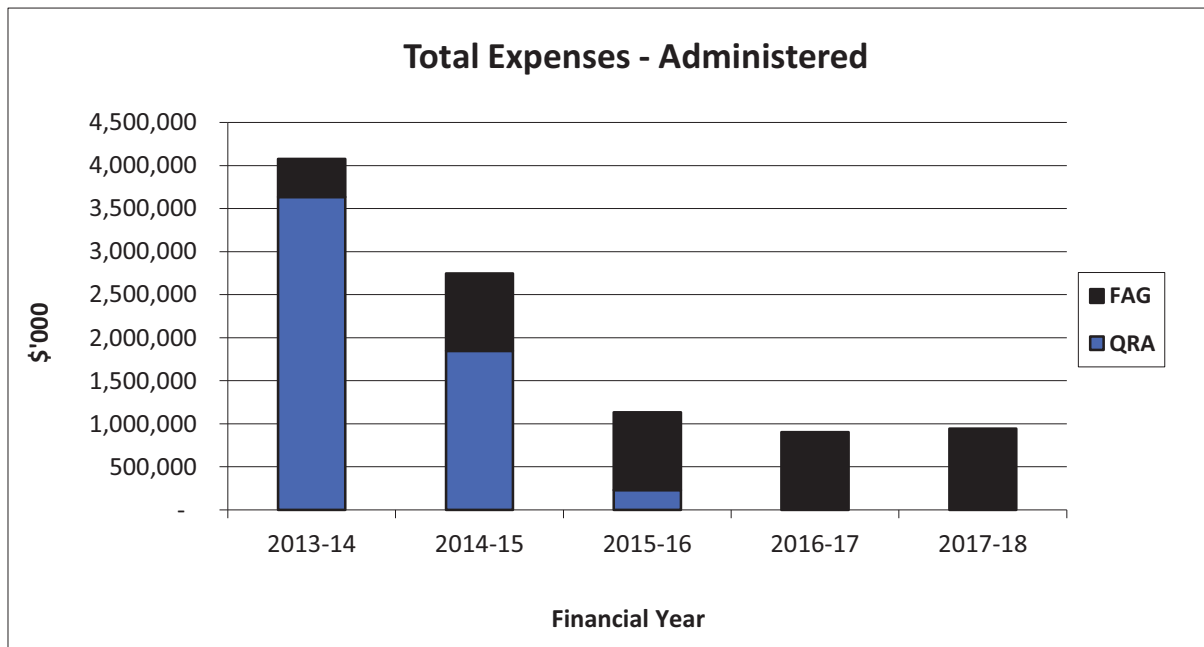


### Departmental balance sheet

The department's major assets are in property, plant and equipment (\$42 million) and loans and advances (\$7.5 million). Plant and equipment is expected to decrease over the forward estimates period as construction of infrastructure assets are completed and transferred to Indigenous local councils in the Far North Queensland region. In addition, loans and advances are expected to decrease as they are repaid by local governments.

## ADMINISTERED INCOME STATEMENT

Total expenses are estimated to be \$2.75 billion in 2014-15, a decrease of \$1.34 billion from the 2013-14 financial year. The decrease is mainly due to decreased funding requirements for the Queensland Reconstruction Authority for Natural Disaster Relief and Recovery Arrangements, following the completion of the 2011 and 2012 reconstruction programs in 2013-14.



