



State Budget 2012-13

Service Delivery Statements

Department of the Premier and Cabinet

Office of the Governor

Public Service Commission

Queensland Audit Office



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.

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Service Delivery Statements

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Department of the Premier and Cabinet

Summary of departmental budget¹

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
3	Department of the Premier and Cabinet – controlled	244,719	249,309	111,473
	Department of the Premier and Cabinet – administered	413,468	2,452,014	44,102
37	Office of the Governor	5,719	5,735	5,983
51	Public Service Commission	15,923	16,909	19,042
69	Queensland Audit Office	45,387	44,199	43,749

Note:

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

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PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Premier of Queensland.

The Premier leads Parliament, is the Chief Minister and Chair of Cabinet, chooses Ministers and allocates portfolios, represents his electorate, undertakes portfolio responsibilities and is the main channel of communication between:

- the Governor and Cabinet
- the Queensland Government and other State and Territory Governments
- the Queensland Government and the Commonwealth Government and overseas governments.

The Premier is also the responsible Minister for the Queensland Audit Office, Office of the Governor and Public Service Commission. Details of these agencies are provided separately.

The Department of the Premier and Cabinet (DPC) provides the following services:

- Government and Executive Support Service
- Policy Advice, Coordination and Cabinet Support Service
- Legislative Drafting, Advisory and Information Service.

DPC has two main roles – to support and advise the Premier and Cabinet, and to provide leadership to other Ministers and their portfolio agencies in delivering quality services to all Queenslanders. DPC's functions include:

- coordinating initiatives that support the government's objectives for the community
- supporting and advising the Premier and Cabinet, Ministers and agencies to ensure the processes of government run efficiently
- providing executive and support services for the Premier and other departments
- providing legislative drafting and advisory services
- leading policy coordination across government
- supporting Cabinet and Cabinet Committee decision-making
- managing Queensland's relationships with other governments.

Additional information can be found at www.thepremier.qld.gov.au or on the department's website at www.premiers.qld.gov.au

Portfolio Structure and Services

<p>Premier of Queensland The Honourable Campbell Newman MP</p>

<p>Department of the Premier and Cabinet</p>

<p>Director-General: Jon Grayson</p>

<p>Service Area 1: Government and Executive Support Service</p>
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<p>Service Area 2: Policy Advice, Coordination and Cabinet Support Service</p>

<p>Service Area 3: Legislative Drafting, Advisory and Information Service</p>
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RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

With the Premier as our key client, the department provides support to all Cabinet Ministers and agencies through the delivery of robust, objective policy advice and enabling the processes of Cabinet, Parliament and Executive Council.

The department is committed to supporting the delivery of the government's community objectives and streamlining its services to better meet Queenslanders' expectations. The department will work with stakeholders to achieve the government commitment of *Getting Queensland back on track* with a focus on restoring accountability in the public service. There are many challenges in the current environment and the department will work hard to restore the fiscal surplus, right size the department, and work with agencies to deliver services and meet stakeholder expectations.

The department's strategic objectives align with the government's initiatives to:

- support the delivery of the government's objectives and priorities for the community and improve the performance of public services
- develop resources to sustain an innovative and flexible organisation.

During 2012-13 the department will:

- Finalise the drafting of the new Ministerial Code of Conduct
- Continue to provide effective executive support for Parliament, Cabinet and government decision-making processes, Ministers and Ministerial Offices
- Continue to provide aviation services for the transport needs of the Premier, Governor and Ministers; organ retrievals, emergency search and rescue, counter-disaster operations and other official transport
- Continue to identify leveraging opportunities for events and continue to manage sponsorships and whole-of-government communication
- Continue to coordinate visits by senior Foreign Officials and Foreign Heads of Mission.
- Lead, oversee and coordinate comprehensive efficiency reviews across government, as part of the Public Sector Renewal Program
- Work with other Queensland Government departments to coordinate assistance to the Queensland Child Protection Commission of Inquiry
- Work with other Queensland Government departments to remove barriers to home ownership for Indigenous Queenslanders living on communal land
- Coordinate implementation of recommendations from the Queensland Floods Commission of Inquiry interim and final reports, including developing the Disaster Readiness Amendment Bill 2011 and the government's formal response to the final report
- Update the Scientific Consensus Statement outlining the latest evidence on reef water quality.
- Provide input to the State's delivery of urban water reforms to deliver lower water prices
- Develop and lead, together with Queensland Treasury and Trade, cross-government initiatives to deliver the government's commitment to getting business conditions right and to reduce red tape and regulatory burden by 20%
- Provide support for Cabinet and Cabinet committees, and coordinate and support Community Cabinet events across rural and regional Queensland
- Assist the government to deliver on its key projects, including the CBD Government Administrative Precinct

- Roll-out an information system for Cabinet documents to provide a streamlined and secure management and circulation of Cabinet documents
- Work with whole-of-government to produce the legislation required for the government's legislative reform agenda
- Apply drafting and publishing services in support of the government's initiative to cut red tape and regulatory burden by 20%
- Improve accessibility and availability of information on the operation of fundamental legislative principles (FLP) in legislation by publishing an FLP notebook
- Continue the eLegislation project which includes the introduction of authorised electronic legislation and the electronic publishing of pre-1991 legislation as made.

During 2011-12 the department:

- Supported the information needs of the Queensland Floods Commission of Inquiry and coordinated whole-of-government input and response to key recommendations
- Provided aviation services for the transport needs of the Premier, Governor and Ministers; organ retrievals, emergency search and rescue, counter-disaster operations and other official transport
- Provided strategic leadership to the State Disaster Management Group across all government departments, agencies and local government
- Coordinated the swearing-in of Ministers and appointment of Assistant Ministers in March and April 2012 following the State election, and the subsequent transition of Ministerial Offices
- Assisted the Parliamentary Service with the opening of Queensland's 54th Parliament, including the preparation of constitutional forums
- Continued to manage and distribute funds collected through the Premier's Disaster Relief Appeal
- Coordinated 47 official visits and 94 official functions, including activities associated with the visit of Her Majesty the Queen and His Royal Highness The Duke of Edinburgh in October 2011
- Coordinated a network infrastructure upgrade for Ministerial Offices and Office of the Leader of the Opposition to facilitate improved network performance and resilience
- Established the Public Sector Renewal Board to oversee the program of operational efficiency reviews of government departments and Government Owned Corporations
- Provided analysis and advice on implementation of health reforms in line with the government's agenda to set up autonomous Hospital and Health Boards and encourage greater local decision-making
- Undertook an examination of the Indigenous Criminal Justice Research Agenda to identify knowledge gaps and research opportunities. A number of additional initiatives have been supported through this process, including:
 - Aurukun and Manoora Sex Offending Project (Griffith University) which aims to reduce young people's offending and sexual offending by dealing with factors that if left unaddressed could lead to recidivism;
 - An Indigenous Cadetship Program which leverages Commonwealth funding to support two cadet positions to gain policy and research experience on Indigenous justice issues;
 - The Vulnerable Families and Parental Incarceration Project which will contribute to breaking the intergenerational cycle of crime and offending.
- Progressed the initiatives identified in the *First 100 Days Action Plan* delivered in July 2012
- Contributed to the establishment of the process to amalgamate the bulk water entities as part of the Four Point Water Plan to reduce water prices

- Assisted with implementing the new government's industrial relations reform agenda, including new wages policies for the Queensland public sector and Government Owned Corporations and key legislative reforms supporting the government's three percent employee expenses cap
- Positioned Queensland to input and benefit from the Council of Australian Governments' (COAG) streamlined agenda
- Finalised development of an information system for the secure management and circulation of Cabinet documents
- Provided support for Cabinet and Cabinet committees, including coordination of all Cabinet business and circulation of submissions and decisions
- Coordinated and supported Community Cabinet events across rural and regional Queensland.
- Worked with whole-of-government to produce the legislation required for the government's legislative reform agenda
- Improved accessibility and availability of information on the operation of FLP in legislation by making available a fundamental legislative principles (FLP) index on Govnet, the whole-of-Government intranet
- Commenced an eLegislation project that will transform public access to legislation and legislative information, introduce authorised electronic legislation, and significantly improve the efficiency of the legislative drafting and publishing service.

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 areas and by controlled and administered classifications.

Department of the Premier and Cabinet	2011-12 Adj. Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ^{1, 2}			
Deferred from previous year/s	17,540	16,140	8,633
Balance of service appropriation	209,609	208,389	96,869
Other revenue	17,570	24,862	5,971
Total income	244,719	249,391	111,473
Expenses			
Policy Advice, Coordination and Cabinet Support Service ³	40,135	40,376	45,798
Government and Executive Support Service ⁴	64,127	72,512	49,881
Queensland Government Information and Communication Technology Service ⁵	13,591	13,866	..
Arts and Culture Service ⁶	111,033	107,306	..
Legislative Drafting, Advisory and Information Service	13,669	12,996	13,847
Corporate services provided to other agencies	2,164	2,253	1,947
Total expenses	244,719	249,309	111,473
Operating surplus/(deficit)	..	82	..
Net assets	8,155	5,225	4,782
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items ^{7,8}	413,300	2,421,846	44,102
Other administered revenue	168	30,168	..
Total revenue	413,468	2,452,014	44,102
Expenses			
Transfers to government	..	..	..
Administered expenses	413,468	2,452,014	44,102
Total expenses	413,468	2,452,014	44,102
Net assets	3,081	4,295	4,295

Department of the Premier and Cabinet	2011-12 Adj. Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
APPROPRIATIONS			
Controlled items			
Departmental services ¹	227,149	225,932	107,777
Equity adjustment	(18,331)	(17,351)	(443)
Administered items⁸	413,300	2,480,472	46,676
VOTE TOTAL⁹	622,118	2,689,053	154,010

Notes:

1. Appropriation for services does not match appropriation for departmental services in the 2011-12 Est. actual and 2012-13 Estimate due to appropriation receivable of \$1.4 million and \$2.3 million respectively.
2. Includes State and Commonwealth funding.
3. Policy Advice, Coordination and Cabinet Support Service includes costs associated with the Office of the Queensland Chief Scientist which was transferred to the Department of Science, Information Technology, Innovation and The Arts effective 1 May 2012. The 2011-12 Adjusted Budget reflects this part year transfer.
4. Government and Executive Support Service includes costs associated with the Office of Commonwealth Games Coordination which was transferred to the Department of Tourism, Major Events, Small Business and Commonwealth Games effective 1 May 2012.
5. Queensland Government Information and Communication Technology Service includes costs associated with the Queensland Government Chief Information Office which transferred into the department from the former Department of Public Works effective 1 December 2011. The Office subsequently transferred to the Department of Science, Information Technology, Innovation and The Arts effective 1 May 2012. The 2011-12 Adjusted budget reflects this part year transfer.
6. Arts and Culture Service includes Arts Queensland which was transferred to the Department of Science, Information Technology, Innovation and The Arts effective 1 May 2012. The 2011-12 Adjusted budget reflects this part year transfer.
7. The 2011-12 Est. actual includes a \$2.257 billion payment to the Queensland Reconstruction Authority. This statutory authority now falls within the Ministerial Portfolio of the Minister for State Development, Infrastructure and Planning.
8. Appropriation of administered items does not match Appropriations Administered items in the 2011-12 Est. actual and 2012-13 Estimate due to appropriation receivable of \$58.6 million and \$2.6 million respectively.
9. In accordance with s79 of the *Financial Accountability Act 2009*, the 2011-12 Adjusted Budget does not match the Appropriation Bill due to the impact of machinery-of-Government changes.

Budget Measures Summary

This 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.

Department of the Premier and Cabinet	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(4,360)	6,509	(2,089)	(3,089)	(3,089)
Total expense measures					
Administered	..	..	..	..	..
Departmental	(4,360)	6,509	(2,089)	(3,089)	(3,089)
Capital measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total capital measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Staffing

Department of the Premier and Cabinet	Notes	2011-12 Adj. Budget	2011-12 Est. Actual	2012-13 Estimate
ADMINISTERED²	1	438	412	387
Ministerial Offices and Office of the Leader of the Opposition		245	234	234
TOTAL		683	646	621

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Further detail is provided in the Administered Items section for Ministerial Offices and Office of the Leader of the Opposition.

SERVICE PERFORMANCE

Our service areas are:

Government and Executive Support Service

Government and Executive Support Service provides policy advice to the Premier in relation to executive government and machinery-of-government matters, support to the administration of business before the Executive Council, support services to Ministerial Offices, Assistant Ministers and the Office of the Leader of the Opposition, and fixed-wing air services to meet the transport needs of the Premier, Governor and Ministers and emergency and other aviation needs of the community and the government. In addition, the service is involved in the management and coordination of events, State occasions, official visits and functions and whole-of-government communication activities.

Policy Advice, Coordination and Cabinet Support Service

Policy Advice, Coordination and Cabinet Support Service provides policy advice and coordination for the Premier and Cabinet and supports Cabinet and Cabinet-related activities. The service provides detailed briefings to the Premier on policy from design and development through coordination to implementation and delivery. The service also provides advice on intergovernmental issues and supports the Premier in his role as First Minister for Council of Australian Governments (COAG) and Council for the Australian Federation (CAF) meetings. The service also monitors performance and delivery of whole-of-government policy commitments. Through this service the Premier receives detailed briefs on all matters before Cabinet and Cabinet subcommittees. It coordinates a broad range of whole-of-government activities and provides expert advice on the operation of Cabinet and its related processes, administration of all Cabinet information, custodianship of the Cabinet record from current and previous governments and direct logistical support to Ministers in Cabinet meetings including Community Cabinet meetings.

Legislative Drafting, Advisory and Information Service

The Office of the Queensland Parliamentary Counsel (OQPC) provides the drafting and e-publishing service for Queensland legislation. The service exists to support government and democracy by drafting and e-publishing legislation of the highest quality for Queensland. This service enables the government to implement its legislative reform agenda. OQPC makes a special contribution by advising on the application of fundamental legislative principles to ensure that legislation has sufficient regard to the rights and liberties of individuals and the institution of Parliament.

2012-13 Service Summary¹

Service areas	Sources of Revenue				
	Total Cost \$'000	State Contribution \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Government and Executive Support Service	49,881	45,892	3,271	..	718
Policy Advice, Coordination and Cabinet Support Service	45,798	45,798	..	..	..
Legislative Drafting, Advisory and Information Service	13,847	13,812	35	..	..
Total²	109,526	105,502	3,306	..	718

Notes:

1. Explanations of variances are provided in the financial statements.
2. The total sources of revenue do not equal the "Total Income" in the Departmental Budget Summary or the Income Statement as the department provides corporate services to the Public Service Commission, Queensland Treasury and Trade, Health Quality and Complaints Commission, Department of State Development, Infrastructure and Planning and the Office of the Governor.

