

Service Delivery Statements

Department of the Premier and Cabinet

Office of the Governor

Public Service Commission

Queensland Audit Office

2014–15 State Budget Papers

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

Appropriation Bills

Concessions Statement

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

The Budget Papers are available online at www.budget.qld.gov.au

© Crown copyright
All rights reserved
Queensland Government 2014

Excerpts from this publication may be reproduced, with appropriate acknowledgement, as permitted under the Copyright Act.

Service Delivery Statements

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



Summary of portfolio budgets¹

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
4	Department of the Premier and Cabinet - controlled	96,065	122,124	125,451
	Department of the Premier and Cabinet - administered	44,196	42,606	56,591
38	Queensland Family and Child Commission	..	..	10,534
46	Office of the Governor	5,925	6,055	6,263
62	Public Service Commission	21,903	23,293	18,081
80	Queensland Audit Office	40,947	40,243	38,372

Note:

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

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Premier of Queensland:

Premier of Queensland The Honourable Campbell Newman MP
Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier The Honourable Glen Elmes MP
Department of the Premier and Cabinet Director-General: Jon Grayson Service Area 1: Public Sector Renewal Service Area 2: Policy Advice, Coordination and Cabinet Support Service Area 3: Government Executive Support Service Area 4: Legislative Drafting and e-Publishing
Queensland Family and Child Commission Principal Commissioner Service Area 1: Strategic Research, Evaluation and Reporting Service Area 2: Sector Partnerships, Capacity and Governance
Office of the Governor Official Secretary: Air Commodore Mark Gower OAM ret'd Service Area: Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate
Public Service Commission Commission Chief Executive: Andrew Chesterman Service Area: Provision of services for a high performing public service
Queensland Audit Office Auditor-General: Andrew Greaves Service Area: Independent public sector auditing services and reporting

Additional information about these agencies can be sourced from www.thepremier.qld.gov.au or the department's website at www.premiers.qld.gov.au; www.legislation.qld.gov.au, www.psc.qld.gov.au, www.qao.qld.gov.au, www.govhouse.qld.gov.au and www.qfcc.qld.gov.au

PORTFOLIO OVERVIEW

Strategic direction

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
- Queensland Government and other State and Territory Governments
- Queensland, Commonwealth and overseas governments.

The Department of the Premier and Cabinet 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.

Our 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 structures and 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.

The Premier is also the responsible Minister for the Queensland Family and Child Commission, the Queensland Audit Office, Office of the Governor and the Public Service Commission.

Services are delivered through the following portfolio service areas:

- Public Sector Renewal
- Policy Advice, Coordination and Cabinet Support
- Government Executive Support
- Queensland Family and Child Commission
- Legislative Drafting and e-Publishing
- Strategic Research, Evaluation and Reporting
- Sector Partnerships, Capacity and Governance
- Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate
- Provision of services for a high performing public service
- Independent public sector auditing services and reporting.

Additional information on these services is provided separately.



Department of the Premier and Cabinet

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

The Department of the Premier and Cabinet's (DPC) key stakeholder is the Premier with the major role of the department being to support the priorities of the Premier and Cabinet.

The department is committed to supporting the delivery of the government's community objectives through providing robust, objective policy advice, coordinating Cabinet support and managing the business of government.

Priorities for the department include:

- lead policy development and implementation
- provide better services for customers and stakeholders
- lead the Public Sector Renewal Program
- provide contemporary systems and processes.

Strategic direction

The department's vision is to be the best lead agency in the Australian public sector, with an efficient, modern and customer-oriented public service.

DPC will drive this vision through the following strategic objectives:

- Objective 1: Provide the Premier and Cabinet with independent, rigorous and forward-looking policy advice.
- Objective 2: Lead a resilient, innovative public sector.
- Objective 3: Strengthen organisational capability and agility.
- Objective 4: Deliver a long term strategic vision for Queensland.
- Objective 5: Lead the revitalisation of frontline services through the renewal of the public sector.

The initiatives that support these objectives within the department are outlined below.

2014-15 highlights

During 2014-15, Public Sector Renewal will:

- coordinate and provide strategic oversight of the Public Sector Renewal Program across all line agencies and whole-of-Government transformational change initiatives
- support departments to deliver accepted relevant recommendations from the Commission of Audit
- support departments in applying contestability to government services to ensure the best possible services are delivered at the best possible price
- provide secretariat support for monthly Public Sector Renewal Board meetings, including preparing advice to Cabinet and providing high level and strategic advice to all agencies about innovation and reform
- engage proactively with the private and not for profit sectors, as well as academia and other experts, to identify new opportunities for partnerships with government
- develop and drive, in partnership with service providers, an agenda to identify and deliver productivity enhancements in the delivery of government services
- complete the cycle of agency reviews, to ensure all agencies reconsider their core business and how it can be delivered more effectively to the benefit of customers

- collaborate with agencies to identify renewal opportunities, including opportunities to reshape or redesign business processes to deliver enhanced efficiencies in service delivery and corporate functions
- develop and share training opportunities, practical tools and guidance and renewal successes and case studies to enhance understanding of the aims, objectives and progress of the Public Sector Renewal Program across the public, private, academic and non-government organisation sectors
- commission the fourth and fifth waves of customer satisfaction market research and publish results online.

During 2014-15, Policy Advice, Coordination and Cabinet Support will:

- assist with implementing the Commission of Audit recommendations accepted by government, including driving contestability across agencies
- implement recommendations from the Queensland Child Protection Commission of Inquiry (the Carmody Report), through a DPC taskforce
- coordinate and develop a whole-of-Government response to *The Queensland Plan: a 30-year vision for Queensland*
- develop options for reform of federal/state relations, that align with the Queensland Government's key objectives, to inform the Commonwealth's white papers on reform of the federation and tax reform, through the Federal and Fiscal Reform Taskforce
- support the Government's skills and training reform agenda to transform the vocational, education and training sector and grow the Queensland economy
- coordinate the development and implementation of strategic environmental policy initiatives through the DPC Environment Taskforce
- support the DPC Environment Taskforce which is actively working to protect the environment and support the sustainable management of Queensland's unique ecosystem, including the Great Barrier Reef
- lead work on developing expanded partnerships with non-government organisations to deliver better and more client-focussed human services
- evaluate the effectiveness of the *Vicious Lawless Association Disestablishment Act 2013* (criminal bkie laws) implemented during 2013-14
- provide advice on the management of the growth of mining and the Coal Seam Gas industry in Queensland, including financial assurance models, and the legislative reform relating to reducing red tape and streamlining regulatory processes
- support delivery of the Government's electricity sector reform program to place downward pressure on electricity prices
- provide policy advice on national reforms, including:
 - Federal Government GST and tax reform;
 - federal National Disability Insurance Scheme (NDIS);
 - national schools funding reform;
 - Royal Commission into Institutional Responses to Child Sexual Abuse;
 - removing state and federal duplication in approvals including national environmental approval processes;
 - early childhood education;
 - national competition and regulatory reform; and
 - contributing to the drafting of national scheme legislation at both the national and state levels.
- provide support for Cabinet and Cabinet committees, and coordinate and support Community Cabinet events across rural and regional Queensland.