## CONTROLLED INCOME STATEMENT

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,7,11	198,471	166,951	175,864
Taxes		..	..	..
User charges and fees	2,12	430	1,330	430
Royalties and land rents		..	..	..
Grants and other contributions	3,13	..	2,716	188
Interest		16	16	..
Other revenue		..	532	494
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>198,917</b>	<b>171,545</b>	<b>176,976</b>
<b>Expenses</b>				
Employee expenses	14	13,112	13,536	12,754
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	4,8	15,582	13,118	12,701
Grants and subsidies	5,9,15	167,489	145,479	154,495
Depreciation and amortisation		149	10	49
Finance/borrowing costs		..	..	..
Other expenses	6,10,16	39,648	31,891	27,550
Losses on sale/revaluation assets		..	..	..
<b>Total expenses</b>		<b>235,980</b>	<b>204,034</b>	<b>207,549</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(37,063)</b>	<b>(32,489)</b>	<b>(30,573)</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'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>		..	..	..
Surplus/(deficit) for the period		(37,063)	(32,489)	(30,573)
<b>Total recognised income and expense for the period</b>		(37,063)	(32,489)	(30,573)
Equity injection/(withdrawal)		21,220	15,559	7,285
Equity adjustments (inc. MoG transfers)		7,852	7,852	..
<b>Total movement in equity for period</b>		<b>(7,991)</b>	<b>(9,078)</b>	<b>(23,288)</b>

## CONTROLLED BALANCE SHEET

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	17,26,34	20,902	18,203	14,262
Receivables	18,27	7,749	3,887	3,887
Other financial assets		..	..	..
Inventories		..	..	..
Other		3	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>28,654</b>	<b>22,090</b>	<b>18,149</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	19,28,35	10,593	7,092	6,483
Other financial assets		..	..	..
Property, plant and equipment	20,36	42,558	61,236	42,315
Intangibles		..	195	156
Other		..	..	..
<b>Total non-current assets</b>		<b>53,151</b>	<b>68,523</b>	<b>48,954</b>
<b>TOTAL ASSETS</b>		<b>81,805</b>	<b>90,613</b>	<b>67,103</b>
<b>CURRENT LIABILITIES</b>				
Payables	21,29	6,972	5,817	5,687
Accrued employee benefits	22,30	1,673	922	922
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>8,645</b>	<b>6,739</b>	<b>6,609</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	92	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>92</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>8,645</b>	<b>6,831</b>	<b>6,609</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>73,160</b>	<b>83,782</b>	<b>60,494</b>
<b>EQUITY</b>				
Capital/contributed equity	23,31,37	(302,166)	(305,061)	(297,776)
Accumulated surplus/(accumulated deficit)	24,32,38	357,022	368,924	338,351
Reserves:				
- Asset revaluation surplus	25,33	18,304	19,919	19,919
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>73,160</b>	<b>83,782</b>	<b>60,494</b>

## CONTROLLED CASH FLOW STATEMENT

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	39,47,53	198,471	166,325	175,864
User charges and fees	40,54	430	1,330	430
Royalties and land rents receipts				
Grants and other contributions	41,55	..	2,716	188
Interest received		16	16	
Taxes		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs	56	(13,112)	(13,536)	(12,754)
Supplies and services	42,48	(15,582)	(13,118)	(12,701)
Grants and subsidies	43,49,57	(167,489)	(145,479)	(154,495)
Borrowing costs		..	..	..
Other	44,58	(136)	(1,080)	(202)
<b>Net cash provided by/(used in) operating activities</b>		<b>2,598</b>	<b>(2,826)</b>	<b>(3,670)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		1,103	1,103	1,103
<b>Outflows</b>				
Payments for non-financial assets	45,50,59	(22,359)	(17,402)	(8,659)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(21,256)</b>	<b>(16,299)</b>	<b>(7,556)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	46,51,60	22,323	16,662	8,427
<b>Outflows</b>				
Borrowing redemptions		..	(30)	..
Finance lease payments		..	..	..
Equity withdrawals		(1,103)	(1,103)	(1,142)
<b>Net cash provided by/(used in) financing activities</b>		<b>21,220</b>	<b>15,529</b>	<b>7,285</b>
<b>Net increase/(decrease) in cash held</b>		<b>2,562</b>	<b>(3,596)</b>	<b>(3,941)</b>
<b>Cash at the beginning of financial year</b>		<b>10,488</b>	<b>13,947</b>	<b>18,203</b>
Cash transfers from restructure	52,61	7,852	7,852	..
<b>Cash at the end of financial year</b>		<b>20,902</b>	<b>18,203</b>	<b>14,262</b>