Performance Statement¹

	Notes	2011-12 Target/est. ²	2011-12 Est. Actual ²	2012-13 Target/est.
Service Area : Government and Executive Support Service				
Service standards				
Client satisfaction with DPC support in relation to Executive Council processes		85%	100%	85%
Client satisfaction with DPC support in relation to significant appointment processes		85%	97%	85%
Other measures				
Number of Executive Council Minutes	3	900	709	900
Number of Ministerial Office training days provided	4	130	85	130
Total flying hours achieved (organ retrievals, search and rescue, official transport, other)	5	750	513	750
Number of event activities organised for Queensland	6,7	34	24	17
Number of speeches and related services prepared	8	400	340	400
Number of process improvement reviews undertaken		31	38	31
State contribution (\$000)		61,836	51,187	45,892
Other revenue (\$000)		2,682	3,273	3,989
Total cost (\$000)	9	64,518	54,460	49,881

Service Area : Policy Advice, Coordination and Cabinet Support Service

Service standards

Participant satisfaction with the Community Cabinet consultation process	10	95%	..	..
Client satisfaction with DPC support in completion of the Cabinet bag		90%	100%	90%
Client satisfaction with DPC support for Cabinet Committees		95%	100%	95%

	Notes	2011-12 Target/est. ²	2011-12 Est. Actual ²	2012-13 Target/est.
Client satisfaction with DPC engagement with the policy development process		95%	94%	95%
Client satisfaction with advice by DPC to agencies on Cabinet and CBRC submissions		90%	98%	90%
Client satisfaction with advice and support to deliver government commitments		90%	97%	90%
Client satisfaction with policy advice provided by DPC on achievement of the government's community objectives	11	90%	96%	90%
Client satisfaction with advice by DPC to agencies on performance management and reporting requirements		90%	96%	90%
Other measures				
Number of Cabinet meetings supported	8	46	41	46
Number of Community Cabinet meetings supported	8	10	5	10
Number of Cabinet Committee meetings supported	8,12	100	62	80
Percentage of Cabinet Secretariat timeframes met for Cabinet decisions		100%	100%	100%
State contribution (\$000)		39,656	39,651	45,798
Other revenue (\$000)		..	134	..
Total cost (\$000)	13	39,656	39,785	45,798

Service Area : Legislative Drafting, Advisory and Information Service

Service standards

Level of direct government drafting client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel

85% 96% 85%

	Notes	2011-12 Target/est. ²	2011-12 Est. Actual ²	2012-13 Target/est.
Other measures	14			
Reasonable levels of output:				
• Number of Bills provided		..	106	..
• Number of instruments of subordinate legislation provided		..	366	..
• Number of pages of Bills and subordinate legislation provided		..	12,439	..
• Number of amendments during consideration in detail provided		..	30	..
• Number of pages of amendments during consideration in detail provided		..	167	..
• Number of pages prepared in camera-ready form for publication		..	227,164	..
Percentage of printed legislative publications with a mandatory deadline supplied within mandated timeframes		100%	100%	100%
Percentage of legislation reprints available on-line within 5 working days of the commencement of an amendment to the reprint		75%	94%	75%
State contribution (\$000)		13,634	12,920	13,812
Other revenue (\$000)		35	76	35
Total cost (\$000)		13,669	12,996	13,847

Notes:

1. Explanations of budgeted variances are provided in the financial statements.
2. The 2011-12 Target/est. and the 2011-12 Est. actual budgets do not align with the Departmental Budget Summary table as costs associated with functions that transferred to other agencies during 2011-12 have been excluded.
3. Decreased number of Minutes reflects limited Executive Council meetings during Caretaker Period and post-election / machinery-of-Government change period when lower than average number of minutes was brought to the Governor-in-Council.
4. Decreased number of training days due to no compulsory programs being run between July-December, and during Caretaker Period.
5. Air Wing activity is demand-driven and fluctuates in line with need.
6. Decrease in 2011-12 Est. actual number of events reflects bad weather cancellation of two Australia Day events, three Queensland week events, and the cancellation of events associated with two Community Cabinets during Caretaker Period.
7. Reduced 2012-13 Target/est. reflecting the practices of the new government including savings initiatives, as well as cessation of events organised in relation to Community Cabinet meetings.
8. Decrease in 2011-12 Est. actual is primarily due to Caretaker Period.

9. The 2011-12 Target/est. and the 2011-12 Est. actual have been adjusted to exclude the Office of the Commonwealth Games Coordination which transferred to Department of Tourism, Major Events, Small Business and Commonwealth Games.
10. During 2011-12, only one two-day Community Cabinet meeting was held at which the survey could be undertaken. A revised approach to measuring the performance of this service will be considered in 2012-13. This measure is under review.
11. The wording of this measure has been changed to better reflect the activity undertaken.
12. Fewer Cabinet Committee meetings are expected to be supported, reflecting the practices of the new government.
13. The 2011-12 Target/est. and the 2011-12 Est. actual have been adjusted to exclude the Office of the Queensland Chief Scientist, which was transferred to the Department of Science, Information Technology, Innovation and The Arts.
14. Workloads are driven by the government's legislative program and the sittings pattern of the Legislative Assembly. Services are not consistent throughout the year and may vary from year to year.

Administered Items

Administered activities are those undertaken by the department on behalf of the government.

In 2012-13 the Department of the Premier and Cabinet will administer payments to Ministerial Offices and Office of the Leader of the Opposition, as well as payments in relation to former Governors of Queensland.

DESCRIPTION

Ministerial Offices and Office of the Leader of the Opposition

The key clients of this administered item are Ministers, Assistant Ministers and the Leader of the Opposition. The services provided are:

- Support for Ministers to assist in undertaking their responsibilities as Ministers of the Crown.
- Management of advisor, secretarial and administrative staff and associated resources for all Ministerial Offices.
- Maintaining adequate procedures to ensure the financial accountability of these offices is in accordance with the *Queensland Ministerial Handbook*.
- Providing similar corporate support for the Office of the Leader of the Opposition.

The accounting, purchasing, information technology, asset management and personnel requirements for these administered areas are supplied by Ministerial Services within Government and Executive Support Service.

During 2012-13 the following significant developments are planned:

- Implement the revised *Queensland Ministerial Handbook* and carry out a review of the *Queensland Opposition Handbook*.

Significant achievements undertaken in 2011-12 were:

- Completed the upgrade to the Ministerial Offices and Office of the Leader of the Opposition network infrastructure.
- Provided corporate support for the change of government, ensuring the smooth transition of the new ministry into their ministerial offices.
- Participated in a series of ministerial staff orientation programs delivering presentations which covered the *Code of Conduct Ministerial Staff Members* and requirements of the *Queensland Ministerial Handbook*.

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

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. Actual	2012-13 Target/est.
Administered Item : Ministerial Offices and Office of the Leader of the Opposition				
Staff numbers	1	245	234	234
		Ongoing	Ongoing	Ongoing
Policies and Guidelines		review	review	review
Public Report of office expenses to Parliament	2	February and August	May and August	February and August
Financial reporting to individual Ministers and the Office of the Leader of the Opposition		Monthly	Monthly	Monthly
State contribution (\$000)		43,259	40,983	43,957
Other revenue (\$000)		..	..	..
Total cost (\$000)		43,259	40,983	43,957

Notes:

1. The staffing numbers have decreased for the total of Ministerial Offices.
2. Due to the Caretaker Period being invoked, the Public Report was not tabled by the previous government in February. Premier Campbell Newman tabled the December Public Report on 29 May 2012.

Staff by Office¹	Notes	2011-12 Budget²	2011-12 Est. Act.	2012-13 Estimate
Premier			35	35
Deputy Premier, Minister for State Development, Infrastructure and Planning			14	14
Treasurer and Minister Trade			16	16
Minister for Health			10	10
Minister for Education, Training and Employment			11	11
Minister for Police and Community Safety			11	11
Attorney-General and Minister for Justice			10	10
Minister for Transport and Main Roads			10	10
Minister for Housing and Public Works			10	10
Minister for Agriculture, Fisheries and Forestry			9	9
Minister for Environment and Heritage Protection			8	8
Minister for Natural Resources and Mines			8	8
Minister for Energy and Water Supply			9	9
Minister for Local Government			9	9
Minister for Communities, Child Safety and Disability Services			10	10
Minister for Science, Information Technology, Innovation and The Arts			8	8
Minister for National Parks, Recreation, Sport and Racing			8	8
Minister for Tourism, Major Events, Small Business and Commonwealth Games			8	8
Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier			8	8
Total Ministerial Offices	3	223	212	212
Office of the Leader of the Opposition		22	22	22
Total for Non-Government Support		22	22	22
GRAND TOTAL		245	234	234

Notes:

1. Figures may not add due to rounding.
2. Due to the changed portfolio structure, totals only are shown.
3. The 2012-13 Estimate represents a reduction in Ministerial staff of 11 positions from the 2011-12 Budget.

Budget and Expenses by Office¹

	Notes	2011-12 Budget \$'000	2011-12 Est. Act. \$'000 ²	2012-13 Estimate \$'000
Premier and Minister for Reconstruction		5,550	4,221	..
Deputy Premier and Attorney-General, Minister for Local Government and Special Minister of State		2,256	1,611	..
Treasurer and Minister for State Development and Trade		1,992	1,568	..
Minister for Health		1,892	1,488	..
Minister for Police, Corrective Services and Emergency Services		1,688	1,182	..
Minister for Energy and Water Utilities		1,593	1,064	..
Minister for Main Roads, Fisheries and Marine Infrastructure	3	1,910	1,389	..
Minister for Education and Industrial Relations		1,973	1,368	..
Minister for Agriculture, Food and Regional Economies		1,706	1,195	..
Minister for Employment, Skills and Mining		1,553	1,174	..
Minister for Finance and The Arts	4	1,288	1,030	..
Minister for Environment and Resource Management (1 July 2011 to 21 June 2012)		1,862	1	..
Minister for Environment (from 22 June 2011 to 24 March 2012)		..	1,169	..
Minister for Transport and Multicultural Affairs		1,882	1,337	..
Minister for Child Safety and Minister for Sport		1,596	1,110	..
Minister for Community Services and Housing and Minister for Women		1,630	1,080	..
Minister for Tourism, Manufacturing and Small Business		1,778	1,124	..
Minister for Government Services, Building Industry and Information and Communication Technology		1,638	1,112	..
Minister for Disability Services, Mental Health and Aboriginal and Torres Strait Islander Partnerships		1,653	1,161	..
Total Ministerial Offices		35,438	25,384	..

	Notes	2011-12 Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Parliamentary Secretary for Parliamentary Reform		117	61	..
Parliamentary Secretary for Trade and Multicultural Affairs		98	62	..
Parliamentary Secretary to the Treasurer and for State Development		95	54	..
Parliamentary Secretary for Health		93	49	..
Parliamentary Secretary assisting the Premier on the Gold Coast and Commonwealth Games		54	11	..
Parliamentary Secretary for Emergency Services		107	38	..
Parliamentary Secretary Assisting the Premier on Economic Development in the Far North		87	14	..
Total Parliamentary Secretaries		650	289	..
Total for Ministerial Offices and Parliamentary Secretaries		36,088	25,673	..
Office of the Leader of the Opposition		3,290	2,607	..
Total for Non-Government support		3,290	2,607	..
Corporate Support		3,881	1,646	..
GRAND TOTAL		43,259	29,925	..

Notes:

1. Figures may not add due to rounding.
2. The 2011-12 Est. Actual relates to the period 1 July 2011 to 24 March 2012.
3. The Office of the Minister for Main Roads, Fisheries and Marine Infrastructure includes the Townsville regional office.
4. The Office of the Minister for Finance and The Arts had Natural Resources added to the portfolio from 22 June 2011.

Budget and Expenses by Office¹

	Notes	2011-12 Budget \$'000	2011-12 Est. Act. \$'000 ²	2012-13 Estimate \$'000
Premier		..	1,452	6,094
Deputy Premier, Minister for State Development, Infrastructure and Planning		..	561	2,799
Treasurer and Minister for Trade		..	373	2,365
Minister for Health		..	390	1,863
Minister for Education, Training and Employment		..	344	1,799
Minister for Police and Community Safety		..	334	1,788
Attorney-General and Minister for Justice		..	272	1,648
Minister for Transport and Main Roads		..	296	1,628
Minister for Housing and Public Works		..	314	1,581
Minister for Agriculture, Fisheries and Forestry		..	315	1,631
Minister for Environment and Heritage Protection		..	289	1,454
Minister for Natural Resources and Mines		..	245	1,485
Minister for Energy and Water Supply		..	281	1,527
Minister for Local Government		..	259	1,430
Minister for Communities, Child Safety and Disability Services		..	290	1,563
Minister for Science, Information Technology, Innovation and The Arts		..	324	1,483
Minister for National Parks, Recreation, Sport and Racing		..	275	1,411
Minister for Tourism, Major Events, Small Business and Commonwealth Games		..	292	1,484
Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier		..	193	1,423
Total Ministerial Offices		..	7,099	36,456

	Notes	2011-12 Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Assistant Minister for Planning Reform		..	7	86
Assistant Minister for Finance, Administration and Regulatory Reform		..	7	95
Assistant Minister for Health		..	9	92
Assistant Minister for Technical and Further Education		..	8	89
Assistant Minister for Public Transport		..	8	90
Assistant Minister for Natural Resources and Mines		..	9	93
Assistant Minister for Child Safety		..	5	86
Assistant Minister for Sport and Racing		..	4	90
Assistant Minister for Tourism		..	11	131
Assistant Minister for Aboriginal and Torres Strait Islander Affairs		..	10	130
Assistant Minister for Multicultural Affairs		..	8	84
Total Assistant Ministers		..	86	1,066
Total for Ministerial Offices and Assistant Ministers		..	7,185	37,522
Office of the Leader of the Opposition		..	418	3,430
Total for Non-Government support		..	418	3,430
Corporate Support		..	3,455	3,005
GRAND TOTAL	3	..	11,058	43,957

Notes:

1. Figures may not add due to rounding.
2. The 2011-12 Est. Actual relates to the period 26 March 2012 to 30 June 2012.
3. Savings of \$2.276 million in the combined 2011-12 Est. actual are due to the transition to government following the State Election held on 24 March 2012. These savings have been used to fund the 2012-13 financial year.

CAPITAL

Capital program

The Department of the Premier and Cabinet has capital purchases in 2012-13 of \$2.215 million. This will be applied towards the replacement, enhancement and development of office equipment and information systems that contribute towards the efficient delivery of the department's services. This includes the completion of systems to improve Cabinet processes and public access to legislation and legislative information.

The physical assets and software which support departmental activities and operations are largely driven by human resource and information management needs, as well as the department's capacity to meet emergency and other aviation needs of the community and the government.

Increased budget pressures will continue to foster an increasing demand for strong fiscal management including, for example, careful management of the full asset life cycle, a structured replacement/upgrade program and revision of costs associated with ownership of information and communication technology infrastructure assets. Careful examination of the department's asset requirements is necessary in order to ensure that asset holdings are in accordance with the department's operational requirements.

Asset replacement program

Under a structured program of asset replacement and upgrade, it is anticipated that \$0.822 million will be expended on physical assets in 2012-13.