During 2014-15, Government Executive Support will:

- deliver three weeks of cultural celebrations prior to the G20 Summit to be held in November 2014, bringing economic and tourism benefits to Queensland by hosting these events

- deliver the final version of *The Queensland Plan: a 30-year vision for Queensland* and support ongoing community engagement to ensure Queenslanders remain connected and a real partner in delivering the Plan's vision
- deliver a number of major events including: Queensland Week, Australia Day, Queensland Reconciliation Awards, Premier's Awards for Excellence, Queensland Greats Awards, Queensland Australian of the Year Awards, the Queensland Government display at the Ekka, and the Queensland Anzac Centenary commemoration program
- lead delivery of whole-of-Government communication and sponsorship
- coordinate official functions and visits by senior foreign dignitaries and Foreign Heads of Mission including the annual functions in honour of specific occasions such as Chinese New Year and Queensland's relationships with India, China and South Korea; and coordinate the Premier's Official Overseas Visits
- coordinate State legal representation before Commissions of Inquiry
- provide effective executive support for Parliament, Cabinet and government decision-making processes, Ministers, Assistant Ministers and Ministerial Offices
- support the administration of business before the Executive Council
- provide secretariat support to Government bodies within Government Services including the Queensland Independent Remuneration Tribunal, the Queensland Commemorative Events and Celebrations Committee, the Queensland Advisory Committee for the Commemoration of the Anzac Centenary and the Veterans' Advisory Council
- finalise the coordination of state government services for a safe, secure and successful G20 Leaders' Summit in Brisbane on 15 and 16 November 2014 and Finance Ministers' and Central Bank Governors' Meeting in Cairns on 20 and 21 September 2014, with up to 4000 G20 delegates and 3000 media representatives expected to attend the Leaders' Summit
- focus on renewing our internal corporate service delivery, including increasing customer engagement, becoming more tech savvy (technically/technologically proficient), streamlining business processes, investing in capability and performance, and fostering innovation at all levels
- streamline human resource and finance policies and review correspondence management processes for the department.

During 2014-15, Legislative Drafting and e-Publishing, provided by the Office of the Queensland Parliamentary Counsel (OQPC) will:

- work with all departments to produce the legislation required for the Government's legislative reform agenda and, in particular, to cut red tape and regulatory burden
- improve electronic access to legislation and legislative information.

OQPC is a statutory authority established under the *Legislative Standards Act 1992*. As part of the Premier's portfolio OQPC's strategic role is to provide a high quality legislative drafting and e-publishing service. The Office is headed by the Parliamentary Counsel appointed under the *Legislative Standards Act 1992*.

2013-14 achievement

During 2013-14, Public Sector Renewal:

- provided secretariat support to monthly Public Sector Renewal Board meetings
- arranged monthly Renewal Forums to connect the Public Sector Renewal Board with Directors-General to share insights and lessons learned
- established the Commission of Audit implementation roadmap, mapping the whole-of-Government approach to implementing recommendations and supporting agencies in applying contestability to government services
- collaborated with departments to deliver 17 agency renewal reviews, challenging departments to reconsider their service mix and service delivery models

- developed training modules and opportunities, practical tools and guidance and renewal successes and case studies to enhance understanding of the aims, objectives and progress of the Public Sector Renewal Program across the public, private, academic and non-government organisation sectors
- commissioned the second and third waves of customer satisfaction market research and published results online.

During 2013-14, Policy Advice, Coordination and Cabinet Support:

- worked with state, federal and non-government agencies to develop the Government's position on the National Disability Insurance Scheme and the National Injury Insurance Scheme
- contributed to the development of the national mental health reform agenda and the establishment of the Queensland Mental Health Commission
- established a taskforce to implement recommendations from the Queensland Child Protection Commission of Inquiry (the Carmody Report)
- established a taskforce to develop options for reform of federal/state relations
- established the DPC Environment Taskforce to coordinate strategic policy initiatives with a priority focus on the management of the Great Barrier Reef World Heritage Area
- led the evaluations of the:
 - Youth Boot Camp trial, diverting young offenders from custodial detention and at-risk youth from future offending; and
 - Drink Safe Precinct trials, aimed at improving safety and reducing alcohol-related violence in Fortitude Valley, Surfers Paradise and Townsville.
- provided strategic policy support in the State's delivery of urban water reforms to deliver lower prices for water users
- provided and coordinated advice to the Premier on the progress of the Destination Q Partnership initiatives, and other tourism-related programs, aimed at meeting the Government's growth target for the tourism industry to double overnight expenditure to \$30 billion by 2020
- supported the Government to deliver transport and infrastructure key priorities, including assisting agencies in the development of the Bruce Highway Action Plan, the updated business case for the Toowoomba Second Range Crossing and the Royalties for the Regions program
- coordinated development of whole-of-Government policy issues of national significance through the Council of Australian Governments process and contributed to the drafting of national scheme legislation to address these policy issues.

During 2013-14, Government Executive Support:

- planned and coordinated cultural celebrations as part of the G20 Cultural Program in the lead up to the G20 Summit in November 2014
- delivered a draft of *The Queensland Plan: a 30-year vision for Queensland* through a bipartisan grassroots community engagement program involving more than 78,000 people across the State who assisted to determine the 16 targets aimed to be achieved across the nine foundation areas of education, community, regions, economy, health, environment, people, infrastructure and governance
- provided effective executive support for Parliament, Cabinet and government decision-making processes, Ministers, Assistant Ministers and Ministerial Offices, which included a review of the remuneration procedures located within the service providing a single point of truth for clients
- supported the administration of business before the Executive Council
- provided secretariat support to Government bodies including the newly established Queensland Independent Remuneration Tribunal and Veterans' Advisory Council, the Queensland Commemorative Events and Celebrations Committee, and the Queensland Advisory Committee for the Commemoration of the Anzac Centenary