## ADMINISTERED INCOME STATEMENT

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	62,63,65	4,339,224	3,857,126	2,297,172
Taxes		..	..	..
User charges and fees		444	444	444
Royalties and land rents		..	..	..
Grants and other contributions	64,66	223,928	229,456	453,600
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>4,563,596</b>	<b>4,087,026</b>	<b>2,751,216</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies	62,63,65	4,339,224	3,864,126	2,300,172
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government	64,66	224,372	222,900	451,044
<b>Total expenses</b>		<b>4,563,596</b>	<b>4,087,026</b>	<b>2,751,216</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		..	..	..
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		..	..	..
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		..	..	..
<b>TOTAL ASSETS</b>		..	..	..
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Transfers to Government Payable		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		..	..	..
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		..	..	..
<b>TOTAL LIABILITIES</b>		..	..	..
<b>NET ASSETS/(LIABILITIES)</b>		..	..	..
<b>EQUITY</b>				
Capital/contributed equity		(63,193)	(63,193)	(63,193)
Accumulated surplus/(accumulated deficit)		63,193	63,193	63,193
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		..	..	..



## ADMINISTERED CASH FLOW STATEMENT

Department of Local Government, Community Recovery and Resilience	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	62,63,65	4,339,224	3,857,126	2,297,172
User charges and fees		444	444	444
Royalties and land rent receipts		..	..	..
Grants and other contributions	64,66	223,928	229,456	453,600
Interest received				
Taxes		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services		..	(99)	..
Grants and subsidies	62,63,65	(4,339,224)	(3,864,126)	(2,300,172)
Borrowing costs		..	..	..
Other		..	(6)	..
Transfers to Government	64,66	(224,372)	(222,900)	(451,044)
<b>Net cash provided by/(used in) operating activities</b>		..	(105)	..
<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		..	..	..
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>		..	(105)	..
<b>Cash at the beginning of financial year</b>		..	105	..
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		..	..	..

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from employee expenses and an associated reduction has been made to appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$0.624 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$0.646 million.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The decrease is primarily due to the carry-over of funding for the Local Government Grants and Subsidies Program (LGGSP), the Royalties for the Regions program, and the COAG Capacity Building program; the completion of the Water and Sewage Program (WASP) and the Smaller Communities Assistance Program (SCAP); and the realignment of funding from departmental services to equity for the construction of infrastructure assets under the Indigenous Environmental Health Infrastructure Program (IEHIP).
2. The increase relates to the costs recovered from local governments in respect of the appointment of Transfer Managers relating to de-amalgamation of local councils.
3. The increase principally relates to the contribution received for grants to local governments under the Get Ready Queensland program, and refunds of grants from local councils.
4. The decrease is primarily due to the realignment of funding from departmental services to equity for the construction of infrastructure assets under IEHIP; and the carry-over of funding for the COAG Capacity Building program to 2013-14.
5. The decrease is primarily due to the carry-over of funding for the LGGSP, and the Royalties for the Regions program and the completion of WASP and SCAP. This is partially offset by increased expenditure for the Natural Disaster Resilience Program (NDRP).
6. The decrease relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

7. The decrease is primarily due to the completion of prior year grant programs. This is partially offset by additional funding for NDRP and the Royalties for the Regions program.
8. The decrease is primarily due to the transfer of funding for the maintenance of water infrastructure of the Northern Peninsula (NPA) Water Supply to a grant program, and the reduction in funding for IEHIP, as projects are nearing completion.
9. The decrease is primarily due to the completion of prior year grant programs. This is partially offset by additional funding for NDRP and the Royalties for the Regions program.
10. The decrease relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

11. The increase is primarily due to additional funding for NDRP and the Royalties for the Regions program. This is partially offset by reduction in funding for LGGSP, as prior year grant programs are to be completed in 2014-15.
12. The decrease relates to the completion of the de-amalgamation of local councils.
13. The decrease principally relates to the reduction in contributions received for grants to local governments under the Get Ready Queensland program, and refunds of grants from local councils.
14. The decrease relates to the completion of the de-amalgamation of local councils and the appointment of Transfer Managers.
15. The increase is primarily due to additional funding for NDRP and the Royalties for the Regions program. This is partially offset by a reduction in funding for LGGSP, as prior year grant programs are completed.
16. The decrease relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