A component of enabling the department's services is the provision of a suitable office environment, with flexibility to adjust to changing departmental structures and priorities. As the department leases its office accommodation, any refurbishments of office space requires close consultation and liaison with the Queensland Government Accommodation Office within the Department of Housing and Public Works.

In addition, the timely replacement of office equipment to encapsulate technological advancements also assists in the productive delivery of departmental services.

Information systems development and replacement program

Under a structured program of information system replacement, enhancement and development, it is anticipated that \$1.393 million will be spent in 2012-13.

As the department's objectives increasingly require the timely transfer of information between a variety of internal and external users, the department will continue to improve core business systems for information management. Completion of systems to improve Cabinet processes and public access to legislation and legislative information are priorities in 2012-13.

Fixed-wing services

A component of the Government and Executive Support Service provided by the department includes the provision of fixed-wing services to meet emergency and other aviation needs of the community and the government. The department is required to maintain suitable aviation assets to support the official travel requirements of Ministers and the Governor, as well as provide capacity to undertake counter-disaster, organ retrieval, search and rescue and policing-related activities.

Given the significance of the department's investment in its aircraft relative to its total capital asset holdings, prudent management of the life cycle and planned replacement of the aircraft of the Government Air-Wing is essential. It has been forecast that to maintain operational efficiency and relatively low maintenance costs, the government aircraft need to be replaced approximately every ten years. Capital expenditure to replace both aircraft is not expected to be incurred until 2015-16, however the cost/benefit of replacing versus maintenance is constantly monitored.

Capital budget statement

Department of the Premier and Cabinet	Notes	2011-12 Adj. Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases	1,2			
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		14,635	11,964	822
Total intangibles		2,170	1,944	1,393
Total Capital Purchases	3	16,805	13,908	2,215

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. The 2011-12 Adj. budget and 2011-12 Est. actual align with the financial statements and consequently include the part-year impact of machinery-of-Government transfers whereas the agency's Budget Paper 3 does not.
3. A decrease in the 2012-13 Estimate when compared to both the 2011-12 Adj. budget and 2011-12 Est. actual is primarily due to the transfer of Arts Queensland and the Queensland Government Chief Information Office to the Department of Science, Information Technology, Innovation and The Arts.

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

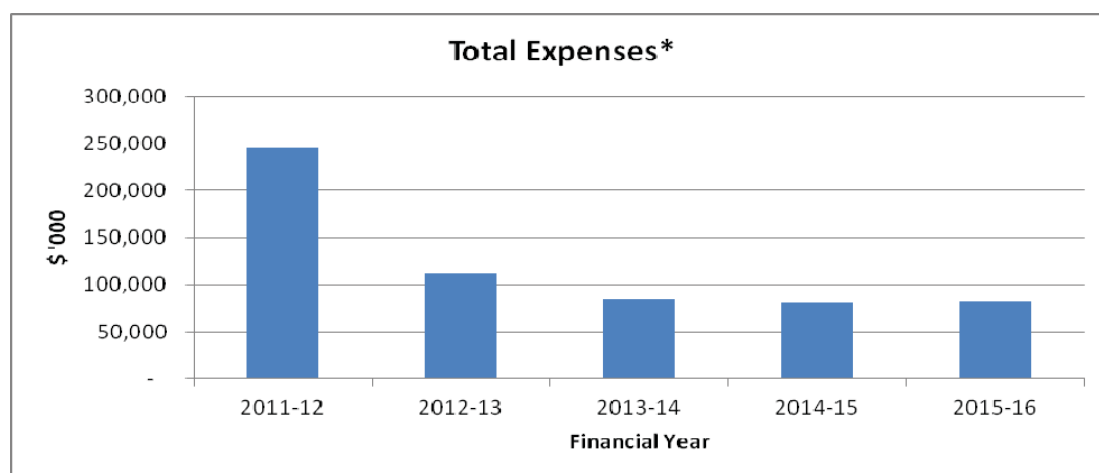
Total expenses are estimated to be \$111.473 million in 2012-13, a decrease of \$133.246 million from the 2011-12 financial year. The decrease is mainly due to machinery-of-Government transfers.

Transfers affecting the department in 2011-12 were:

- Arts Queensland to the Department of Science, Information Technology, Innovation and The Arts
- Office of Commonwealth Games Coordination to the Department of Tourism, Major Events, Small Business and Commonwealth Games
- Queensland Government Chief Information Office to the Department of Science, Information Technology, Innovation and The Arts
- Office of the Queensland Chief Scientist to the Department of Science, Information Technology, Innovation and The Arts.

The decrease over the outyears is primarily due to the Government's commitment to fiscal repair.

Chart 1: Total departmental expenses across the Forward Estimates period



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

Departmental balance sheet

The department's major asset holdings are the two aircraft, the Hawker 850XP and the Beech King Air 350, with a total value of \$9.5 million on 30 June 2012. Other property, plant and equipment, comprised mainly of information and communication hardware (\$2.4 million), and software applications (\$1.9 million) account for the remaining non-current asset holdings. The department's main liabilities relate to loans associated with the two aircraft (\$13.7 million). The loans are due to be settled in 2015-16.

INCOME STATEMENT

Department of the Premier and Cabinet	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,9,15	227,149	224,529	105,502
User charges	2,10,16	16,100	19,533	5,253
Grants and other contributions	3,10,16	1,290	4,072	714
Other revenue	4,10,16	180	1,257	4
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		244,719	249,391	111,473
Expenses				
Employee expenses	5,11,17	69,349	77,736	47,963
Supplies and services	6,12,18	75,646	60,751	39,039
Grants and subsidies	13,19	62,405	60,939	21,062
Depreciation and amortisation	14,20	35,522	32,197	2,022
Finance/borrowing costs		937	1,380	799
Other expenses	7,21	860	15,653	588
Losses on sale/revaluation of property, plant and equipment and investments	8,22	..	653	..
Total expenses		244,719	249,309	111,473
OPERATING SURPLUS/(DEFICIT)		..	82	..

STATEMENT OF CHANGES IN EQUITY

Department of the Premier and Cabinet	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	
Net income recognised directly in equity	
Surplus/(deficit) for the period		..	82	..
Total recognised income and expense for the period		..	82	..
Equity injection/(withdrawal)		(18,331)	(17,351)	(443)
Equity adjustments (MoG transfers)		(734,251)	(737,323)	..
Total movement in equity for period		(752,582)	(754,592)	(443)

BALANCE SHEET

Department of the Premier and Cabinet	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		3,512	2,103	1,852
Receivables	23,28,34	2,807	7,814	5,289
Other financial assets		..	..	..
Inventories		148	130	130
Other	24,29	1,300	411	411
Non-financial assets held for sale		..	..	..
Total current assets		7,767	10,458	7,682
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25,30	14,635	11,964	11,510
Intangibles		2,170	1,944	2,260
Other		..	..	..
Total non-current assets		16,805	13,908	13,770
TOTAL ASSETS		24,572	24,366	21,452
CURRENT LIABILITIES				
Payables	26,31,35	1,461	3,568	2,254
Accrued employee benefits	26,31	1,274	1,892	1,931
Interest-bearing liabilities and derivatives		1,236	1,235	1,310
Provisions		..	..	..
Other		..	..	..
Total current liabilities		3,971	6,695	5,495
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	32,36	12,446	12,446	11,175
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		12,446	12,446	11,175
TOTAL LIABILITIES		16,417	19,141	16,670
NET ASSETS/(LIABILITIES)		8,155	5,225	4,782
EQUITY				
Capital/contributed equity		(1,428)	1,640	1,197
Accumulated surplus/(accumulated deficit)		9,583	3,585	3,585
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY	27,33	8,155	5,225	4,782

CASH FLOW STATEMENT

Department of the Premier and Cabinet	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	37,45,52	227,149	225,932	107,777
User charges	38,46,53	16,780	28,493	5,631
Grants and other contributions	39,46,53	1,290	4,072	714
Other	40,53	2,820	8,239	3,868
Outflows:				
Employee costs	41,47,54	(69,349)	(77,946)	(47,713)
Supplies and services	42,48,55	(78,286)	(80,443)	(43,334)
Grants and subsidies	49,56	(62,405)	(60,775)	(21,062)
Borrowing costs		(937)	(869)	(799)
Other	43, 57	(1,540)	(16,861)	(1,810)
Net cash provided by/(used in) operating activities		35,522	29,842	3,272
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed	44,58	..	5,488	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	50,58	(15,986)	(14,739)	(1,884)
Payments for investments	44,58	..	(8,328)	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities	44,58	(15,986)	(17,579)	(1,884)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	44,58	..	8,328	..
Equity injections	51,58	11,729	12,700	136
Outflows:				
Borrowing redemptions	44,58	(1,264)	(6,789)	(1,196)
Finance lease payments		..	..	..
Equity withdrawals	51,58	(30,060)	(30,051)	(579)
Net cash provided by/(used in) financing activities	44,51,58	(19,595)	(15,812)	(1,639)
Net increase/(decrease) in cash held		(59)	(3,549)	(251)
Cash at the beginning of financial year		17,460	16,444	2,103
Cash transfers from restructure		(13,889)	(10,792)	..
Cash at the end of financial year		3,512	2,103	1,852

ADMINISTERED INCOME STATEMENT

Department of the Premier and Cabinet	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenue		..	..	..
Interest	64,68	168	168	..
Administered revenue	59,65,69	413,300	2,421,846	44,102
Other	60,70	..	30,000	..
Total revenues		413,468	2,452,014	44,102
Expenses				
Supplies and services	61,66,71	14,983	13,488	15,628
Depreciation and amortisation		350	187	350
Grants and subsidies	62,67,72	369,252	2,410,724	..
Benefit payments		..	..	..
Borrowing costs		168	168	..
Other	63,73	28,715	27,447	28,124
Total expenses		413,468	2,452,014	44,102
Net surplus or deficit before transfers to Government		..	..	..
Transfers of administered revenue to Government		..	..	..
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of the Premier and Cabinet	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	74,84	9,224	121	7,085
Receivables	75,85	574	6,957	711
Inventories		..	..	..
Other	76,80	217	52	52
Non-financial assets held for sale		..	..	..
Total current assets		10,015	7,130	7,848
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	77,81	510	1,155	1,136
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		510	1,155	1,136
TOTAL ADMINISTERED ASSETS		10,525	8,285	8,984
CURRENT LIABILITIES				
Payables	78,82	159	1,764	1,763
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		159	1,764	1,763
NON-CURRENT LIABILITIES				
Payables	79,83	7,265	2,226	2,926
Interest-bearing liabilities		..	..	..
Other		20	..	..
Total non-current liabilities		7,285	2,226	2,926
TOTAL ADMINISTERED LIABILITIES		7,444	3,990	4,689
ADMINISTERED NET ASSETS/(LIABILITIES)		3,081	4,295	4,295
EQUITY				
Capital/Contributed equity		3,712	3,712	3,712
Accumulated surplus/(Accumulated deficit)		(631)	583	583
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL ADMINISTERED EQUITY		3,081	4,295	4,295

ADMINISTERED CASH FLOW STATEMENT

Department of the Premier and Cabinet	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	86,92,98	413,300	2,480,472	46,676
Grants and other contributions	87,99	..	30,000	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenues		..	..	..
Other		168	..	..
Outflows:				
Transfers to Government		..	..	..
Grants and subsidies	88,93,100	(369,252)	(2,471,855)	..
Supplies and services	89,94,101	(14,984)	(22,010)	(15,629)
Borrowing costs		..	..	..
Other	90,95,102	(27,674)	(33,771)	(23,752)
Net cash provided by/(used in) operating activities		1,558	(17,164)	7,295
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	96,103	1,000	1,254	..
Outflows:				
Payments for property, plant and equipment and intangibles	91,104	(331)	(870)	(331)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		669	384	(331)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	97,105	(1,000)	(1,254)	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(1,000)	(1,254)	..
Net increase/(decrease) in cash held		1,227	(18,034)	6,964
Administered cash at beginning of financial year		7,997	18,155	121
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		9,224	121	7,085

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. A decrease in service revenue primarily due to the application of saving targets, reclassification of Arts Queensland capital maintenance expenditure, reduced depreciation on the Queensland Cultural Centre (QCC) and the difference in funding carried over between years. This is partly offset by additional funding to host the 2018 Commonwealth Games and to meet costs associated with the Voluntary Separation Program (VSP).
2. An increase in user charges primarily due to increased event revenue and functions held at the QCC.
3. An increase in grants and other contributions primarily for major cultural events.
4. An increase in other revenue primarily due to greater than anticipated functions at the QCC and a flood recovery insurance claim at the Southbank arts precinct.
5. An increase in employee expenses primarily due to costs associated with hosting the 2018 Commonwealth Games and the VSP.
6. A decrease in supplies and services primarily due to the reclassification of maintenance expenditure to capital expenditure, difference in funding for projects carried over between years and the application of savings targets. This is partly offset by increased State run events and greater than anticipated functions at the QCC.
7. An increase in other expenses primarily due to the 2018 Commonwealth Games marketing rights payment.
8. An increase in losses on revaluation of property, plant and equipment primarily due to the revaluation of the Government aircraft on 30 June 2012.

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

9. A decrease in service revenue primarily due to the application of saving targets, the full year effect of 2011-12 machinery-of-Government transfers, completion of the Queensland Floods Commission of Inquiry and difference in funding carried over between years. This is partly offset by new funding received for the administration of public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs and planning for Queensland's ANZAC Centenary Commemoration.
10. A decrease in user charges, grants and other contributions and other revenue primarily due to machinery-of-Government transfers.
11. A decrease in employee expenses primarily due to the application of saving targets, machinery-of-Government transfers and the VSP in 2011-12. This is partly offset by the administration of public sector renewal initiatives and planning for Queensland's ANZAC Centenary Commemoration.
12. A decrease in supplies and services primarily due to the application of saving targets, machinery-of-Government transfers and difference in funding for projects carried over between years. This is partly offset by the administration of public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs and planning for Queensland's ANZAC Centenary Commemoration.
13. A decrease in grants and subsidies primarily due to machinery-of-Government transfers.
14. A decrease in depreciation and amortisation primarily due to machinery-of-Government transfers and revaluation of Government aircraft.

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

15. A decrease in service revenue primarily due to the application of saving targets, machinery-of-Government transfers, completion of the Queensland Floods Commission of Inquiry and the VSP in 2011-12. This is partly offset by new funding received for the administration of public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs, planning for Queensland's ANZAC Centenary Commemoration and difference in funding carried over into 2012-13.
16. A decrease in user charges, grants and other contributions and other revenue primarily due to machinery-of-Government transfers.
17. A decrease in employee expenses primarily due to the application of saving targets, machinery-of-Government transfers and implementation of the VSP in 2011-12. This is partly offset by the administration of public sector renewal initiatives and planning for Queensland's ANZAC Centenary Commemoration.