- identified leveraging opportunities for major events, including Australia Day (and the subsequent Australia Day II), Rise and Shine Tours, Queensland Week, Reconciliation Awards and the Anzac Centenary commemoration activities
- managed sponsorships and cost-effective whole-of-Government communication including trials of a state-wide newsletter and streamlined media monitoring
- coordinated official functions and official visits by senior foreign dignitaries and Foreign Heads of Mission including a Visit by Their Royal Highnesses The Duke and Duchess of Cambridge; the Ambassador of the United States of America; the Ambassador of the Republic of Korea and the Consul-General of Japan; the Farewell Function for Her Excellency Ms Penelope Wensley AC and Swearing-In of the new Governor, The Honourable Paul de Jersey AC; and a range of community and business leaders' functions including to honour Chinese New Year and Queensland's relationship with India and Japan, as well as coordinating the Premier's Overseas Visits to New Zealand, the United Arab Emirates, China, Singapore and Japan and the United States of America
- coordinated State legal representation before Commissions of Inquiry, including coordination of the Government's response to the Queensland Child Protection Commission of Inquiry which charts a roadmap for child protection for the next decade
- coordinated state government services in support of the G20 Leaders' Summit in Brisbane on 15 and 16 in November 2014 and the Finance Ministers' and Central Bank Governors' Meeting to be held in Cairns on 20 and 21 September 2014
- rolled out Wi-Fi, new smart phones and offered a 'bring your own device' initiative, to improve departmental connectivity and responsiveness so that employees can work with greater flexibility and convenience.

During 2013-14, Legislative Drafting and e-Publishing:

- worked with whole-of-Government to produce the legislation required for the Government's legislative reform agenda including the Government's initiative to cut red tape and regulatory burden and implement high priority initiatives such as industrial relations reforms and initiatives to address organised crime
- improved electronic access to legislation and legislative information through the introduction of authorised electronic copies of legislation, electronic notification of subordinate legislation and continued to reduce the waiting time for online publication of reprints of legislation to less than one day in most cases.

Departmental Budget Summary

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

Department of the Premier and Cabinet	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	2,272	14,949	6,288
Balance of service appropriation	83,215	103,863	116,475
Other revenue	10,578	3,312	2,688
Total income	96,065	122,124	125,451
Expenses			
Public Sector Renewal Service	5,509	11,107	13,954
Policy Advice, Coordination and Cabinet Support Service	31,299	35,871	37,556
Government Executive Support Service	47,321	59,969	59,851
Legislative Drafting and e-Publishing Service	10,561	13,475	12,388
Corporate services provided to other agencies	1,375	1,702	1,702
Total expenses	96,065	122,124	125,451
Operating surplus/deficit	..	..	..
Net assets	5,723	7,175	7,175
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	44,196	42,606	56,591
Other administered revenue	..	..	..
Total revenue	44,196	42,606	56,591
Expenses			
Transfers to government	..	..	..
Administered expenses	44,196	42,606	56,591
Total expenses	44,196	42,606	56,591
Net assets	4,292	4,320	4,320

Note:

1. Includes State and Commonwealth funding.

Budget Measures Summary

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

Department of the Premier and Cabinet	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	2,000	1,600	1,600	1,600
Departmental ¹	13,875	28,660	14,945	11,321	7,298
Capital measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Note:

1. The totals reconcile with Budget Paper No. 4.

Staffing¹

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Services²				
Public Sector Renewal Service	3	17	56	43
Policy Advice, Coordination and Cabinet Support Service	4	132	162	174
Government Executive Support Service	5	168	163	132
Legislative Drafting and e-Publishing Service	6	64	75	71
Administered				
Ministerial Offices and Office of the Leader of the Opposition		234	234	234
Corporate services provided to other agencies				
		7	6	6
TOTAL	7	622	696	660

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service areas to which they relate.
3. An increase from the 2013-14 Adjusted budget to the 2013-14 Estimated actual and 2014-15 Budget is primarily due to the provision of support to assist and work with Queensland Government agencies to achieve broader outcomes including the goal to be the most responsive and respected public service in the nation.
4. An increase from the 2013-14 Adjusted budget to the 2013-14 Estimated actual and 2014-15 Budget is primarily due to the creation of taskforces which aim to provide the Premier and Cabinet with independent, rigorous and forward-looking policy advice as well as coordinate the implementation of state-wide transformation initiatives. Taskforces include the Queensland Child Protection Commission of Inquiry Implementation taskforce, Environment taskforce, Whole-of-Government Strategic Response taskforce as well as a Strategic Monitoring taskforce to evaluate the effectiveness of the *Vicious Lawless Association Disestablishment Act 2013* (criminal bikie laws).
5. A decrease from the 2013-14 Adjusted budget to the 2013-14 Estimated actual and 2014-15 Budget is primarily due to the rationalisation of activities undertaken by the department and completion of the streamlined media reporting and state-wide newsletter trials and G20 events (including the cultural program).
6. An increase from the 2013-14 Adjusted budget to the 2013-14 Estimated actual and 2014-15 Budget is primarily due to increased legislative drafting requirements resulting from the sitting government's renewal program of work.
7. The FTEs in the 2013-14 Adjusted budget have been recast to that published in the 2013-14 Service Delivery Statements to reflect the machinery-of-Government transfers associated with the Public Sector Renewal from the Public Service Commission (17 FTEs) and Queensland Government Airwing to the Public Safety Business Agency (8 FTEs).

SERVICE PERFORMANCE

Services

Our service areas are:

Public Sector Renewal Service

The Public Sector Renewal Service is responsible for the implementation of the Queensland Government's Renewal Program and the recommendations accepted from the Commission of Audit. The service supports the work of the Public Sector Renewal Board, which provides strategic leadership of the Renewal Program to assist departments shape their strategic direction and define and implement their renewal program.

The service provides advice on the implementation of the Whole-of-Government Renewal Plan, which incorporates the Government's response to the Commission of Audit. The service also provides advice to the Premier and Cabinet on opportunities to develop markets and encourage greater innovation in the delivery of government services. The service works closely with departments, the private sector and non-government organisations to enhance their understanding of contestability and renewal and to assist them in building capability to engage effectively in potential partnerships with government.

Policy Advice, Coordination and Cabinet Support Service

Policy Advice, Coordination and Cabinet Support Service supports the development of evidence-based policy advice and coordination for the Premier and Cabinet, as well as Cabinet-related activities to drive change across Government. The service provides detailed briefings to the Premier on policy from design and development through to coordination and implementation. 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.

Additionally, this service area is responsible for leading key priority projects including *The Queensland Plan: a 30-year vision for Queensland* and implementing the recommendations from the Carmody Report. 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 Government policy commitments.

Government Executive Support Service

Government 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, and provides support services to Ministerial Offices, Assistant Ministers and the Office of the Leader of the Opposition. In addition, the service manages and coordinates events including the Anzac Centenary commemoration program, State occasions, official visits and functions, assists the Australian Government with preparations for the G20 Leaders' Summit in Brisbane and associated meetings, and coordinates State legal representation before Commissions of Inquiry.