17. The decrease principally relates to increased expenditure for the NDRP.

18. The decrease primarily reflects a reduction in costs, which will be recovered from other government departments, due to prior year machinery of Government changes.
19. The decrease primarily relates to interest free loans, which have been provided to local councils being reduced to their fair value, for accounting purposes. A notional interest charge has been applied.
20. The increase principally relates to the contribution made for the construction of infrastructure assets under IEHIP.
21. The decrease primarily reflects a reduction in the forecast for accruals of grants and subsidies payments at year end.
22. The decrease reflects a reduction in accrued employee expenses at year end due to prior year machinery of Government changes.
23. The decrease principally relates to the reduction in the contribution made for the construction of infrastructure assets under IEHIP.
24. The increase principally relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP.
25. The increase primarily reflects an increment in the value of infrastructure assets.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. The decrease principally relates to increased expenditure for NDRP.
27. The decrease primarily reflects a reduction in costs, which will be recovered from other government departments, due to prior year machinery of Government changes.
28. The decrease primarily relates to interest free loans, which have been provided to local councils being reduced to their fair value, for accounting purposes. A notional interest charge has been applied.
29. The decrease primarily reflects a reduction in the forecast for accruals of grants and subsidies payments at year end.
30. The decrease reflects a reduction in accrued employee expenses at year end due to prior year machinery of Government changes.
31. The increase principally relates to the contribution made for the construction of infrastructure assets under IEHIP.
32. The decrease principally relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP.
33. The increase primarily reflects an increment in the value of infrastructure assets.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

34. The decrease principally relates to the draw down of cash received in prior years from the Australian Government's joint funding programs.
35. The decrease primarily reflects loan repayments by local governments.
36. The decrease principally relates to the transfer of infrastructure assets at nil value to Indigenous local councils under IEHIP.
37. The increase principally relates to the contribution made for the construction of infrastructure assets under IEHIP.
38. The decrease reflects the forecasted deficit for 2014-15.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

39. The decrease is primarily due to the carry-over of funding for the LGGSP, the Royalties for Regions program, and the COAG Capacity Building program; the completion of the WASP and the SCAP; and the realignment of funding from departmental services to equity for the construction of infrastructure assets under the IEHIP.
40. The increase relates to the costs recovered from local governments in respect of the appointment of Transfer Managers relating to de-amalgamation of local councils.
41. The increase principally relates to the contribution received for grants to local governments under the Get Ready Queensland program, and refunds of grants from local councils.
42. The decrease is primarily due to the realignment of funding from departmental services to equity for the construction of infrastructure assets under IEHIP; and the carry-over of funding for the COAG Capacity Building program to 2013-14.
43. The decrease is primarily due to the carry over of funding for the LGGSP, and the Royalties for Regions program and the completion of WASP and SCAP. This is partially offset by increased expenditure for the NDRP.
44. The increase relates to the return of contributions due to refunds of grants from local councils.

45. The decrease principally relates to the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
46. The decrease principally relates to the contributions made for the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

47. The decrease is primarily due to the completion of prior year grant programs. This is partially offset by additional funding for NDRP and the Royalties for the Regions program.
48. The decrease is primarily due to the transfer of funding for the maintenance of water infrastructure of the Northern Peninsula (NPA) Water Supply to a grant program, and the reduction in funding for IEHIP, as projects are nearing completion.
49. The decrease is primarily due to the completion of prior year grant programs. This is partially offset by additional funding for NDRP and the Royalties for the Regions program.
50. The decrease principally relates to the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
51. The decrease principally relates to the contributions made for the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
52. The decrease principally relates to the cash received on the transfer of NDRP from the Public Safety Business Agency in 2013-14.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