18. A decrease in supplies and services primarily due to the application of saving targets and machinery-of-Government transfers. This is partly offset by the administration of public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs, planning for Queensland's ANZAC Centenary Commemoration and projects carried over into 2012-13.
19. A decrease in grants and subsidies primarily due to machinery-of-Government transfers.
20. A decrease in depreciation and amortisation primarily due to machinery-of-Government transfers and revaluation of Government aircraft.
21. A decrease in other expenses primarily due to machinery-of-Government transfers.
22. A decrease in losses on revaluation of property, plant and equipment primarily due to the revaluation of the Government aircraft on 30 June 2012.

Balance sheet

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

23. An increase in current receivables primarily due to fluctuations in accrued revenue and whole-of-Government centralised leave schemes between years.
24. A decrease in other current assets primarily due to fluctuations in prepayments between years.
25. A decrease in property, plant and equipment primarily due to the revaluation of the Government aircraft.
26. An increase in current payables and accrued employee benefits primarily due to fluctuations in accrued expenditure between years.
27. A decrease in total equity due to a loss recorded in 2010-11 as a result of the revaluation of the Government aircraft.

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

28. An increase in current receivables primarily due to fluctuations in accrued revenue and whole-of-Government centralised leave schemes between years.
29. A decrease in other current assets primarily due to fluctuations in prepayments between years.
30. A decrease in property, plant and equipment primarily due to revaluation of the Government aircraft.
31. An increase in current payables and accrued employee benefits primarily due to fluctuations in accrued expenditure between years.
32. A decrease in non-current interest-bearing liabilities and derivatives due to repayment of loans associated with the Government aircraft.
33. A decrease in total equity due to a loss in 2010-11 following the revaluation of the Government aircraft.

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

34. A decrease in current receivables primarily due to fluctuations in accrued revenue and whole-of-Government centralised leave schemes between years.
35. A decrease in current payables primarily due to fluctuations in accrued expenditure between years.
36. A decrease in non-current interest-bearing liabilities and derivatives due to repayment of loans associated with the Government aircraft.

Cash flow statement

Major variations between 2011-12 Adjusted budget and 2012-13 Estimated actual include:

37. A decrease in service receipts primarily due to appropriation receivable, application of saving targets, reclassification of capital maintenance expenditure, revaluation of the QCC and project funding carried over between years. This is partly offset by additional funding to host the 2018 Commonwealth Games and to meet costs associated with the VSP.
38. An increase in user charges primarily due to increased event revenue and functions at the QCC.
39. An increase in grants and other contributions primarily arising from major cultural events.
40. An increase in other inflows primarily due to events and greater than anticipated functions at the QCC and a flood recovery insurance claim at the Southbank arts precinct.
41. An increase in employee costs primarily due to costs associated with hosting the 2018 Commonwealth Games and the VSP.
42. An increase in supplies and services primarily due to increased State run event revenue and functions at the QCC. This is partly offset by the reclassification of maintenance expenditure to capital expenditure, projects carried over between years and application of saving targets.
43. An increase in other outflows primarily due to the 2018 Commonwealth Games marketing rights payment.

44. An increase in net cash provided for investment activities (including investments redeemed and payments for investments) and a decrease in net cash for financing activities (including borrowings and borrowing redemptions) primarily due to machinery-of-Government transfers.

Major variations between 2011-12 Adjusted budget and 2011-12 Estimate include:

45. A decrease in service receipts primarily due to the application of saving targets, machinery-of-Government transfers, completion of the Queensland Floods Commission of Inquiry and project funding carried over between years. This is partly offset by new funding received to administer the public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs and planning for Queensland's ANZAC Centenary Commemoration.
46. A decrease in user charges and grants and other contributions due to machinery-of-Government transfers.
47. A decrease in employee costs primarily due to the application of saving targets, machinery-of-Government transfers and implementation of the VSP. This is partly offset by the administration of public sector renewal initiatives and planning for Queensland's ANZAC Centenary Commemoration.
48. A decrease in supplies and services primarily due to the application of saving targets, machinery-of-Government transfers and project costs carried over between years. This is partly offset by the administration of public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs and planning for Queensland's ANZAC Centenary Commemoration.
49. A decrease in grants and subsidies primarily due to machinery-of-Government transfers.
50. A decrease in payments for property, plant and equipment and intangibles primarily due to machinery-of-Government transfers.
51. A decrease in cash used in financing activities (including equity injections and equity withdrawals) primarily due to machinery-of-Government transfers.

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

52. A decrease in service receipts primarily due to the application of saving targets, machinery-of-Government transfers, completion of the Queensland Floods Commission of Inquiry and the VSP. This is partly offset by new funding received for the administration of public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs, planning for Queensland's ANZAC Centenary Commemoration and project funding carried over between years.
53. A decrease in user charges, grants and other contributions and other inflows primarily due to machinery-of-Government transfers.
54. A decrease in employee costs primarily due to the application of saving targets, machinery-of-Government transfers and implementation of the VSP in 2011-12. This is partly offset by the administration of public sector renewal initiatives and planning for Queensland's ANZAC Centenary Commemoration.
55. A decrease in supplies and services primarily due to application of saving targets and machinery-of-Government transfers. This is partly offset by new funding received to administer the public sector renewal initiatives, Queensland Child Protection Commission of Inquiry legal costs, planning for Queensland's ANZAC Centenary Commemoration and project costs carried over between years.
56. A decrease in grants and subsidies primarily due to machinery-of-Government transfers.
57. A decrease in other outflows primarily due to machinery-of-Government transfers.
58. A decrease in net cash for investing activities (including investments redeemed, payments for property, plant and equipment and intangibles, payments for investments) and net cash for financing activities (including borrowings, equity injections, borrowing redemptions and equity withdrawals) primarily due to machinery-of-Government transfers.

Administered income statement

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

59. An increase in administered revenue primarily due to the deferral of funding from 2010-11 and additional funding for Queensland Reconstruction Authority (QldRA) activities.
60. An increase in other revenue due to the donation from the United Arab Emirates State of Abu Dhabi toward the construction of cyclone shelters in Queensland communities.
61. A decrease in supplies and services primarily due to lower than expected expenditure following the 2012 election.

- 62. An increase in grants and subsidies primarily due to the deferral of funding from 2010-11, additional grants provided for QldRA activities and the donation from the United Arab Emirates State of Abu Dhabi for the construction of cyclone shelters in Queensland communities.
- 63. A decrease in other expenses primarily due to lower than expected expenditure following the 2012 election.

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

- 64. A decrease in interest revenue due to the Arts Queensland machinery-of-Government transfers.
- 65. A decrease in administered revenue primarily due to machinery-of-Government transfers.
- 66. An increase in supplies and services primarily due to the creation of an additional Ministerial Office.
- 67. A decrease in grants and subsidies due to machinery-of-Government transfers.

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

- 68. A decrease in interest revenue due to the Arts Queensland machinery-of-Government transfers.
- 69. A decrease in administered revenue primarily due to machinery-of-Government transfers.
- 70. A decrease in other revenue due to a one-off donation from the United Arab Emirates State of Abu Dhabi toward the construction of cyclone shelters in Queensland communities in 2011-12.
- 71. An increase in supplies and services primarily due to the creation of an additional Ministerial Office and lower than expected expenditure following the election in 2011-12.
- 72. A decrease in grants and subsidies due to machinery-of-Government transfers and a one-off donation from the United Arab Emirates State of Abu Dhabi toward the construction of cyclone shelters in Queensland communities in 2011-12.
- 73. An increase in other expenses due to lower than expected expenditure in 2011-12 following the State election.

Administered balance sheet

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

- 74. A decrease in cash assets primarily due to an increase in administered revenue receivables and payments of severance packages associated with the change in Government.
- 75. An increase in current receivables primarily due to fluctuations in administered revenue receivables between years.
- 76. A decrease in other current assets primarily due to fluctuations in prepayments associated with information technology maintenance agreements.
- 77. An increase in property, plant and equipment primarily due to the completion of Ministerial Office system upgrades.
- 78. An increase in current payables primarily due to fluctuations in accrued expenditure between years.
- 79. A decrease in non-current payables due to severance payments made following the change in Government.

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

- 80. A decrease in other current assets primarily due to fluctuations in prepayments associated with information technology maintenance agreements.
- 81. An increase in property, plant and equipment primarily due to completion of Ministerial Office system upgrades.
- 82. An increase in current payables primarily due to fluctuations in accrued expenditure between years.
- 83. A decrease in non-current payables due to severance payments made following the change in Government.

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

- 84. An increase in cash assets primarily due to the collection of outstanding administered revenue receivables.
- 85. A decrease in current receivables primarily due to the payment of administered revenue from the State.

Administered cash flow statement

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

- 86. An increase in administered item receipts primarily due to the deferral of funding from 2010-11 and additional funding for QldRA activities.

87. An increase in grants and other contributions due to the donation from the United Arab Emirates State of Abu Dhabi toward the construction of cyclone shelters in Queensland communities.
88. An increase in grants and subsidies primarily due to the deferral of funding from 2010-11, additional grants provided for QldRA activities and the donation from the United Arab Emirates State of Abu Dhabi for the construction of cyclone shelters in Queensland communities.
89. An increase in supplies and services primarily due to the settlement of actual outstanding 2010-11 payables in 2011-12 partly offset by lower than expected cash payments following the election.
90. An increase in other outflows primarily due to severance payments following the change in Government.
91. An increase in payments for property, plant and equipment and intangibles due to Ministerial Office system upgrades.

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

92. A decrease in administered item receipts primarily due to machinery-of-Government transfers.
93. A decrease in grants and subsidies due to machinery-of-Government transfers.
94. An increase in supplies and services primarily due to the creation of an additional Ministerial Office.
95. A decrease in other cash outflows due to fluctuations in accrued employee expenditure between years.
96. A decrease in loans and advances redeemed due to machinery-of-Government transfers.
97. A decrease in borrowing redemptions due to machinery-of-Government transfers.

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

98. A decrease in administered item receipts primarily due to machinery-of-Government transfers.
99. A decrease in grants and other contributions due to a one-off donation from the United Arab Emirates State of Abu Dhabi toward the construction of cyclone shelters in Queensland communities in 2011-12.
100. A decrease in grants and subsidies due to machinery-of-Government transfers and a one-off donation from the United Arab Emirates State of Abu Dhabi toward the construction of cyclone shelters in Queensland communities in 2011-12.
101. A decrease in supplies and services primarily due to fluctuations in estimated year end accrued payables. This has been partly offset by additional costs associated with the creation of an additional Ministerial Office.
102. A decrease in other outflows primarily due to payments of severance packages associated with the change in Government in 2011-12.
103. A decrease in loans and advances redeemed due to machinery-of-Government transfers.
104. A decrease in payments for property, plant and equipment and intangibles due to completion of Ministerial Office system.
105. A decrease in borrowing redemptions due to machinery-of-Government transfers.



Office of the Governor

RESOURCES AND PERFORMANCE

OVERVIEW

Strategic direction

The *Constitution of Queensland 2001* provides that there must be a Governor of Queensland who is appointed by the Sovereign. The Governor, Her Excellency Ms Penelope Wensley AC is authorised and required to do and execute all matters that pertain to her office, according to law.

While the Governor, as the representative of The Queen who is the Head of State in Queensland, does not participate in the political process, it is the main constitutional responsibility of the Governor to ensure that the State continues to have a stable Government which commands the popular support of the Parliament.

As an independent entity, the Office of the Governor (the Office) provides personal, administrative and logistical support which enables the Governor to exercise effectively the constitutional powers and responsibilities of office and to undertake official, ceremonial and civic duties. The autonomous nature of the Office is consistent with the Governor's role to function with political neutrality. The Office also maintains, in partnership with the Department of Housing and Public Works, the Government House Estate.

Strategic objectives

The strategic objectives of the Office of the Governor encompass the following six goals which are detailed in the Office of the Governor's 2009-13 Strategic Plan:

Constitutional and Legal

Provide administrative support enabling the Governor to fulfil her constitutional and legal responsibilities, including assenting to legislation, issuing writs for elections, the swearing-in of government Ministers, the opening of Parliament, considering petitions for the Governor to exercise the power of the Royal Prerogative of Mercy, and presiding over meetings of Executive Council.

Ceremonial

Support the Australian Honours and Awards System and other awards programs, and review parades and military ceremonies.

Community Engagement

Provide an expanded range of opportunities for Queensland organisations and members of the community to visit Government House. Facilitate the Governor's travel to regional and remote centres and support organisations of which the Governor is patron.

Promoting Queensland

Assist the Governor in activities that highlight and promote Queensland business, regional produce, culture and trade by offering hospitality and attending events. Support the Governor to host international dignitaries and undertake occasional international travel to promote Queensland's interests.

Effective Management

Strengthen the corporate governance framework to utilise emerging technologies and continuously improve performance, capability, accountability and value for money service delivery.

Preserving Government House

Maintain Government House as an official State residence including conserving its heritage-listed facilities and ensuring maintenance, security, workplace health and safety and horticultural services.

During 2012-13 the Office of the Governor will continue to:

- support the Governor's attendance at meetings of the Executive Council
- support the program of engagements at Government House in Brisbane and surrounding areas
- plan and support regional travel to be undertaken by the Governor
- host scheduled programs of visits and events for the Governor to attend and/or host
- continue to support the official and public responsibilities of the Governor.

During 2011-12 the Office of the Governor:

- supported the Governor's attendance at meetings of the Executive Council
- supported the Governor in the swearing-in of the new Government and the opening of the 54th Parliament
- conducted investitures for recipients of Australian honours and awards
- supported awards ceremonies for the Winston Churchill Memorial Trust; the Royal Humane Society of Australasia; St John Ambulance Australia – Queensland; the Scout Association of Australia (Queensland Branch); Girl Guides Australia (Queensland); the Boys' Brigade Australia (Queensland); and Girls' Brigade Queensland Inc
- supported a program of engagements at Government House in Brisbane and surrounding areas
- supported the Governor in hosting a lunch for Her Majesty Queen Elizabeth II during her visit to Brisbane in October 2011
- planned and supported a series of events to mark The Queen's Diamond Jubilee
- supported the Governor in her role as Patron of 200 organisations
- planned and supported regional travel by the Governor, providing support to rural and regional communities and where possible, support to disaster affected communities in Queensland following the events of early 2011
- supported the Governor in issuing approximately 700 congratulatory letters and similar correspondence received and referred for the Governor's consideration, including nine petitions for pardon, ten general petitions seeking the Governor's intervention and 138 complaints and queries
- hosted the Queensland Day Open Day, themed for The Queen's Diamond Jubilee attended by 1,700 visitors
- hosted 82 school and community group visits for 3,334 visitors
- continued the project of works to update the Office of the Governor's outdated information systems.

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.