The service also leads whole-of-Government sponsorships and communication activities including ongoing engagement activities related to *The Queensland Plan: a 30-year vision for Queensland*. Government Executive Support Service is also embarking on an internal renewal program, focusing on reinvigorating corporate services to increase employee engagement and improve service delivery quality and satisfaction.

Legislative Drafting and e-Publishing 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.

2014-15 Service Summary¹

Service Areas	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Public Sector Renewal Service	13,954	13,954	..	..	..
Policy Advice, Coordination and Cabinet Support Service	37,556	37,554	..	..	2
Government Executive Support Service	59,851	56,912	1,599	900	440
Legislative Drafting and e-Publishing Service	12,388	12,318	69	..	1
TOTAL²	123,749	120,738	1,668	900	443

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 Controlled Income Statement as the department provides corporate services to the Public Service Commission and the Office of the Governor.

Performance Statement

Department of the Premier and Cabinet	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area: Public Sector Renewal				
Service standards				
% of agencies that undertake redesign initiatives to improve customer services and represent these achievements to the Public Sector Renewal Board	1	New measure	..	100%
% client satisfaction with quality and timeliness of advice on implementation for the Commission of Audit recommendations and the application of contestability to government services	2	New measure	..	80%
% client satisfaction with quality and timeliness of advice on delivering the Government's Public Sector Renewal Program	3	New measure	..	80%
State contribution (\$'000)		6,214	11,812	13,954
Other revenue (\$'000)		..	..	..
Total cost (\$'000)	4	6,214	11,812	13,954
Service Area: Policy Advice, Coordination and Cabinet Support				
Service standards				
% client satisfaction with advice by DPC to agencies on performance management and reporting requirements	5	85%	97%	85%
% client satisfaction with DPC engagement with the policy development process	5	85%	81%	85%
% client satisfaction with support provided by Cabinet Services	5	85%	99%	85%
% client satisfaction with advice and support relating to intergovernmental issues	5	85%	98%	85%
Average cost of Community Cabinet meetings	6	New Measure	..	..
State contribution (\$'000)		31,299	35,853	37,554
Other revenue (\$'000)		..	18	2
Total cost (\$'000)		31,299	35,871	37,556

Department of the Premier and Cabinet	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area: Government Executive Support	7			
Service standards				
% client satisfaction with support and advice provided by Government Services	5,8	Amended measure	89%	85%
% client satisfaction with support and advice provided by Corporate Services	9	New Measure	..	85%
Average cost of delivery of Government Services:				
<ul style="list-style-type: none"> statewide community newsletter coordination of official overseas visits 	10	New Measure	..	..
Cost of corporate services as a % of departmental cost	11	..	15%	..
State contribution (\$'000)		37,121	54,027	56,912
Other revenue (\$'000)		9,098	4,861	2,939
Total cost (\$'000)	12	46,219	58,888	59,851
Service Area: Legislative Drafting and e-Publishing				
Service standards				
% client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel	5	85%	100%	85%
% client satisfaction with the quality of access to legislation available online	5	85%	95%	85%
State contribution (\$'000)		10,526	13,290	12,318
Other revenue (\$'000)		35	185	70
Total cost (\$'000)		10,561	13,475	12,388

Notes:

1. This service standard will identify those agencies that have undertaken redesign initiatives to improve business processes and ensure customers experience high quality services in consultation with the Public Sector Renewal Board.
2. This service standard will inform satisfaction levels by Ministers and Directors-General on the quality, timeliness and support provided by the Public Sector Renewal Division to assist agencies in implementing Commission of Audit recommendations and applying contestability to government services.
3. This service standard will inform satisfaction levels by Ministers and Directors-General on the quality, timeliness and support provided by the Public Sector Renewal Division to assist agencies in implementing the Public Sector Renewal Program.

4. The 2013-14 Target/Estimate and the 2013-14 Estimated actual have been adjusted to include the full-year cost of the Public Sector Renewal Service which transferred from the Public Service Commission on 1 October 2013.
5. This service standard informs on satisfaction levels with the quality, timeliness and support provided by DPC and is derived from an annual client survey. Clients are Ministers, Directors-General and their agency's Cabinet Legislation and Liaison Officers and Senior Policy Officers.
6. This service standard informs on the average total cost of Community Cabinet meetings. During 2013-14 there were nine Community Cabinet meetings held in Townsville, the Whitsundays, Brisbane (RNA) Exhibition, Cairns, Goondiwindi, Kingaroy, Fraser Coast, Burdekin and Thursday Island.
7. The service area title has been changed to better reflect activities following the restructure of the former Government and Executive Support service.
8. The wording of this service standard has been amended to reflect the restructure of the former Government and Executive Support service. Government Executive Support incorporates the majority of the former State Services and State Affairs units and more accurately reflects the split of the new Services Division into two areas - 'Corporate Services' and 'Government Services'. The calculation methodology remains unchanged.
9. This service standard informs on the satisfaction level of internal clients with services provided by Corporate Services. Clients are departmental officers including the Director-General and executive management.
10. This service standard informs the average total cost of each of the services provided.
11. The 2014-15 Target/Estimate is to achieve a more efficient cost of corporate services.
12. The 2013-14 Target/Estimate and the 2013-14 Estimated actual have been adjusted to exclude the Queensland Government Airwing which transferred to the Public Safety Business Agency on 1 November 2013.

Administered Items

Administered items are activities undertaken by the department on behalf of the Government.

In 2014-15, 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 and grants and subsidies to the Queensland Family and Child Commission.

DESCRIPTION

Ministerial Offices and Office of the Leader of the Opposition

The key clients are Ministers, Assistant Ministers, the Leader of the Opposition and their respective staff. The services provided are:

- support for Ministers to assist in undertaking their responsibilities as Ministers of the Crown
- management of advisory, secretarial and administrative staff and associated resources for all Ministerial Offices
- maintenance of procedures to ensure the financial accountability of these offices is in accordance with the Queensland Ministerial Handbook
- corporate support for the Office of the Leader of the Opposition.

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

During 2014-15 the following significant developments are planned:

- enhance the travel management system with the addition of an online booking tool
- continue planning for the new 1 William Street building
- review, update and implement the new Opposition Handbook.

Significant achievements undertaken in 2013-14 were:

- implemented a new online travel management system to improve efficiencies and reduce costs
- upgraded the Ministerial Offices and the Leader of the Opposition to a new VOIP telecommunication system to reduce ongoing management costs
- revised, updated and implemented the new Ministerial Handbook.