53. The increase is primarily due to additional funding for NDRP and the Royalties for the Regions program. This is partially offset by reduction in funding for LGGSP, as prior year grant programs are to be completed in 2014-15.
54. The decrease relates to the completion of the de-amalgamation of local councils.
55. The decrease principally relates to the reduction in contributions received for grants to local governments under the Get Ready Queensland program, and refunds of grants from local councils.
56. The decrease relates to the completion of the de-amalgamation of local councils and the appointment of Transfer Managers.
57. The increase is primarily due to additional funding for NDRP and the Royalties for the Regions program. This is partially offset by a reduction in funding for LGGSP, as prior year grant programs are completed.
58. The decrease relates to contributions returned in 2013-14.
59. The decrease principally relates to the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
60. The decrease principally relates to the contributions made for the construction of infrastructure assets on behalf of Indigenous local councils under IEHIP.
61. The decrease principally relates to the cash received on the transfer of NDRP from the Public Safety Business Agency in 2013-14.

## **Administered Statements**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

62. The decrease primarily relates to the funding for the Queensland Reconstruction Authority (QRA) due to a change to the profile of reconstruction spend by local governments.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

63. The decrease primarily relates to the funding for QRA following the completion of the 2011 and 2012 reconstruction programs in 2013-14. This decrease is partially offset by the advance payment for the Financial Assistance Grants (FAG) in June 2013 that applies to 2013-14.
64. The increase primarily relates to the advance payment in June 2013 for FAG to local governments that applies to 2013-14.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

65. The decrease primarily relates to the funding for QRA following the completion of the 2011 and 2012 reconstruction programs in 2013-14. This decrease is partially offset by the advance payment for FAG in June 2013 that applies to 2013-14.
66. The increase primarily relates to the advance payment in June 2013 for FAG to local governments that applies to 2013-14.

# STATUTORY BODY

## QUEENSLAND RECONSTRUCTION AUTHORITY

### AGENCY OVERVIEW

#### Strategic direction

The Queensland Reconstruction Authority (the Authority) was established under the *Queensland Reconstruction Authority Act 2011* following the unprecedented natural disasters which struck Queensland over the summer months of 2010-11. The Authority's role has been extended by the *Queensland Reconstruction Authority Amendment Act 2013* and now includes historical disaster events from 2009 through to current natural disaster activations.

The Authority manages and coordinates the Government's program of infrastructure reconstruction within disaster affected communities. The Authority's role focuses on working with state and local government partners to deliver value for money and best practice expenditure and acquittal of public reconstruction funds.

As a result of the natural disaster events of 2014, the Authority is also working with affected local governments to assess and establish the scale of damage.

The Authority's strategic objectives, in the context of natural disaster relief and recovery, are to:

- build a resilient Queensland
- deliver best practice expenditure and acquittal of public reconstruction funds.

The Authority contributes to the Government objectives for the community. In particular:

- 'Restore accountability in Government' by reporting monthly to the State and Australian Governments ensuring transparency and assurance that funds are being used appropriately
- 'Grow a Four Pillar Economy' by coordinating the rapid restoration of a competitive, sustainable Queensland
- 'Invest in better infrastructure and better planning' by coordinating all State-wide natural disaster relief and recovery reconstruction functions.

### RESOURCES AND PERFORMANCE

In 2013-14, the Authority's key achievements were:

- continued to actively manage and resource State-wide NDRRA reconstruction works, including works relating to Queensland's natural disaster events of 2013 and 2014, as well as report on their progress
- managed the distribution of NDRRA funding for the approximately \$14 billion restoration and reconstruction program
- managed close-out, acquittal and Australian Government reimbursement processes related to Queensland's natural disaster events for the relevant financial year
- allocated \$80 million in Australian and Queensland Government Betterment funding relating to the 2013 event to councils so they can build more resilient public infrastructure

- following 2013 events and the most recent disaster activations in 2014, the Authority's Damage Assessment and Reconstruction Monitoring system teams, in conjunction with the Queensland Fire and Emergency Services, conducted accelerated damage assessments of commercial, residential and council infrastructure in the worst hit areas
- continued to operate a Regional Liaison Officer network to engage with reconstruction delivery agents across the State, providing principal points of contact for each affected region
- finalised the transfer of State-wide floodplain mapping to the Department of Natural Resources and Mines.