Office of the Governor	2011-12 Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ¹			
Deferred from previous year/s	..	212	100
Balance of service appropriation	5,719	5,523	5,883
Other revenue	..	..	..
Total income	5,719	5,735	5,983
Expenses			
Personal, administrative and logistical support to the Governor and management of the Government House Estate	5,719	5,735	5,983
Total expenses	5,719	5,735	5,983
Operating surplus/(deficit)	..	..	..
Net assets	1,800	2,079	2,031
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	5,719	5,735	5,983
Equity adjustment	(75)	75	(75)
Administered items	..	..	..
VOTE TOTAL²	5,644	5,810	5,908

Notes:

1. Includes State funding only.
2. As represented in the 2012-13 Appropriation Bills.

Staffing¹

Service Areas	Notes	2011-12 Adj. Budget ²	2011-12 Est. Actual	2012-13 Estimate
TOTAL		36	37	36

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2011-12 Budget has been adjusted to include casual staff.

SERVICE PERFORMANCE

The Governor is The Queen's representative in Queensland. The powers of the Governor derive from the Commission of Appointment issued by The Queen and are prescribed in legal or Constitutional terms in the following principal references: the *Australia (Requests and Consent) Act 1985*, the *Australia Act 1996*, and by the Queensland statutes, the *Constitution of Queensland 2001*, the *Parliament of Queensland Act 2001*, the *Constitution Act 1867*, the *Constitution Act Amendment Act 1890*, and the *Constitution Act Amendment Act 1934*.

The Office of the Governor provides personal, administrative and logistical support to the Governor and manages the Government House Estate.

The strategic objectives of the Office of the Governor are:

- to support the Governor in order to enable Her Excellency to exercise her statutory and constitutional, official and ceremonial, civic and social duties of office. As a separate entity, the Office of the Governor enables the Governor to provide independent, non-political authority to the parliamentary process.

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area : Personal, administrative and logistical support to the Governor and management of the Government House Estate				
Measures				
Meetings of Executive Council		48	46	48
Visits to Queensland regional centres		45	31	45
Days in Queensland regional centres		70	70	70
Honours and awards ceremonies		30	31	30
Patronage commitments		110	135	110
Civic and community activities	1	315	196	315
Speeches and messages		185	225	185
Gardens and grounds maintained in accordance with standards set in the Horticultural Service Level Agreement		100%	100%	100%
Percentage of works projects completed on time and within budget		100%	100%	100%
Percentage of correspondence and requests responded to within 10 days		>95%	95%	>95%
Visitors to Government House	2	10,000	3,989	8,000
State contribution (\$000)		5,719	5,735	5,983
Other revenue (\$000)		..	..	..
Total cost (\$000)	3	5,719	5,735	5,983

Notes:

1. The decrease in civic and community activities is offset by additional patronage commitments and an increase in speeches and messages.
2. Visitors to Government House were lower than expected in 2011-12 as two major events – Open Day in January and Carols by Candlelight were cancelled due to inclement weather.
3. Explanations of variances are provided in the financial statements.

CAPITAL

Capital program

During 2012-13 the Office of the Governor will expend \$0.041 million toward capital replacement of plant and equipment. Ongoing replacement of capital items enables the Office of the Governor to effectively and efficiently support the Governor in her role.

Capital budget statement

Office of the Governor	Notes	2011-12 Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment	2	41	420	41
Total other capital		..	..	..
Total Capital Purchases		41	420	41

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. The increase in capital expenditure in 2011-12 is due to delay in implementation of IT infrastructure from 2010-11 to 2011-12 which is now complete; and upgrades to the Office's security system.

BUDGETED FINANCIAL STATEMENTS

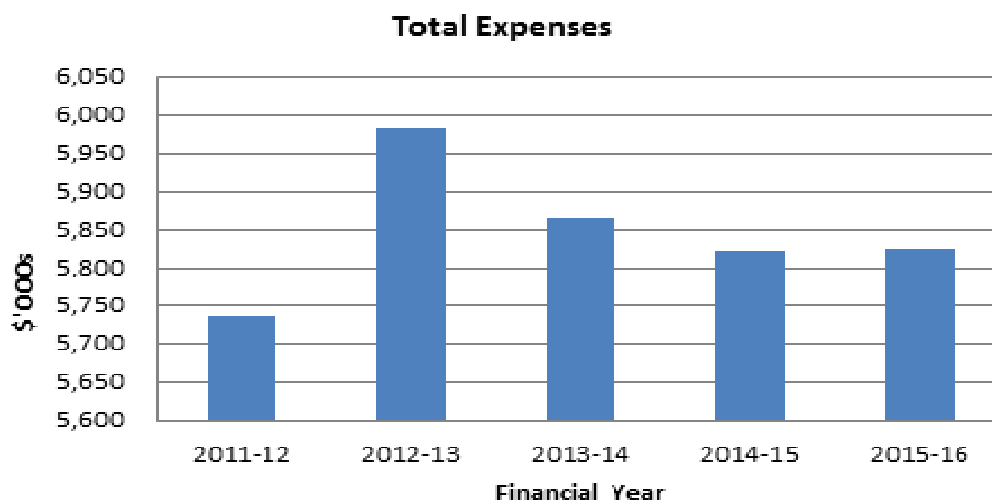
Analysis of budgeted financial statements

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

Income statement

Total expenses are estimated to be \$5.983 million in 2012-13, an increase \$0.264 million from the 2011-12 financial year. The increase is mainly due to the deferral of costs associated with information technology projects from 2011-12 to 2012-13, along with the impact of increased costs of service delivery. Over the next few years, expenditure by the Office of the Governor is expected to remain relatively stable.

Chart 1 : Total departmental expenses across the Forward Estimates period



Balance sheet

The Office of the Governor's major assets are the heritage and cultural collection held by Government House (\$1.036 million), along with other minor plant and equipment. These categories are expected to remain relatively stable over the next three years. The Office's main liabilities relate to creditors of a trading nature and do not vary significantly year to year.

INCOME STATEMENT

Office of the Governor	Notes	2011-12 Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,4	5,719	5,735	5,983
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		5,719	5,735	5,983
Expenses				
Employee expenses	2,5	3,799	3,829	3,918
Supplies and services	3,6	1,775	1,761	1,920
Grants and subsidies		..	..	..
Depreciation and amortisation		116	116	116
Finance/borrowing costs		..	..	..
Other expenses		29	29	29
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		5,719	5,735	5,983
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Office of the Governor	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		27	27	27
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		27	27	27
Surplus/(deficit) for the period	
Total recognised income and expense for the period		27	27	27
Equity injection/(withdrawal)		(75)	75	(75)
Equity adjustments (MoG transfers)	
Total movement in equity for period		(48)	102	(48)

BALANCE SHEET

Office of the Governor	Notes	2011-12 Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		349	612	612
Receivables		95	92	92
Other financial assets		..	..	..
Inventories		30	29	29
Other		25	49	49
Non-financial assets held for sale		..	..	..
Total current assets		499	782	782
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	7,10	1,234	1,353	1,380
Intangibles		381	370	295
Other		..	..	..
Total non-current assets		1,615	1,723	1,675
TOTAL ASSETS		2,114	2,505	2,457
CURRENT LIABILITIES				
Payables	8,11	229	331	331
Accrued employee benefits		85	95	95
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		314	426	426
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		314	426	426
NET ASSETS/(LIABILITIES)		1,800	2,079	2,031
EQUITY				
Capital/contributed equity	9	1,246	1,439	1,364
Accumulated surplus/(accumulated deficit)		(49)	24	24
Reserves:				
- Asset revaluation surplus		603	616	643
- Other		..	..	..
TOTAL EQUITY		1,800	2,079	2,031

CASH FLOW STATEMENT

Office of the Governor	Notes	2011-12 Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	14,17	5,719	5,735	5,983
User charges		..	..	..
Grants and other contributions		..	..	..
Other		..	..	..
Outflows:				
Employee costs	15,18	(3,799)	(3,829)	(3,918)
Supplies and services	16,19	(1,775)	(1,761)	(1,920)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(29)	(29)	(29)
Net cash provided by/(used in) operating activities		116	116	116
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	12,20	(41)	(420)	(41)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(41)	(420)	(41)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	150	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(75)	(75)	(75)
Net cash provided by/(used in) financing activities		(75)	75	(75)
Net increase/(decrease) in cash held		..	(229)	..
Cash at the beginning of financial year		349	841	612
Cash transfers from restructure		..	..	..
Cash at the end of financial year		349	612	612

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. An increase in service revenue due to the deferral of funding associated with information technology projects into 2012-13 and anticipated Enterprise Bargaining arrangements.
2. An increase in employee expenses due to anticipated Enterprise Bargaining arrangements and other legislated arrangements.
3. An increase in supplies and services due to increases in operating costs such as grounds maintenance, civic and community activities.

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

4. An increase in service revenue due to a one-off transfer of appropriation to equity in 2011-12, deferral of funding associated with information technology projects from 2011-12 and anticipated Enterprise Bargaining arrangements.
5. An increase in employee expenses due to anticipated Enterprise Bargaining arrangements and other legislated arrangements.
6. An increase in supplies and services due to increases in operating costs such as grounds maintenance, civic and community activities.

Balance sheet

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

7. An increase in property, plant and equipment due to security infrastructure improvements at Government House.
8. An increase in payables due to fluctuations in accrued expenses at year-end.
9. An increase in contributed equity due to the transfer of appropriation to equity to fund security infrastructure improvements at Government House.

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

10. An increase in property, plant and equipment due to security infrastructure improvements at Government House.
11. An increase in payables due to fluctuations in accrued expenses at year-end.

Cash flow statement

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

12. An increase in payments for property, plant and equipment and intangibles due to security infrastructure improvements at Government House.
13. An increase in equity injections due to the transfer of appropriation to fund security infrastructure improvements at Government House.

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

14. An increase in service receipts due to the deferral of funding associated with information technology projects into 2012-13 and anticipated Enterprise Bargaining arrangements.
15. An increase in employee costs due to anticipated Enterprise Bargaining arrangements and other legislated arrangements.
16. An increase in supplies and services due to increases in operating costs such as grounds maintenance, civic and community activities.

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

17. An increase in service receipts due to the transfer of appropriation to equity in 2011-12, deferral of funding associated with information technology projects from 2011-12 and anticipated Enterprise Bargaining arrangements.
18. An increase in employee costs due to anticipated Enterprise Bargaining arrangements and other legislated arrangements.
19. An increase in supplies and services due to increases in operating costs such as grounds maintenance, civic and community activities.
20. A decrease in payments for property, plant and equipment and intangibles due to the completion of security infrastructure improvements in 2011-12.



Public Service Commission

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The Public Service Commission (PSC) was established under the *Public Service Act 2008*. PSC supports the achievement of the main purposes of the Act by enhancing the public service's human resource management and capability, providing industrial and employee relations strategy and policy advice, and reviewing and improving the overall effectiveness and efficiency of government entities.

The PSC supports a high performing, innovative and efficient public sector, responsive to the needs of the community it serves.

The Integrity Commissioner is administratively included within the Public Service Commission and is responsible for providing advice on integrity and ethics issues and for maintaining the lobbyists register. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports annually to Parliament and will meet with the Integrity, Ethics and Parliamentary Privileges Committee of the Parliament at least twice a year.

The following strategic objectives are designed to address today's public service environment of complexity, fiscal restraint, reform and increasing community expectations and support the government's commitments to revitalise front-line services by supporting a strong and independent public service and to restore accountability in government by ensuring better value for taxpayers' money, and by ensuring Ministers are held accountable for their decisions.

Objective: Strengthen and support a high performing public service workforce within a contemporary legislative and policy framework.

In support of this Objective the PSC will:

- undertake industrial and workforce legislative and policy reform to minimise regulation and ensure sustainable growth in employee expenses
- implement the outcomes of a comprehensive review of the PSC policy architecture to ensure our instruments are strategic, contemporary, and drive genuine improvements in workforce practice across the sector
- lead the review and assessment of agencies' performance in workforce and industrial relations management as part of operational efficiency reviews
- contribute to the achievement of improved service delivery and operational efficiency across the public sector including through the provision of independent, strategic advice and expertise to Ministers and Directors-General
- continue to support public sector agencies and entities in the planning, preparation, negotiation and finalisation of enterprise bargaining agreements due for renewal
- implement a contemporary performance and remuneration framework for Chief Executives and the Senior Executive Service, to support a high performance culture.

Objective: Promote high standards of integrity and conduct in the public sector.

In support of this Objective the PSC will:

- amend the Code of Conduct for the Queensland Public Service following the 2011 review
- continue to enhance and promote an ethical culture and ethical decision-making across the public service
- carry out functions as the oversight agency for public interest disclosures under the *Public Interest Disclosure Act 2010*.

The Office of the Integrity Commissioner will:

- provide timely advice to designated persons on ethics or integrity issues including conflict of interest issues
- give advice to the Premier, at his request, on issues concerning ethics or integrity involving any person who is a designated person other than a non-government Member of Parliament
- meet with and give advice to Members of the Legislative Assembly on interest issues
- maintain the Queensland Register of Lobbyists and have responsibility for the registration of lobbyists
- promote adherence to the Lobbyists Code of Conduct
- meet with the Auditor-General of Queensland, Chairperson of the Crime and Misconduct Commission, the Ombudsman, the Information Commissioner and the Commission Chief Executive of the Public Service Commission to discuss matters of common interest
- provide lectures and papers to increase awareness of issues pertaining to public discussion issues relevant to the Integrity Commissioner's functions and expand the material available on the Integrity Commissioner's website.

Objective: Lead public sector reform initiatives for improved service delivery.

In support of this Objective the PSC will:

- implement an establishment management process to ensure greater accountability for staffing decision-making in agencies
- develop a staffing model for the Queensland public service to determine appropriate organisational structures and establishment numbers
- lead the sector-wide management of employees who require placement as a result of workplace change
- assess and report on the performance of agencies in relation to their workforce and industrial relations management, as a key part of agency efficiency reviews to be conducted in partnership with the Department of the Premier and Cabinet and Queensland Treasury and Trade
- contribute to the review of each agency's service delivery strategy, efficiency, governance and structure as a member of the Department of the Premier and Cabinet led Agency Review Team
- transfer the appeals function under the *Public Service Act 2008* so that appeals are managed by the Queensland Industrial Relations Commission and heard by Appeals Officers who are appointed members of the QIRC
- lead a fundamental review of the *Public Service Act 2008* to ensure a contemporary and coherent legislative framework which will enable delivery of the government's public sector reform agenda
- ensure employees are supported during workforce change by providing outplacement support services to help identify employment pathways and skills that will assist employees compete for roles in the job market.