Financial statements and variance explanations in relation to Administered Items appear in the Departmental Financial Statements. Further information can be obtained by referring to the Public Report of office expenses tabled twice yearly in Parliament.

Staff by Office¹	Notes	2013-14 Budget	2013-14 Est. Act.	2014-15 Estimate
Premier		35	35	35
Deputy Premier, Minister for State Development, Infrastructure and Planning		14	14	14
Treasurer and Minister for Trade		16	16	16
Health		10	11	11
Education, Training and Employment		11	11	11
Attorney-General and Minister for Justice		10	10	10
Police, Fire and Emergency Services		11	10	10
Transport and Main Roads		10	10	10
Housing and Public Works		10	10	10
Agriculture, Fisheries and Forestry		9	9	9
Environment and Heritage Protection		8	8	8
Natural Resources and Mines		8	8	8
Energy and Water Supply		9	9	9
Local Government, Community Recovery and Resilience		9	9	9
Communities, Child Safety and Disability Services		10	10	10
Science, Information Technology, Innovation and the Arts		8	8	8
National Parks, Recreation, Sport and Racing		8	8	8
Tourism, Major Events, Small Business and the Commonwealth Games		8	8	8
Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier		8	8	8
Total Ministerial Offices		212	212	212
Office of the Leader of the Opposition		22	22	22
Total for Non-Government Support		22	22	22
GRAND TOTAL		234	234	234

Note:

1. Figures may not add due to rounding.

Budget and Expenses by Office^{1,2}	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Estimate \$'000
Premier		6,105	5,715	6,327
Deputy Premier, Minister for State Development, Infrastructure and Planning		2,706	2,598	2,742
Treasurer and Minister for Trade		2,287	2,279	2,413
Health		1,867	1,839	2,069
Education, Training and Employment		1,794	1,743	1,800
Attorney-General and Minister for Justice		1,620	1,534	1,610
Police, Fire and Emergency Services		1,675	1,572	1,644
Transport and Main Roads		1,583	1,368	1,606
Housing and Public Works		1,494	1,321	1,542
Agriculture, Fisheries and Forestry		1,634	1,512	1,643
Environment and Heritage Protection		1,463	1,414	1,487
Natural Resources and Mines		1,500	1,396	1,525
Energy and Water Supply		1,585	1,452	1,626
Local Government, Community Recovery and Resilience		1,387	1,326	1,423
Communities, Child Safety and Disability Services		1,593	1,441	1,613
Science, Information Technology, Innovation and the Arts		1,440	1,322	1,448
National Parks, Recreation, Sport and Racing		1,422	1,328	1,441
Tourism, Major Events, Small Business and the Commonwealth Games		1,482	1,172	1,427
Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister assisting the Premier		1,413	1,361	1,426
Total Ministerial Offices		36,049	33,686	36,810

Budget and Expenses by Office^{1,2}	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Estimate \$'000
Assistant Minister to the Premier on e-Government		84	22	86
Assistant Minister to the Premier (was formerly Assistant Minister Finance, Administration and Regulatory Reform)		95	53	97
Assistant Minister Planning Reform		85	51	89
Assistant Minister Finance, Administration and Regulatory Reform (was formerly Assistant Minister Natural Resources and Mines)		95	56	97
Assistant Minister Health		86	32	..
Assistant Minister Technical and Further Education		89	41	91
Assistant Minister Emergency Volunteers		84	53	132
Assistant Minister Public Transport		86	41	89
Assistant Minister Natural Resources and Mines	3	..	3	90
Assistant Minister Child Safety		88	44	90
Assistant Minister Tourism		129	53	132
Assistant Minister Aboriginal and Torres Strait Islander Affairs		127	53	130
Assistant Minister Multicultural Affairs		86	47	88
Total Assistant Ministers		1,132	549	1,210
Total for Ministerial Offices and Assistant Ministers		37,180	34,235	38,020
Office of the Leader of the Opposition		3,327	3,235	3,766
Total for Non-Government Support		3,327	3,235	3,766
Corporate Support	4	3,540	4,987	4,121
GRAND TOTAL		44,047	42,457	45,907

Notes:

1. Figures may not add due to rounding.
2. From 1 July 2014, departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax. As such, the 2013-14 Adjusted budget and 2013-14 Estimated actual have been reduced by \$1.226 million.
3. Assistant Minister Natural Resources and Mines replaced Assistant Minister Health in late May 2014.
4. Realised savings of \$1.590M in 2013-14 have been reallocated to Corporate Support in the 2013-14 Estimated actual.

CAPITAL

Capital program

The Department of the Premier and Cabinet (including Ministerial Offices and Office of the Leader of the Opposition) has a planned capital program of \$1.184 million in 2014-15. 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.

Capital activities undertaken throughout 2013-14, will result in the Performance Information Management System (PIMS) and the Queensland Integrated Legislation Lifecycle System (QuILLS) coming online in 2013-14 and 2014-15 respectively.

PIMS is expected to be completed by 30 June 2014 and will establish a single integrated database to monitor implementation progress of initiatives such as Government Commitments and Cabinet related decisions. This business improvement tool will realise benefits such as:

- a single point of truth for the Premier and Cabinet to assess the progress of initiatives
- greater consistency and improvement in the quality of data reported by departments
- earlier identification of cumulative slippages in delivery of initiatives.

QuILLS is an integrated legislative drafting and publishing system that will improve public access to Queensland legislation via a new website and will streamline as well as automate (wherever practicable) legislative production and publishing processes. The first phase of QuILLS will become operational in early July 2014, with full system functionality to be completed by December 2014.

Capital budget statement

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	
Total plant and equipment		456	456	344
Total other capital		482	2,126	840
Total Capital Purchases		938	2,582	1,184

Note:

1. For more detail on the agency's capital purchases refer to Budget Paper No. 3.

BUDGETED FINANCIAL STATEMENTS

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

Departmental income statement

Total expenses are estimated to be \$125.451 million in 2014-15, an increase of \$29.386 million from the 2013-14 Adjusted budget. The increase is primarily due to the impact of additional costs associated with:

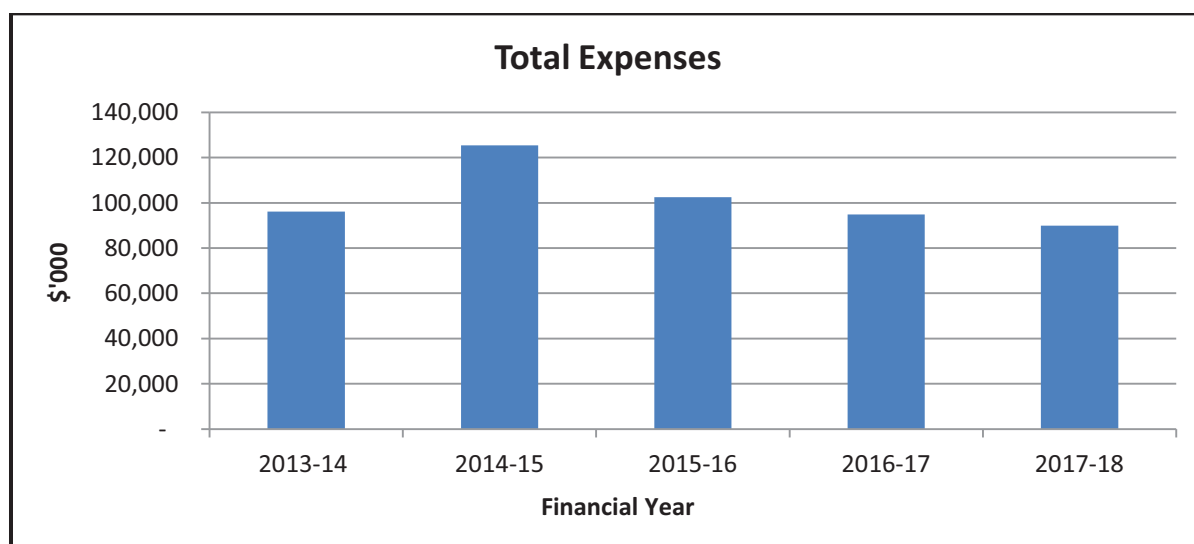
- Queensland Anzac Centenary Commemoration Program
- Public sector renewal initiatives
- G20 events (including the cultural program)
- Enterprise bargaining arrangements.

This increase has been partly offset by the completion of the streamlined media monitoring and state-wide newsletter trials.

The decrease in costs from 2014-15 over the outyears can be attributable to the:

- one-off hosting of G20 events (including the cultural program) in 2014
- conclusion of the Royal Commission of Inquiry into Institutional Responses to Child Sexual Abuse
- public sector renewal initiatives transitioning to core operational activities
- reduced grants available for the Queensland Anzac Centenary Commemoration Program.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's major asset holdings are intangible assets, namely software applications, with a total estimated value of \$4.034 million in 2014-15. This class of asset will continue to be the primary asset class for the department over the outyears due to the transition from an information and communication technology ownership strategy to an 'Infrastructure as a Service' strategy.

The department's liabilities relate to short-term payables associated with outstanding supplier and grant invoices as well as employee benefits. The department has sufficient liquid assets to meet these obligations when they fall due.

CONTROLLED INCOME STATEMENT

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	1,8,15	85,487	118,812	122,763
Taxes		..	..	..
User charges and fees	2,9,16	4,947	2,555	2,245
Royalties and land rents		..	..	..
Grants and other contributions	3,10,17	5,627	753	439
Interest		..	..	..
Other revenue		4	4	4
Gains on sale/revaluation of assets		..	..	..
Total income		96,065	122,124	125,451
Expenses				
Employee expenses	4,11,18	43,131	48,762	50,445
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	5,12,19	34,170	47,927	39,147
Grants and subsidies	6,13,20	17,162	23,363	34,719
Depreciation and amortisation	14,21	1,293	1,294	1,017
Finance/borrowing costs		188	188	..
Other expenses	7,22	121	540	123
Losses on sale/revaluation assets		..	50	..
Total expenses		96,065	122,124	125,451
OPERATING SURPLUS/(DEFICIT)		..	..	..

CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		..	..	..
Total recognised income and expense for the period		..	..	..
Equity injection/(withdrawal)	23	..	1,644	..
Equity adjustments (inc. MoG transfers)		362	170	..
Total movement in equity for period		362	1,814	..

CONTROLLED BALANCE SHEET

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets		688	3,770	3,947
Receivables	24,28	5,290	2,458	2,458
Other financial assets		..	..	..
Inventories		33	53	53
Other		202	523	523
Non-financial assets held for sale		..	..	..
Total current assets		6,213	6,804	6,981
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25,29,32	1,638	869	350
Intangibles	26,30,33	2,058	3,692	4,034
Other		..	..	..
Total non-current assets		3,696	4,561	4,384
TOTAL ASSETS		9,909	11,365	11,365
CURRENT LIABILITIES				
Payables		2,292	2,590	2,590
Accrued employee benefits		1,894	1,600	1,600
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		4,186	4,190	4,190
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		4,186	4,190	4,190
NET ASSETS/(LIABILITIES)		5,723	7,175	7,175
EQUITY				
Capital/contributed equity	27,31	2,138	3,590	3,590
Accumulated surplus/(accumulated deficit)		3,585	3,585	3,585
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY		5,723	7,175	7,175

CONTROLLED CASH FLOW STATEMENT

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	34,44,50	85,487	122,281	122,763
User charges and fees	35,45,51	5,325	3,834	2,623
Royalties and land rent receipts		..	..	..
Grants and other contributions	36,46,52	5,627	753	439
Interest received		..	..	..
Taxes		..	..	..
Other		3,868	3,868	3,868
Outflows				
Employee costs	37,47,53	(43,131)	(48,909)	(50,445)
Supplies and services	38,48,54	(37,190)	(55,170)	(42,167)
Grants and subsidies	39,49,55	(17,162)	(23,363)	(34,719)
Borrowing costs		(188)	(188)	..
Other	40,56	(1,343)	(1,762)	(1,345)
Net cash provided by/(used in) operating activities		1,293	1,344	1,017
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	41,57	(607)	(2,301)	(840)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(607)	(2,301)	(840)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings	42	..	..	..
Equity injections		..	1,644	..
Outflows				
Borrowing redemptions		(311)	(311)	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(311)	1,333	..
Net increase/(decrease) in cash held		375	376	177
Cash at the beginning of financial year		2,428	5,220	3,770
Cash transfers from restructure	43	(2,115)	(1,826)	..
Cash at the end of financial year		688	3,770	3,947