In 2014-15, the Authority's key priorities are to:

- ensure the ongoing delivery of State-wide NDRRA reconstruction works, and report on their progress
- manage close-out, acquittal and Australian Government reimbursement processes related to Queensland's natural disaster events for the relevant financial year
- monitor progress and expenditure of the Australian and Queensland Governments' Betterment funding so councils can build more resilient public infrastructure
- continue damage assessment operations to capture and monitor progress of reconstruction in natural disaster affected areas across the state
- continue to operate a Regional Liaison Officer network to engage with reconstruction delivery agents across the state, providing principal points of contact for each effected region.

## STATEMENTS

### Staffing

Queensland Reconstruction Authority	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	1	98	98	98

Notes:

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

### Performance Statement

Queensland Reconstruction Authority	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
<b>Service standards</b>				
Completion of the reconstruction as required by the Commonwealth Natural Disaster Relief and Recovery Arrangements	1	June 2014	June 2014	June 2015
Acquittal and finalisation of Natural Disaster Relief and Recovery Arrangement claims with the Commonwealth Government for the relevant financial year	2	June 2014	June 2014	June 2015
Compliance with legislated requirements to report the Authority's function and performance	3	100%	100%	100%

Notes:

1. The Queensland Reconstruction Authority has been made responsible under ministerial direction for all Natural Disaster Relief and Recovery Arrangements (NDRRA) activated disaster events. Deadlines for completion are set by the Australian Government.
2. This relates to acquittal and finalisation of funds from the Australian Government for funds expended for the relevant financial year as required under the Australian Government's NDRRA Determination.
3. Under the *Queensland Reconstruction Authority Act 2011*, the Authority is required to publicly provide monthly reports. These are available online at [www.qldra.org.au](http://www.qldra.org.au).

## INCOME STATEMENT

Queensland Reconstruction Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		..	..	..
Grants and other contributions	1,4,6	4,142,774	3,656,145	1,851,828
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>4,142,774</b>	<b>3,656,145</b>	<b>1,851,828</b>
<b>Expenses</b>				
Employee expenses	3,8	11,079	12,169	11,633
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3,8	16,372	20,476	17,862
Grants and subsidies	2,5,7	4,115,046	3,622,710	1,821,453
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		277	790	880
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>4,142,774</b>	<b>3,656,145</b>	<b>1,851,828</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Reconstruction Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'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)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>



## BALANCE SHEET

Queensland Reconstruction Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	9,10	..	165,471	165,471
Receivables		22,981	49,467	49,467
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>22,981</b>	<b>214,938</b>	<b>214,938</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		473	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>473</b>	<b>..</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>23,454</b>	<b>214,938</b>	<b>214,938</b>
<b>CURRENT LIABILITIES</b>				
Payables		29,060	10,339	10,339
Accrued employee benefits		1,537	1,327	1,327
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>30,597</b>	<b>11,666</b>	<b>11,666</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	30	30
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>30</b>	<b>30</b>
<b>TOTAL LIABILITIES</b>		<b>30,597</b>	<b>11,696</b>	<b>11,696</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(7,143)</b>	<b>203,242</b>	<b>203,242</b>
<b>EQUITY</b>				
Capital/contributed equity		(160)	..	..
Accumulated surplus/(accumulated deficit)		(6,983)	203,242	203,242
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>(7,143)</b>	<b>203,242</b>	<b>203,242</b>

## CASH FLOW STATEMENT

Queensland Reconstruction Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		..	..	..
Grants and other contributions	11,14,17	4,142,774	3,656,145	1,851,828
Taxes		..	..	..
Other		376,616	332,377	168,348
<b>Outflows</b>				
Employee costs	13,19	(11,079)	(12,169)	(11,633)
Supplies and services	13,16,19	(392,988)	(352,853)	(186,210)
Grants and subsidies	12,15,18	(4,115,046)	(3,622,710)	(1,821,453)
Borrowing costs		..	..	..
Other		(277)	(790)	(880)
<b>Net cash provided by/(used in) operating activities</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		..	..	..
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>Cash at the beginning of financial year</b>		..	165,471	165,471
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		..	165,471	165,471