Public Service Commission

During 2011-12, the Public Service Commission:

- worked in partnership with agencies to address key findings from the inaugural *State of the Service Report* with a particular focus on performance management, leadership capability and integrity
- strengthened executive accountability and performance by providing clear management frameworks supported by targeted performance development programs
- coordinated the recruitment and selection of a number of CEO roles across government
- collaborated with public sector agencies and entities to plan, prepare, negotiate and finalise enterprise bargaining agreements due for renewal

- supported the implementation of the Queensland Government's Decentralisation and Regionalisation initiatives through the identification of appropriate business units for relocation and the development of enabling workforce management strategies
- worked in partnership with agencies to provide public service employees with information on (access to) volunteering opportunities and health and wellbeing activities
- continued with a series of workshops and master classes to support the development of the Senior Executive Service
- worked with agencies to define the sector's professional development priorities and brokered sector-wide access to programs and resources that will strengthen the capability of the workforce
- developed and delivered a single online application portal for Queensland Government graduate programs
- introduced sector wide corporate subscriptions to drive value for money in training and development
- continued to enhance and promote an ethical culture and ethical decision-making across the public service
- carried out functions as the oversight agency for public interest disclosures under the *Public Interest Disclosure Act 2010* including conducting a first year review of the Act
- conducted a review of the *Code of Conduct for the Queensland Public Service*
- supported departments in the implementation of the Queensland Government's Voluntary Separation Program
- improved the efficiency and effectiveness of the appeals system and process, including evaluating a trial of a new process for promotion appeals, by: implementing practice directions for the management of promotion appeals and teacher transfer appeals; conducted stakeholder engagement through communiqués and forums; delivered a new database for the administration and reporting of appeals; implemented a new business model for the hearing and deciding of appeals by experienced sessional Adjudicators significantly reducing the costs of the system and increasing timeliness for the finalisation of appeals
- reviewed the PSC legislative, regulatory and policy architecture to ensure instruments were strategic, contemporary and were able to drive genuine improvements in key areas of workforce practice across the sector
- reviewed performance management policies and practices and commenced developing streamlined policies and processes that will embed effective performance management across the public service
- continued to provide quality information on workforce policy, ethics and public interest disclosures through the PSC Advisory Service, and analysed and used the data gathered to inform workforce policies and practice.

Office of the Integrity Commissioner

During 2011-12, the Integrity Commissioner:

- continued to provide timely advice on ethics, integrity and conflict of interest issues
- continued to give advice to the Premier, on request, on ethics and integrity issues
- continued to expand the material available on the Integrity Commissioner's website
- maintained the Queensland Register of Lobbyists
- continued to provide lectures and papers to increase awareness of issues pertaining to public discussion of ethics and integrity, including conflict of interest issues
- provided lectures and papers to local government and other organisations to increase awareness of the Lobbyists Register and limitations on lobbying
- continued to meet with the Auditor-General of Queensland, Chairperson of the Crime and Misconduct Commission, the Ombudsman, the Information Commissioner and the Commission Chief Executive of the Public Service Commission to discuss matters of common interest

- continued to contribute to the broader discussion and understanding of public service ethics issues through presentations to the Queensland Public Service Ethics Network, the Public Sector Governance Collaborative and individual departments
- continued to work with the Public Service Commission to raise awareness and standards of public service ethics.

Please visit www.psc.qld.gov.au for more information on the functions of the Public Service Commission and www.integrity.qld.gov.au for more information on the functions of the Integrity Commissioner.

Departmental Budget Summary

Following the change in government in March 2012, machinery-of-Government changes resulted in the Public Sector Industrial and Employee Relations function transitioning from the Department of Justice and Attorney-General to the PSC. This transfer was effective from 1 May 2012.

The 2012-13 estimate reflects the full year effect of this transfer and additional funding provided for PSC sponsored professional development services for the 2012-13 financial year to reduce interdepartmental charging.

Approximately \$1.6 million has been carried forward to meet costs associated with the appointment of the new Commission Chief Executive, an amount for future asset rollover, projects currently underway for the Integrity Commissioner and a contingency fund for future reform initiatives to be identified by the new Commission Chief Executive.

Public Service Commission	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
CONTROLLED Income			
Appropriation for services ¹			
Deferred from previous year/s	..	1,023	1,591
Balance of service appropriation	14,016	13,522	16,431
Other revenue	1,907	1,942	1,020
Total income	15,923	16,487	19,042
Expenses			
Provision of services for a high performing public service	15,923	16,909	19,042
Total expenses	15,923	16,909	19,042
Operating surplus/(deficit)	..	(422)	..
Net assets	1,092	977	977
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	13,881	14,492	18,252
Equity adjustment	..	..	..
Administered items	..	..	..
VOTE TOTAL²	13,881	14,492	18,252

Notes:

1. Appropriation for services does not equal Departmental services due to appropriation receivables.
2. As represented in the 2012-13 Appropriation Bills.

Budget Measures Summary

This table shows a summary of Budget measures relating to the PSC since the 2011-12 Budget.

During 2011-12 the PSC participated in the Voluntary Separation Program (VSP) which resulted in offers made and accepted by 14 staff. Several administration positions were absorbed within the PSC's current staff and two other positions were filled. This has resulted in savings of \$0.515 million in 2011-12 and \$0.766 million in recurrent funding in outyears.

Following the March 2012 Election a further review of savings initiatives was undertaken. Savings of \$0.480 million were identified for the remainder of 2011-12 which included \$0.392 million in contractor, travel and advertising costs.

Public Service Commission	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(480)	5,366	(232)	(232)	(232)
Total expense measures					
Administered	..	..	..	..	..
Departmental	(480)	5,366	(232)	(232)	(232)
Capital measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total capital measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Staffing¹

Public Service Commission	Notes	2011-12 Adj. Budget	2011-12 Est. Actual	2012-13 Estimate
TOTAL		82	78	79

Note:

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

SERVICE PERFORMANCE

Provision of Services for a High Performing Public Service

The Public Service Commission (PSC) is responsible for overseeing and improving the management of the public service's human resources including public sector reform initiatives, industrial and employee relations strategy and policy advice, and improving public service performance, innovation, service delivery and accountability.

The Integrity Commissioner, as an independent statutory office holder appointed by the Governor in Council under the *Integrity Act 2009*, advises the Premier and other designated persons on ethics or integrity issues including conflicts of interest.

PSC's strategic objectives are designed to address today's public service environment of complexity, fiscal restraint, reform and increasing community expectations and support the government's commitments to revitalise front-line services by supporting a strong and independent public service and to restore accountability in government by ensuring better value for taxpayers' money, and by ensuring Ministers are held accountable for their decisions.

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area : Provision of services for a high performing public service				
Service standards				
CEO's satisfaction with the level of support provided		85%	85%	85%
Other measures				
Percentage of publications and resources implemented that assist service delivery reform and improved performance capability		85%	85%	85%
Percentage of annual performance agreements in place for the Chief Executive Service		100%	100%	100%
Number of Directives reviewed and reissued		10	12	10
Percentage of appeals finalised within required timeframes		80%	80%	80%
Percentage of programs partnered with departments		85%	85%	85%
Percentage of client / stakeholder satisfaction with the services and advice provided on public sector industrial relations		85-90%	91%	85-90%
Cost of public sector industrial and employee relations service per Queensland public sector workers		\$15.00	\$15.35	\$15.00
State contribution (\$000)		16,459	16,920	18,022
Other revenue (\$000)		2,114	2,571	1,020
Total cost (\$000)		18,573	19,491	19,042

CAPITAL

Capital program.

The Commission undertakes an asset replacement program of information technology (IT) assets.

Capital budget statement

Public Service Commission	Notes	2011-12 Adj. Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	
Total plant and equipment		75	68	102
Total other capital	
Total Capital Purchases		75	68	102

Note:

1. Capital purchases represent the asset replacement program of IT infrastructure.

BUDGETED FINANCIAL STATEMENTS

Analysis of budgeted financial statements

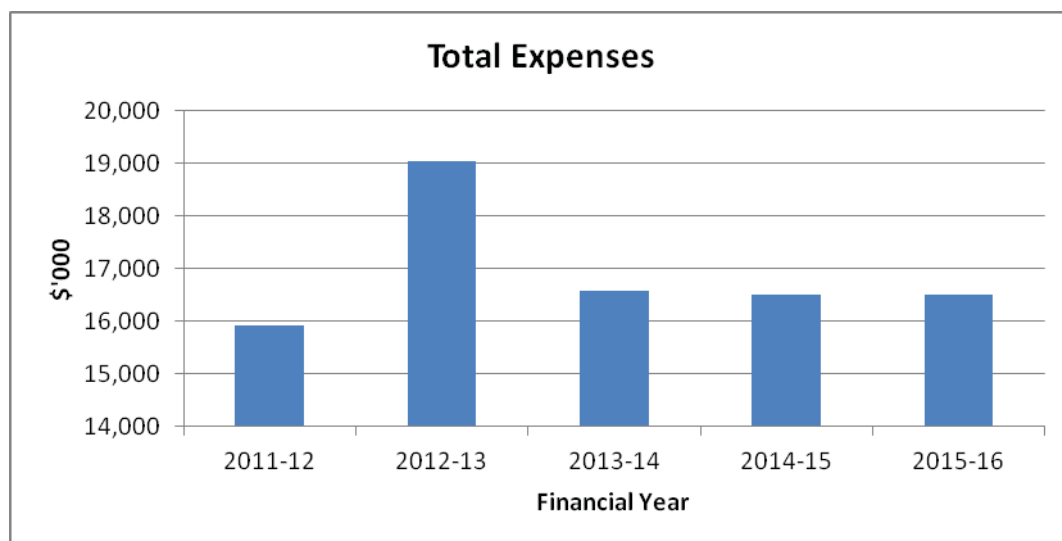
An analysis of the department's budgeted financial statements, as reflected in the department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$19 million in 2012-13, an increase of \$3.1 million from the 2011-12 financial year. The increase is mainly due to the impact of the full year transfer of the Public Sector Industrial and Employee Relations function from the Department of Justice and Attorney-General and a deferral of funding from 2011-12 of \$1.6 million to be expended on projects in 2012-13.

Expenditure amounts in the outyears are have reduced in line with the Government's commitment to fiscal repair, this has primarily been achieved through lower employee expenses resulting from a reduction in full time equivalents.

Chart: Total departmental expenses across the Forward Estimates period



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

Expenditure in 2012-13 allows for the following:

- Full year funding of the Public Sector Industrial and Employee Relations function (\$3.7 million)
- Carry forward funding costs (\$1.6 million) for:
 - Completion of a Database upgrade project for the Integrity Commissioner
 - Future sector reform initiatives to be identified by the new Commission Chief Executive
 - Future asset rollover.

Savings in outyears are to be achieved by a reduction in employee expenses with full time equivalents to reduce from 79 in 2012-13 to 78 in 2015-16. There are also further reductions in consultant, contractor, travel and advertising expenditure.

Departmental balance sheet

The Public Service Commission's major assets of \$1.8 million include plant and equipment for the leasehold fit out of leasehold premises. These assets are expected to decrease by \$0.402 million over the next three years due to amortisation.

There is also a non-current asset/liability for market based rental increases under the accommodation lease for 53 Albert Street which is provided for so that the expense can be recognised and distributed evenly over the full lease term.

INCOME STATEMENT

Public Service Commission	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,2,7,12	14,016	14,545	18,022
User charges	3,8,13	1,075	744	569
Grants and other contributions	4,13	828	1,137	301
Other revenue	9	4	61	150
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		15,923	16,487	19,042
Expenses				
Employee expenses	5,10,14	10,647	11,487	11,916
Supplies and services	6,11,15	5,027	5,137	6,755
Grants and subsidies		..	40	95
Depreciation and amortisation		209	197	236
Finance/borrowing costs		..	..	..
Other expenses		40	42	40
Losses on sale/revaluation of property, plant and equipment and investments		..	6	..
Total expenses		15,923	16,909	19,042
OPERATING SURPLUS/(DEFICIT)		..	(422)	..

STATEMENT OF CHANGES IN EQUITY

Public Service Commission	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		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period	16	..	(422)	..
Total recognised income and expense for the period		..	(422)	..
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)	17	4	4	..
Total movement in equity for period		4	(418)	..

BALANCE SHEET

Public Service Commission	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		656	910	926
Receivables		522	651	421
Other financial assets		..	..	..
Inventories		..	..	..
Other		114	200	200
Non-financial assets held for sale		..	..	..
Total current assets		1,292	1,761	1,547
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		1,971	1,916	1,782
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		1,971	1,916	1,782
TOTAL ASSETS		3,263	3,677	3,329
CURRENT LIABILITIES				
Payables	18,19,21	718	1,205	975
Accrued employee benefits		190	232	232
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		118	118	118
Total current liabilities		1,026	1,555	1,325
NON-CURRENT LIABILITIES				
Payables	20,22	1,145	1,145	1,027
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		1,145	1,145	1,027
TOTAL LIABILITIES		2,171	2,700	2,352
NET ASSETS/(LIABILITIES)		1,092	977	977
EQUITY				
Capital/contributed equity		934	934	934
Accumulated surplus/(accumulated deficit)		158	43	43
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY		1,092	977	977

CASH FLOW STATEMENT

Public Service Commission	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	23,29,33	14,016	14,492	18,252
User charges	24,30,34	1,075	879	569
Grants and other contributions	25,30,34	828	1,137	301
Other	26	4	47	150
Outflows:				
Employee costs	27,31,35	(10,647)	(11,396)	(11,916)
Supplies and services	28,32,36	(5,027)	(5,109)	(6,985)
Grants and subsidies		..	(52)	(95)
Borrowing costs		..	..	..
Other		(158)	(160)	(158)
Net cash provided by/(used in) operating activities		91	(162)	118
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	(11)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(75)	(68)	(102)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(75)	(79)	(102)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		16	(241)	16
Cash at the beginning of financial year		640	1,151	910
Cash transfers from restructure		..	..	..
Cash at the end of financial year		656	910	926

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

1. The Public Service Commission has been allocated \$4.5 million for the Enhanced Employee Assistance Scheme, which has not been included in the 2012-13 Estimate.

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

2. An increase in service revenue primarily due to additional funding received to meet Voluntary Separation Program (VSP) commitments, savings and net deferrals.
3. A decrease in user charges primarily due to the outsourcing of the Public Sector Management Program and the cessation of the Workforce Consulting function and partially offset by greater than anticipated revenue from the SES Events Program.
4. An increase in grants and other contributions due to additional revenues from the whole-of-Government Corporate Subscription Program and recovery of costs associated with Directors-General recruitment.
5. An increase in employee expenses primarily due to costs associated with the VSP, partially offset by a reduction in costs due to the outsourcing of the Public Sector Management Program.
6. An increase in supplies and services primarily due to costs associated with Directors-General recruitment processes and CEO Role Evaluations, partially offset by a reduced expenditure associated with outsourcing of the Public Sector Management Program and the cessation of the Workforce Consulting function.

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

7. An increase in service revenue due to the full year effect of 2011-12 machinery-of-Government transfers, a change in the funding model for whole-of-government development programs and Enterprise Bargaining arrangements. The increase has been partially offset by savings initiatives.
8. A decrease in user charges and other contributions primarily due to a change in the funding model for whole-of-Government development programs and the cessation of the Workforce Consulting function.
9. An increase in other revenue is due to contract management fees for outsourced development programs such as the Public Sector Management Program.
10. An increase in employee expenses primarily due to the full year effect of 2011-12 machinery-of-Government transfers, partially offset by the 2011-12 VSP.
11. An increase in supplies and services primarily due to costs associated with Directors-General recruitment processes and CEO Role Evaluations.