ADMINISTERED INCOME STATEMENT

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	58,60,64	44,196	42,606	56,591
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		44,196	42,606	56,591
Expenses				
Employee expenses	59,61,65	28,358	27,126	28,930
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	62,66	15,332	14,988	16,622
Grants and subsidies	63,67	..	..	10,534
Depreciation and amortisation		350	350	363
Finance/borrowing costs		..	..	..
Other expenses		156	142	142
Losses on sale/revaluation assets		..	..	..
Transfers of administered revenue to Government		..	..	..
Total expenses		44,196	42,606	56,591
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets		7,799	9,149	9,867
Receivables		698	587	587
Other financial assets		..	..	..
Inventories		..	..	..
Other		52	49	49
Non-financial assets held for sale		..	..	..
Total current assets		8,549	9,785	10,503
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	68,70	1,117	797	778
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		1,117	797	778
TOTAL ASSETS		9,666	10,582	11,281
CURRENT LIABILITIES				
Payables		864	826	826
Transfers to Government payable		..	..	..
Accrued employee benefits		884	763	762
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,748	1,589	1,588
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits	69,71,72	3,626	4,673	5,373
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		3,626	4,673	5,373
TOTAL LIABILITIES		5,374	6,262	6,961
NET ASSETS/(LIABILITIES)		4,292	4,320	4,320
EQUITY				
Capital/contributed equity		3,712	3,712	3,712
Accumulated surplus/(accumulated deficit)		580	608	608
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY		4,292	4,320	4,320

ADMINISTERED CASH FLOW STATEMENT

Department of the Premier and Cabinet	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	73,75,79	44,196	44,878	56,591
User charges and fees		(1)	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
Outflows				
Employee costs	74,76,80	(27,659)	(26,427)	(28,231)
Supplies and services	77,81	(15,332)	(15,069)	(16,622)
Grants and subsidies	78,82	..	..	(10,534)
Borrowing costs		..	..	..
Other		(156)	(142)	(142)
Transfers to Government		..	..	..
Net cash provided by/(used in) operating activities		1,048	3,240	1,062
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets		(331)	(331)	(344)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(331)	(331)	(344)
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		717	2,909	718
Cash at the beginning of financial year		7,082	6,240	9,149
Cash transfers from restructure		..	..	..
Cash at the end of financial year		7,799	9,149	9,867

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014, departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. As such:

- The Controlled 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$1.958 million.
- The Controlled 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$2.177 million.
- The Administered 2013-14 Adjusted budget and the 2013-14 Estimated actual Appropriation revenue and Employee expenses have each been reduced by \$1.227 million.

Income statement

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

1. An increase in Appropriation revenue primarily due to additional funding provided for the Queensland Anzac Centenary Commemoration Program, public sector renewal initiatives, Queensland's donation to Typhoon Haiyan in the Philippines, planning for G20 events (including the cultural program) and net deferred project funding between years. The increase is also attributable to changes in revenue categories associated with the streamlined media monitoring and state-wide newsletter trials, planning for the 2014 G20 Leaders' Summit and external corporate support services.
2. A decrease in User charges and fees primarily due to changes in revenue categories associated with the streamlined media monitoring trial and external corporate support services. This is partly offset by revenue received for urgent legislative drafting services and state-wide events.
3. A decrease in Grants and other contributions primarily due to changes in revenue categories associated with the state-wide newsletter trial and planning for the 2014 G20 Leaders' Summit. This is partly offset by additional revenue received for state-wide events.
4. An increase in Employee expenses primarily due to public sector renewal initiatives, planning for G20 events (including the cultural program) and urgent legislative drafting services.
5. An increase in Other supplies and services primarily due to public sector renewal initiatives, planning for G20 events (including the cultural program) and net deferred project funding between years.
6. An increase in Grants and subsidies primarily due to the Queensland Anzac Centenary Commemoration Program and Queensland's donation to Typhoon Haiyan in the Philippines.
7. An increase in Other expenses primarily due to sponsorship costs associated with state-wide events.

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

8. An increase in Appropriation revenue primarily due to additional funding provided for the Queensland Anzac Centenary Commemoration Program, public sector renewal initiatives, G20 events (including the cultural program) and enterprise bargaining arrangements. The increase is also attributable to changes in revenue categories associated with hosting the 2014 G20 Leaders' Summit and external corporate support services.
9. A decrease in User charges and fees primarily due to completion of the streamlined media monitoring trial and a change in revenue stream for external corporate support services.
10. A decrease in Grants and other contributions primarily due to the completion of the state-wide newsletter trial as well as a change in revenue stream associated with hosting the 2014 G20 Leaders' Summit. This is partly offset by an increase in anticipated contributions for state-wide events.
11. An increase in Employee expenses primarily due to public sector renewal initiatives and enterprise bargaining arrangements and hosting G20 events (including the cultural program). This is partly offset by completion of streamlined media monitoring and state-wide newsletter trials.
12. An increase in Other supplies and services primarily due to public sector renewal initiatives, G20 events (including the cultural program), transition to an 'Infrastructure as a Service' information and communication technology environment and state-wide events. This is partly offset by completion of the streamlined media monitoring and state-wide newsletter trials.
13. An increase in Grants and subsidies primarily due to the Queensland Anzac Centenary Commemoration Program.
14. A decrease in Depreciation and amortisation primarily due to the transition to an 'Infrastructure as a Service' information and communication technology environment.

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

15. An increase in Appropriation revenue primarily due to additional funding provided for the Queensland Anzac Centenary Commemoration Program, public sector renewal initiatives, G20 events (including the cultural program) and enterprise bargaining arrangements. This is partly offset by the completion of the streamlined media monitoring and state-wide newsletter trials, net deferred funding between years and Queensland's donation to Typhoon Haiyan in the Philippines in 2013-14.
16. A decrease in User charges and fees primarily due to revenues received in 2013-14 for urgent legislative drafting services and state-wide events.
17. A decrease in Grants and other contributions primarily due to 2013-14 state-wide event revenues.
18. An increase in Employee expenses primarily due to public sector renewal initiatives and enterprise bargaining arrangements. This is partly offset by completion of streamlined media monitoring and state-wide newsletter trials, as well as urgent legislative drafting services in 2013-14.
19. A decrease in Other supplies and services primarily due to completion of streamlined media monitoring and state-wide newsletter trials and net deferred costs between years. This is partly offset by expenses associated with public sector renewal initiatives, G20 events (including the cultural program) and transition to an 'Infrastructure as a Service' information and communication technology environment.
20. An increase in Grants and subsidies primarily for the Queensland Anzac Centenary Commemoration Program, partly offset by Queensland's donation to Typhoon Haiyan in the Philippines in 2013-14.
21. A decrease in Depreciation and amortisation primarily due to the transition to an 'Infrastructure as a Service' information and communication technology environment.
22. A decrease in Other expenses primarily due to sponsorship costs associated with 2013-14 state-wide events.

Statement of changes in equity

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

23. An increase in Equity injection/(withdrawal) due to funds received for the Queensland Integrated Legislation Lifecycle System (QuILLS) and Performance Information Management System (PIMS).