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Grants and other contributions income 2013-14 Estimated actual is below 2013-14 Adjusted budget due to the change to the funding profile from the State Government to match the level of expenditure.
2. Grants and subsidies expenses 2013-14 Estimated actual is below 2013-2014 Adjusted budget due to a change to the profile of reconstruction spend by State Departments and Agencies (SDAs) and Local Government Authorities (LGAs) and the impact of subsequent disaster events.
3. Employee expenses and Supplies and services expenses 2013-14 Estimated actual is greater than 2013-14 Adjusted budget due to additional expenditure approved relating to work required to acquit NDRRA grant expenditure.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

4. Grants and other contributions income 2014-15 Budget is below 2013-14 Adjusted budget due to the change to the funding profile from the State Government to match the level of expenditure.
5. Grants and subsidies expenses 2014-15 Budget is below 2013-2014 Adjusted budget due to forecast reduced delivery agent expenditure following the completion of the 2011 and 2012 reconstruction programs in 2013-14 (required to be completed by 30 June 2014).

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

6. Grants and other contributions income 2014-15 Budget is below 2013-14 Estimated actual due to the change to the funding profile from the State Government to match the level of expenditure.
7. Grants and subsidies expenses 2014-15 Budget is below 2013-2014 Estimated actual due to forecast reduced delivery agent expenditure following the completion of the 2011 and 2012 reconstruction programs in 2013-14 (required to be completed by 30 June 2014).
8. Employee expenses and Supplies and services expenses 2013-14 Estimated actual is greater than 2014-15 Budget due to additional expenditure approved relating to work required to acquit NDRRA grant expenditure.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

9. Cash assets 2013-14 Estimated actual is greater than 2013-14 Adjusted budget due to a change to the profile of funding from the State Government.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

10. Cash assets 2014-15 Budget is greater than 2013-14 Adjusted budget due to a change to the profile of funding from the State Government.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

11. Grants and other contributions 2013-14 Estimated actual is below 2013-14 Adjusted budget due the change to the profile of funding from the State Government to match the level of expenditure.
12. Grants and subsidies 2013-14 Estimated actual is below 2013-2014 Adjusted budget due to a change to the profile of reconstruction spend by State Departments and Agencies (SDAs) and Local Government Authorities (LGAs) and the impact of subsequent disaster events.
13. Employee costs and Supplies and services 2013-14 Estimated actual is above 2013-14 Adjusted budget due to additional expenditure approved relating to work required to acquit NDRRA grant expenditure. and also the timing of GST receipts.
- 14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

15. Grants and other contributions 2014-15 Budget is below 2013-14 Adjusted budget due to the change to the funding profile from the State Government to match the level of expenditure.
16. Grants and subsidies 2014-15 Budget is below 2013-14 Adjusted budget due to forecast reduced delivery agent expenditure following the completion of the 2011 and 2012 reconstruction programs in 2013-14 (required to be completed by 30 June 2014).

17. Supplies and services 2014-15 Budget is below 2013-14 Adjusted budget due to reduced overall GST outflows.

Major variations between 2013-14 Estimated actual and the 2014-15 budget include:

18. Grants and other contributions 2014-15 Budget is below 2013-14 Estimated actual due to the change to the funding profile from the State Government to match the level of expenditure.

19. Grants and subsidies 2014-15 Budget is below 2013-2014 Estimated actual due to forecast reduced delivery agent expenditure following the completion of the 2011 and 2012 reconstruction programs in 2013-14 (required to be completed by 30 June 2014).

20. Employee expenses and Supplies and services expenses 2013-14 Estimated actual is greater than 2014-15 Budget due to additional expenditure approved relating to work required to acquit NDRRA grant expenditure.

# 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.
<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.

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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).