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

12. An increase in service revenue due to the full year effect of 2011-12 machinery-of-Government transfers and net deferrals.
13. A decrease in user charges and grants and other contributions primarily due to a change in the funding model for whole-of-Government development programs, the outsourcing of the Public Sector Management Program and the cessation of the Workplace Consulting function.
14. An increase in employee expenses primarily due to the full year effect of 2011-12 machinery-of-Government transfers. The increase has been partly offset by the 2011-12 VSP and implementation of savings initiatives.
15. An increase in supplies and services primarily due to the completion of the Integrity Commissioner database upgrade project, costs related to the Commission's reform agenda and net deferrals.

Statement of changes in equity

16. The deficit for the period is due to the timing of revenue received for the 2011 Public Sector Management Program cohort and completion of this program in 2012.
17. The equity adjustment represents the net effect of the transfer of assets associated with the machinery-of-Government transfer of the Public Sector Industrial and Employee Relations function from the Department of Justice and Attorney-General.

Balance sheet

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

18. An increase in payables primarily due to the timing of machinery-of-Government transfers and fluctuations between years.

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

19. An increase in payables primarily due to the timing of machinery-of-Government transfers and fluctuations between years.
20. A decrease in non-current payables reflecting the reduction in the leasehold incentive liability.

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

21. A decrease in payables primarily due to clearance of post-machinery-of-Government transfers.
22. A decrease in non-current payables reflecting the reduction in the leasehold incentive liability.

Cash flow statement

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

23. An increase in service receipts primarily due to funding received for the VSP, partially offset by savings provided in the current financial year.
24. A decrease in user charges primarily due to the outsourcing of the Public Sector Management Program, partially offset by higher receipts from the SES Events Program.
25. An increase in grants and other contributions primarily due to the recovery of Directors-General recruitment costs, contributions to the Graduate Portal Program and Corporate Subscription Program.
26. An increase in other inflows primarily due to contract management fees received from the outsourcing of the Public Sector Management Program.
27. An increase in employee costs reflecting costs associated with the VSP and offset by a reduction in costs due to the outsourcing of the Public Sector Management Program and the full year effect of 2011-12 machinery-of-Government transfers.
28. An increase in supplies and services primarily due to costs associated with the Directors-General recruitment processes and CEO Role Evaluations, partially offset by a reduction in expenditure due to the outsourcing of the Public Sector Management Program and cessation of the Workforce Consulting function.

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

29. An increase in service receipts primarily due to net deferrals and the full year effect of 2011-12 machinery-of-Government transfers.
30. A decrease in user charges and grants and other contributions primarily due to the decrease in departmental charging for whole-of-Government development programs and the outsourcing of the Public Sector Management Program.
31. An increase in employee costs primarily due to the full year effect of 2011-12 machinery-of-Government transfers and partially offset by savings achieved from the VSP.
32. An increase in supplies and services primarily due to the completion of the Integrity Commissioner database project and costs related to the Commission's reform agenda and net deferrals.

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

33. An increase in service receipts primarily due to the full year effect of 2011-12 machinery-of-Government transfers and net deferrals.
34. A decrease in user charges and grants and other contributions primarily due to the decrease in departmental charging for whole-of-Government development programs and the outsourcing of the Public Sector Management Program and the cessation of the Workplace Consulting function.
35. An increase in employee costs primarily due to the full year effect of 2011-12 machinery-of-Government transfers and partially offset by savings achieved from the VSP and savings initiatives implemented for 2012-13.
36. An increase in supplies and services primarily due to the completion of the Integrity Commissioner database project and costs related to the Commission's reform agenda and net deferrals.



Queensland Audit Office

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Premier is the responsible Minister in relation to the appropriation to the independent statutory office, the Queensland Audit Office (QAO).

The Auditor-General, Mr Andrew Greaves, has a statutory responsibility to audit the consolidated fund, and all public sector entities, as defined in the *Auditor-General Act 2009* (the Audit Act), and to report to the Parliament, public sector entities and relevant Ministers. Public sector entities consist of departments, statutory bodies, government owned corporations, local governments and their controlled entities. The Auditor-General, an independent officer of the Parliament, is appointed for a non-renewable seven year term. The position is not subject to direction about the exercise of audit powers or the priority to be given to audit matters.

The QAO is established by section 6 of the *Auditor-General Act 2009* and comprises the Auditor-General and Deputy Auditor-General, statutory positions established also by section 6; and the staff of the Office. The QAO benefits Queenslanders by strengthening public sector accountability by providing independent public sector auditing services and reporting. This is achieved through the following key areas:

- Parliamentary services
- Auditing services of public sector entities through our financial and performance audits.

As part of the financial audits performed each year of public sector entities, the Auditor-General provides independent audit opinions on financial statements as well as audit certificates relating to the acquittal of government funds.

The Auditor-General mandate also includes performance audits of public sector entities. A performance audit includes deciding whether the objectives of a public sector entity are being achieved economically, efficiently and effectively and in compliance with relevant laws.

Further information is available from the QAO website, www.qao.qld.gov.au

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

QAO is an independent statutory office and our vision for the future is to be a leader in public sector audit. As detailed in our Strategic Plan 2012-16, our purpose is to strengthen public sector accountability and be a catalyst for improved performance in the public sector. We aim to achieve this by providing Parliament with independent assurance and advice about the accountability and performance of the public sector through our reports to Parliament.

We are committed to improving the quality, timeliness and cost effectiveness of our audit services through the following four objectives:

- Parliament – provide independent assurance and advice to the Parliament about the accountability and performance of the public sector
- Public sector – provide authoritative reporting that is used by the public sector to fulfil its accountability obligations, and improve its performance
- Business – deliver efficient and effective support services
- People – encourage highly motivated, committed and competent staff.

2012-13 Budget highlights

This year, in striving to be a leader in public sector auditing, we will focus on achieving the following actions:

- Strengthen our engagement with the Parliament
- Provide greater clarity and purpose in our reporting
- Undertake collaborative audits with other States and the Commonwealth government
- Identify and address expectation gaps with our clients, the community and the Parliament
- Focus on significant issues that will make a difference
- Better leverage our public sector expertise.

In recognising the increasing level of economic uncertainty and the government seeking to achieve fiscal balance by 2014-15, QAO is freezing auditor charge out rates at 2011 levels during 2012-13. Audit fees are charged on financial audits, while performance audits and services to the Parliament are funded directly through the consolidated revenue fund.

The proposal to freeze our charge out rates is expected to have a positive impact on clients. The potential for this initiative to reduce audit fees will be higher for clients with strong financial and risk management processes. As agencies continue to face the challenge of transforming their finance teams to deliver more efficient and effective financial management services, QAO will keep engaging with Chief Financial Officers, Accountable Officers and Audit Committees about the factors that impact upon the risk and complexity of their operations and how this relates to the audit plan. We will provide independent advice on the strategies needed to reduce their audit fees over time. This will include identifying opportunities to implement more cost effective internal controls, achieve earlier year-end closes and more timely financial statement sign-off and audit certification processes. We will also be communicating our 2013 audit plans earlier.

QAO undertakes select tendering with pre-qualified suppliers to contract out approximately 30% of our financial audits in value. This year, we will continue to refine our resourcing strategy, increasing the emphasis on assessing industry expertise, quality assurance practices and regional presence. For 2013, QAO sector directors will have primary responsibility for developing sector and industry expertise through strong client and supplier relationships and will focus on practice improvements to help stabilise and reduce our audit fees over time.

2011-12 Achievements

Key achievements in 2011-12 included:

- Completed 11 Auditor-General Reports to Parliament as planned.
- Provided briefings on our reports to the Finance and Administration Committee, Transport, Housing and Local Government Committee, former Health and Disabilities Committee and Education and Innovation Committee
- Conducted and reported on three performance audits under the new mandate: *Regulating waste: protecting the environment; Improving student attendance* and *Managing employee unplanned absence*. Conducted and reported on the performance management systems audits of: *Acquisition and public access to the Museum, Art Gallery and Library collections; Follow up of four audits completed in 2008 and 2009; the National Partnership Agreement for Natural Disaster Reconstruction and Recovery; Systems to coordinate delivery of the Toward Q2 Tomorrow's Queensland target - Halve the proportion of Queensland children living in a household without a working parent*
- Identified and reported to Parliament on issues with sector-wide implications including: fraud risk management, strategic asset management, journal processing, electronic document workflow, ICT disaster recovery, information security governance and network security
- Prepared submissions for: Australian Accounting Standards Board (AASB) exposure drafts; Auditing and Assurance Standards Board exposure drafts; topical audit issues to the Australasian Council of Auditors-General; and central agency and client requests
- Implemented improvements to QAO's audit methodology software IPSAM
- Benchmarked our performance against the Australasian Council of Auditor Generals (ACAG)
- Completed quality assurance reviews of in-house audits and contract auditors.

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.

Queensland Audit Office	2011-12 Budget \$'000	2011-12 Actual \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ¹	6,402	6,402	6,600
Deferred from previous year/s	..	..	..
Balance of service appropriation	..	..	..
Other revenue	39,407	37,935	36,964
Total income	45,809	44,337	43,564
Expenses			
Independent public sector auditing services and reporting	45,387	44,199	43,749
Total expenses	45,387	44,199	43,749
Operating surplus/(deficit)	422	138	(185)
Net assets	6,542	6,388	6,203
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	6,402	6,402	6,600
Equity adjustment	..	..	..
Administered items	..	..	..
VOTE TOTAL²	6,402	6,402	6,600

Notes:

1. Represents State funding only.
2. As represented in the 2012-13 Appropriation Bills.

Staffing¹

	Notes	2011-12 Budget	2011-12 Actual	2012-13 Estimate
Total	2	235	210	212

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The variance between budget and actual for 2011-12 is due to QAO refining its audit processes and back office systems and progressively reducing overall staff numbers.

SERVICE PERFORMANCE

QAO benefits Queenslanders by strengthening public sector accountability through our service area of providing independent public sector auditing services and reporting.

Key areas of focus to achieve this service include:

Parliamentary services

We report to Parliament on the results of audits of the consolidated fund, public sector entities and provide advice and assistance to members of Parliament and Parliamentary committees. This links to QAO's strategic objective of Parliament – Provide independent assurance and advice to the Parliament about the accountability and performance of the public sector.

Audit services

We conduct financial and performance audits of public sector entities. This links to QAO's strategic objective of Public sector – Provide authoritative reporting that is used by the public sector to fulfil its accountability obligations and improve its performance.

2012-13 Service Summary¹

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Independent public sector auditing services and reporting	43,749	6,600	36,589	..	375
Total	43,749	6,600	36,589	..	375

Note:

1. Explanations of variances between the 2012-13 Budget estimates and 2011-12 Budget and Actuals are provided in the financial statements.

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Actual	2012-13 Target/est.
Service Area: Independent public sector auditing services and reporting				
Service standards				
<i>Financial audits</i>				
Audit client satisfaction with financial audit services (index points)	4, 7	80	72	80
Percentage of quality assurance reviews that substantively comply with auditing standards	1	100%	100%	100%
Percentage of financial statements audited and certified within statutory timeframe where statutory requirements observed by audit clients		95%	95%	95%
Average cost per report to Parliament for financial audits	2, 4	\$0.105 million	\$0.149 million	\$0.220 million
Average time for reporting financial audits to Parliament from the statutory deadline for audit certification	3, 4	< 4 months	3.7 months	< 4 months
Percentage of operational costs self-funded through audit fees		86%	85%	85%
<i>Performance audits</i>				
Average time to complete performance audits including reporting to Parliament	4	< 7 months	6.6 months	< 7 months
Average cost per performance audit	4	\$0.400 million	\$0.363 million	\$0.395 million
Audit client satisfaction with performance audit services (index points)	4, 7	75	73	75
<i>Parliamentary services</i>				
Reports to Parliament completed to the satisfaction of the Parliament and the Parliamentary Committees	5,6	Satisfied	Satisfied	Satisfied
Other measures				
Number of reports to Parliament				
Financial audit		4	4	4
Performance audit	4	7	7	10
State contribution (\$000)		6,402	6,402	6,600
Other revenue (\$000)		39,407	37,935	36,964
Total cost (\$000)		45,387	44,199	43,749

Notes:

1. Measure amended to improve readability only, the calculation method has not changed.
2. The increase in the cost of reports reflects the changes that have been introduced to improve the clarity and purpose of reports. The target for cost for 2012-13 is currently under review.
3. Wording in relation to the way timeliness has been calculated for financial audit has been amended to improve readability.
4. 'Financial and assurance audit' and 'performance management systems audit' has been changed in these measures to 'financial audit' and 'performance audit' to better align with the terminology in the *Auditor-General Act 2009*.
5. 'Parliamentary reporting and sector-wide assistance' has been changed to 'Parliamentary services' to align with the QAO Strategic Plan 2012-16.
6. Reference to 'Public Accounts and Public Works Committee' changed to 'Parliamentary Committees' due to new Committee structure.
7. Surveys were independently conducted in relation to audits performed during 2010 and 2011. The QAO Strategic Plan 2012-16 includes a strategy for more timely and open engagement with the public sector to address the satisfaction measure being below target.

CAPITAL

Capital program

Queensland Audit Office's minor works expenditure of \$0.250 million is to maintain and replace current office and IT equipment.

Capital budget statement

Queensland Audit Office	Notes	2011-12 Budget \$'000	2011-12 Actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	
Total plant and equipment		250	42	250
Total other capital	
Total Capital Purchases		250	42	250

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 Queensland Audit Office's budgeted financial statements for 2012-13 is provided below.

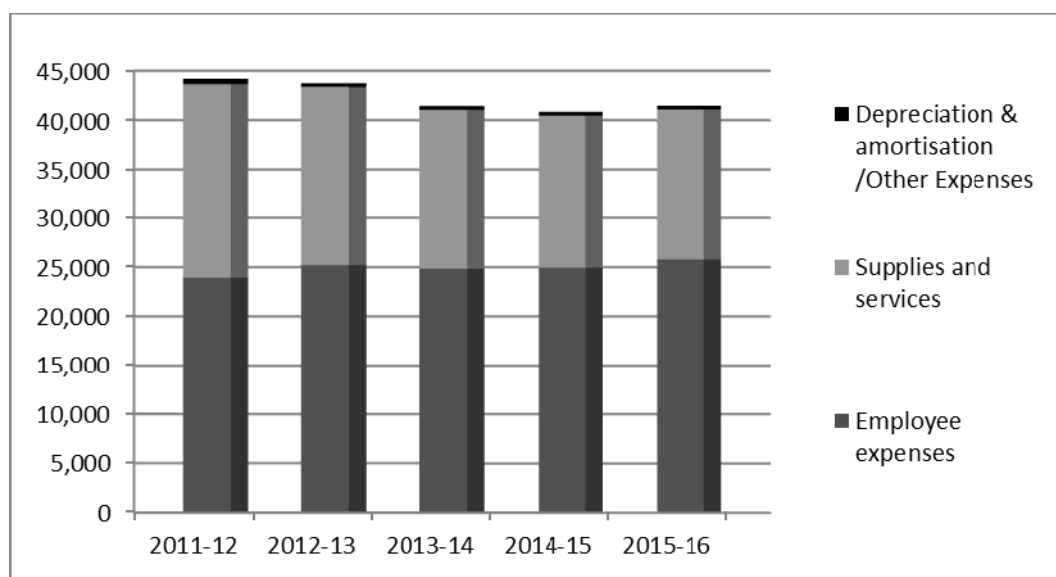
Queensland Audit Office income statement

Total expenses are estimated to be \$43.7 million in 2012-13, a decrease of \$0.45 million from actual expenditure in the 2011-12 financial year and \$1.6 million less than the published budget for the 2011-12 financial year. The overall decrease against last financial year's actuals is due to the forecast decline in both supplies and services expenditure and depreciation costs, offset by an increase in employee expenses. The decrease in supplies and services expenditure is due to the avoidance of prior year costs associated with the cyclical (three year) replacement of computer equipment and software, coupled with a reduced need for back office contract-in staff and streamlining of other non-audit services.

Funding for contracted out audit services is budgeted to reduce by 2.5% or \$0.310 million to \$11.9 million. While contracted out audit services will continue to represent a significant portion of overall audit fees at 32%, the reduction in these costs is part of a broader strategy to improve our audit practice and develop greater sector and industry expertise through closer relationships with our contract auditors and client agencies. Over time this will reduce the need for contract variations and any resultant unplanned increases to audit fees and improve the timeliness of our contracted out auditing services.

The increase in budgeted employee expenses for 2012-13 against actual expenditure in the prior year of \$1.3 million factors in both the anticipated wage increase of all staff and the impact of recent structural changes within financial audit to provide a renewed focus on sector/industry specialisation from the 2013 audit year onwards. Despite this increase, the ongoing savings to employee expenses which were achieved during 2011-12 against the published 2011-12 budget are largely due to workforce change and renewal initiatives. These savings are expected to continue in 2012-13 but will be partially offset by further structural and workforce development changes aimed at building long term capability in both the financial and performance audit areas.

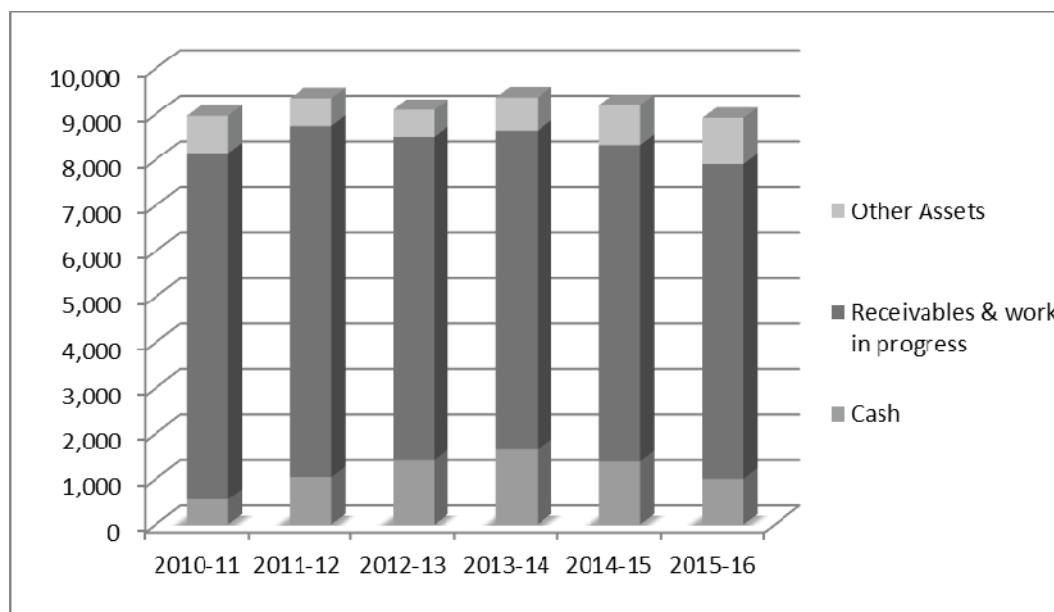
Chart 1 - Total Expenses: 2011-12 actuals and forward estimates to 2015-16 (\$'000)



Queensland Audit Office balance sheet

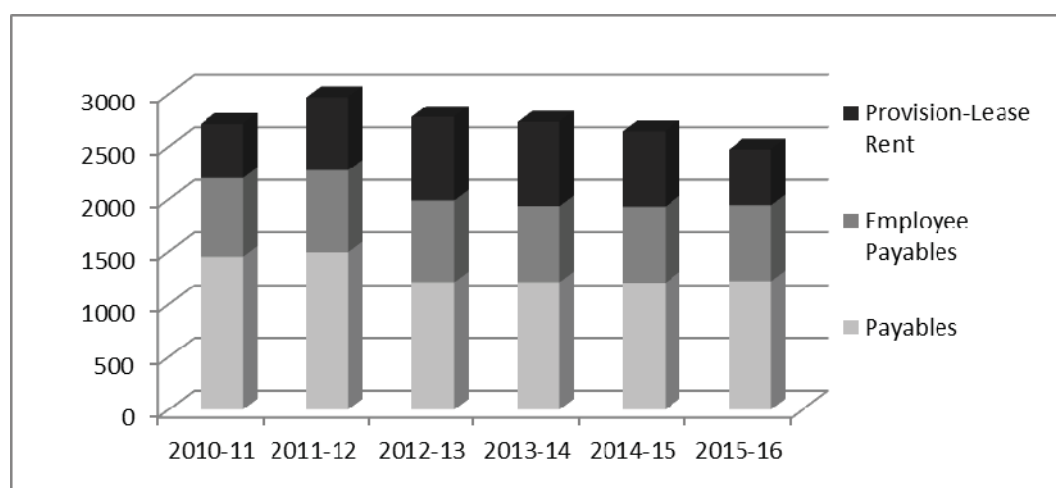
As a professional services firm, QAO's major assets are generated by our professional staff and are largely represented by the bank account balance and accounts receivable for services performed, including work in progress. These categories are expected to remain relatively stable but will reduce slightly in line with the reduction in overall audit fee revenue over next four years. As indicated in the chart below, we will be reviewing and renewing our investment in ICT assets over the forward estimates period, particularly our practice management and auditing platforms.

Chart 2 – Assets by type, actuals for 2010-11 and 2011-12 and budgeted balances over the forward estimate period from 2012-13 to 2015-16 (\$'000)



QAO's main liabilities are current payables for contracted out and other services and employee expenses. There is also a non-current liability for market based rental increases under the accommodation lease for 53 Albert Street which is provided for so that the expense can be recognised and distributed evenly over the full lease term. As overall turnover is not expected to increase and QAO has no foreseen borrowing requirements, liabilities are expected to reduce slightly over the forward estimates period.

Chart 3 – Liabilities by type, actuals for 2010-11 and 2011-12 and budgeted balances over the forward estimate period from 2012-13 to 2015-16 (\$'000)



INCOME STATEMENT

Queensland Audit Office	Notes	2011-12 Budget \$'000	2011-12 Actual \$'000	2012-13 Estimate \$'000
Income				
Service revenue		6,402	6,402	6,600
User charges	4	39,108	37,601	36,589
Grants and other contributions		..	..	..
Other revenue		299	334	375
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		45,809	44,337	43,564
Expenses				
Employee expenses	1,8	25,667	23,924	25,202
Supplies and services	5,9	19,172	19,725	18,163
Grants and subsidies		..	..	..
Depreciation and amortisation	2,6,10	352	272	100
Finance/borrowing costs		..	..	..
Other expenses		196	205	284
Losses on sale/revaluation of property, plant and equipment and investments		..	73	..
Total expenses		45,387	44,199	43,749
OPERATING SURPLUS/(DEFICIT)	3,7	422	138	(185)

STATEMENT OF CHANGES IN EQUITY

Queensland Audit Office	Notes	2011-12 Budget \$'000	2011-12 Actual \$'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	
Net income recognised directly in equity	
Surplus/(deficit) for the period		422	138	(185)
Total recognised income and expense for the period		422	138	(185)
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		422	138	(185)

BALANCE SHEET

Queensland Audit Office	Notes	2011-12 Budget \$'000	2011-12 Actual \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	11,21	1,503	1,043	1,364
Receivables	12,16,22	6,021	7,701	7,020
Other financial assets		..	..	..
Inventories		..	..	..
Other		307	432	329
Non-financial assets held for sale		..	..	..
Total current assets		7,831	9,176	8,713
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	13,17,23	411	119	220
Intangibles	18,24	51	51	101
Other		10	10	10
Total non-current assets		472	180	331
TOTAL ASSETS		8,303	9,356	9,044
CURRENT LIABILITIES				
Payables	14,19	1,025	1,476	1,171
Accrued employee benefits		736	797	878
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,761	2,273	2,049
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions	15,20,25	..	695	792
Other		..	..	..
Total non-current liabilities		..	695	792
TOTAL LIABILITIES		1,761	2,968	2,841
NET ASSETS/(LIABILITIES)		6,542	6,388	6,203
EQUITY				
Capital/contributed equity		5,183	5,183	5,183
Accumulated surplus/(accumulated deficit)		1,359	1,205	1,020
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY		6,542	6,388	6,203

CASH FLOW STATEMENT

Queensland Audit Office	Notes	2011-12 Budget \$'000	2011-12 Actual \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts		6,402	6,402	6,600
User charges	26,29	41,065	39,447	39,162
Grants and other contributions		..	..	..
Other		299	334	375
Outflows:				
Employee costs	27	(25,566)	(23,865)	(25,056)
Supplies and services	30,31	(19,938)	(20,421)	(19,069)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(1,352)	(1,361)	(1,441)
Net cash provided by/(used in) operating activities		910	536	571
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	28,32	(250)	(42)	(250)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(250)	(42)	(250)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		660	494	321
Cash at the beginning of financial year		843	549	1,043
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,503	1,043	1,364

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. A decrease in employee expenses due to lower staffing levels for both auditing and back office services.
2. A decrease in depreciation and amortisation due to the rescheduling of procurement activity to replace information and technology equipment.
3. A decrease in the expected operating surplus largely due a decline in audit fee revenue and lower employee expenses, partly offset by an increase in contracted out auditing and other supplies and services expenses.

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

4. The decrease in user charges takes into account savings achieved in 2011-12 and the freezing of QAO charge out rates during 2012-13. This represents expected efficiencies in the delivery of financial audit services through lower employee expenses, after adjusting for annual wage indexations, and lower support costs.
5. A decrease in supplies and services largely due to the cyclical replacement of computer equipment and software expensed in 2011-12 and reduced use of contracted-in staff in 2012-13 for support functions.
6. A decrease in depreciation and amortisation due to the rescheduling of procurement activity to replace information and technology equipment.
7. A decrease in the expected operating surplus to a small deficit representing a more efficient use of resources and the 2012-13 focus on achieving a reduction in user charges, as outlined in note 3.

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

8. An increase in employee expenses mainly due to Enterprise Bargaining arrangements and the restructuring of financial auditing services in 2012-13 to enable greater sector and industry capability.
9. A decrease in supplies and services mainly due to the cyclical replacement of computer equipment and software that occurred in 2011-12, lower use of contracted-in staff for support functions and greater efficiencies in contracted out auditing services.
10. A decrease in depreciation and amortisation due to the rescheduling of procurement activity to replace information and technology equipment.

Balance sheet

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

11. A decrease in cash assets mainly due to the decrease in user charges and operating surplus actual results compared to budget in the prior year.
12. An increase in receivables reflective of the earlier year-end timing of financial audit activity completed, particularly contracting out audit services which are offset in payables.
13. A decrease in property, plant and equipment due to the rescheduling of procurement activity to replace information and technology equipment and greater use of operating expenditure to purchase low value ICT assets and related services.
14. An increase in payables mainly due to earlier year-end work in contracting out audit services which also contributes to an increase in year-end receivables.
15. An increase in non-current provisions representing the market based rental increases under QAO's accommodation lease which are to be recognised and expensed over the full term of the lease.

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

16. An increase in receivables reflecting the earlier timing of financial audit activity completed, particularly contracting out audit services which are offset in payables.
17. A decrease in property, plant and equipment due to the rescheduling of procurement activity to replace information and technology equipment into 2012-13.
18. An increase in intangibles due to the expected replacement of capitalised software.
19. An increase in payables mainly due to earlier year-end work in contracting out audit services which also contributes to an increase in year-end receivables.
20. An increase in non-current provisions representing the market based rental increases under QAO's accommodation lease which are to be recognised and expensed over the full term of the lease.

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

21. An increase in cash assets is represented by the movements in the 2012-13 Estimate in the Cash Flow Statement which reflect a net increase in cash held at year end from operations.
22. A decrease in current receivables primarily due to fluctuations in accrued revenue between years.
23. An increase in property, plant and equipment due to the replacement of information technology equipment in 2012-13.
24. An increase in intangibles due to the expected replacement of capitalised software.
25. The increase in non-current provisions represents the market based rental increases under QAO's accommodation lease which are to be recognised and expensed over the full term of the lease.

Cash flow statement

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

26. A decrease in user charges representing savings achieved in 2011-12 in the delivery of financial audit services through lower employee expenses, after adjusting for annual wage indexations, and lower support costs.
27. A decrease in employee costs due to lower staffing levels for the both auditing and back office services.
28. A decrease in property, plant and equipment and intangibles outflows due to the rescheduling of procurement activity to replace information and technology equipment.

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

29. The decrease in user charges inflows takes into account savings achieved in 2011-12 and the freezing of QAO charge out rates during 2012-13. This represents expected efficiencies in the delivery of financial audit services through lower employee expenses, after adjusting for annual wage indexations, and lower support costs.
30. A decrease in supplies and services outflows mainly due to the cyclical replacement of computer equipment and software that occurred in 2011-12 and reduced use of contract-in support costs in 2012-13.

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

31. A decrease in supplies and services outflows mainly due to the cyclical replacement of computer equipment and software which was expensed in 2011-12 and lower use of contracted-in support costs in 2012-13.
32. An increase in property, plant and equipment and intangibles outflows is due to the rescheduling of procurement activity to replace information and technology equipment.

GLOSSARY OF TERMS

Accrual Accounting — Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.

Administered Items — Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.

Agency/Entity — Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.

Appropriation — Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for:

- delivery of agreed services
- administered items
- adjustment of the Government's equity in agencies, including acquiring of capital.

Balance Sheet — A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.

Capital — A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.

Cash Flow Statement — A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.

Controlled Items — Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.

Depreciation — The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.

Equity — Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.

Equity Injection	— An increase in the investment of the Government in a public sector agency.
Financial Statements	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income Statement	— A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-Source Revenue	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	— Key policy areas that will be the focus of Government activity.
Services	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

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.

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