Balance sheet

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

24. A decrease in Current receivables primarily due to fluctuations in accrued revenues as well as outstanding costs associated with a prior-year machinery-of-Government transfer.
25. A decrease in Property, plant and equipment primarily due to the transition to an 'Infrastructure as a Service' information and communication technology environment.
26. An increase in Intangibles primarily due to development of QuILLS and PIMS.
27. An increase in Capital/contributed equity primarily due to equity injections for QuILLS and PIMS.

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

28. A decrease in Current receivables primarily due to fluctuations in accrued revenues as well as outstanding costs associated with a prior-year machinery-of-Government transfer.
29. A decrease in Property, plant and equipment primarily due to the transition to an 'Infrastructure as a Service' information and communication technology environment.
30. An increase in Intangibles primarily due to development of QuILLS and PIMS.
31. An increase in Capital/contributed equity primarily due to equity injections for QuILLS and PIMS.

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

32. A decrease in Property, plant and equipment primarily due to the transition to an 'Infrastructure as a Service' information and communication technology environment.
33. An increase in Intangibles primarily due to completion of QuILLS.

Cash flow statement

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

34. An increase in Appropriation receipts primarily due to additional cash provided for the Queensland Anzac Centenary Commemoration Program, public sector renewal initiatives, Queensland's donation to Typhoon Haiyan in the Philippines, planning for G20 events (including the cultural program), net deferred project receipts between years and the recognition of an appropriation receivable at the end of 2012-13. The increase is also attributable to changes in inflow categories associated with the streamlined media monitoring and state-wide newsletter trials, planning for the 2014 G20 Leaders' Summit and external corporate support services.

35. A decrease in User charges and fees primarily due to changes in inflow categories associated with the streamlined media monitoring trial and external corporate support services. This is partly offset by additional receipts for urgent legislative drafting services and state-wide events.
36. A decrease in Grants and other contributions primarily due to changes in inflow categories associated with the state-wide newsletter trial and planning for the 2014 G20 Leaders' Summit partly offset by additional receipts for state-wide events.
37. An increase in Employee costs primarily due to public sector renewal initiatives, planning for G20 events (including the cultural program) and urgent legislative drafting services.
38. An increase in Supplies and services primarily due to public sector renewal initiatives, planning for G20 events (including the cultural program), payments for 2012-13 accrued expenditure and net deferred project costs between years.
39. An increase in Grants and subsidies primarily due to the Queensland Anzac Centenary Commemoration Program and Queensland's donation to Typhoon Haiyan in the Philippines.
40. An increase in Other outflows primarily due to sponsorship costs associated with state-wide events.
41. An increase in Payments for non-financial assets primarily due to development of QuILLS and PIMS.
42. An increase in Equity injections primarily due to cash provided for the development of QuILLS and PIMS.
43. Cash transfers from restructure are associated with the transfer of the Queensland Government Airwing to the Public Safety Business Agency on 1 November 2013.

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

44. An increase in Appropriation receipts primarily due to additional cash provided for Queensland Anzac Centenary Commemoration Program, public sector renewal initiatives, G20 events (including the cultural program) and enterprise bargaining arrangements. The increase is also attributable to a change in inflow categories associated with hosting the 2014 G20 Leaders' Summit and external corporate support services.
45. A decrease in User charges and fees primarily due to completion of the streamlined media monitoring trial and a change in inflow categories associated with external corporate support services.
46. A decrease in Grants and other contributions primarily due to the completion of the state-wide newsletter trial as well as a change in inflow categories associated with hosting the 2014 G20 Leaders' Summit. This is partly offset by anticipated increased contributions for state-wide events.
47. An increase in Employee costs primarily due to public sector renewal initiatives, enterprise bargaining arrangements and state-wide events. This is partly offset by the completion of the streamlined media monitoring and state-wide newsletter trials.
48. An increase in Supplies and services primarily due to public sector renewal initiatives, G20 events (including the cultural program), transition to an 'Infrastructure as a Service' information and communication technology environment and state-wide events. This is partly offset by completion of the streamlined media monitoring and state-wide newsletter trials.
49. An increase in Grants and subsidies primarily associated with the Queensland Anzac Centenary Commemoration Program.

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

50. An increase in Appropriation receipts primarily due to additional cash provided for the Queensland Anzac Centenary Commemoration Program, public sector renewal initiatives, G20 events (including the cultural program) and enterprise bargaining arrangements. This is partly offset by the completion of the streamlined media monitoring and state-wide newsletter trials, net deferred cash between years, Queensland's donation to Typhoon Haiyan in the Philippines in 2013-14 and the recognition of an appropriation receivable at the end of 2012-13.
51. A decrease in User charges and fees primarily due to cash received for 2013-14 urgent legislative drafting services and state-wide events.
52. A decrease in Grants and other contributions primarily due to cash received for 2013-14 state-wide events.
53. An increase in Employee costs primarily due to public sector renewal initiatives and enterprise bargaining arrangements. This is partly offset by completion of the streamlined media monitoring and state-wide newsletter trials, as well as urgent legislative drafting services in 2013-14.
54. A decrease in Supplies and services primarily due to completion of the streamlined media monitoring and state-wide newsletter trials, net deferred costs between years and payments in 2013-14 for 2012-13 accrued expenditure. This is partly offset by additional costs associated with public sector renewal initiatives, G20 events (including the cultural program) and transition to an 'Infrastructure as a Service' information and communication technology environment.

- 55. An increase in Grants and subsidies primarily associated with the Queensland Anzac Centenary Commemoration Program, partly offset by Queensland's donation to Typhoon Haiyan in the Philippines in 2013-14.
- 56. A decrease in Other outflows primarily due to sponsorship costs for 2013-14 state-wide events.
- 57. A decrease in Payments for non-financial assets primarily due to development of PIMS and the first phase of QuILLS in 2013-14.

Administered income statement

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

- 58. A decrease in Appropriation revenue primarily due to staff vacancies within Ministerial Offices and Office of the Leader of the Opposition throughout 2013-14.
- 59. A decrease in Employee expenses primarily due to staff vacancies within Ministerial Offices and Office of the Leader of the Opposition throughout 2013-14.

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

- 60. An increase in Appropriation revenue primarily due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Queensland Government response to the Queensland Child Protection Commission of Inquiry final report (the Carmody report).
- 61. An increase in Employee expenses primarily due to enterprise bargaining arrangements.
- 62. An increase in Other supplies and services primarily due to rental increases and enhanced allocations for Opposition election travel.
- 63. An increase in Grants and subsidies due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Carmody report.

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

- 64. An increase in Appropriation revenue primarily due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Carmody report.
- 65. An increase in Employee expenses primarily due to enterprise bargaining arrangements and staff vacancies within the Ministerial Offices and Office of the Leader of the Opposition throughout 2013-14.
- 66. An increase in Other supplies and services primarily due to rental increases and enhanced allocations for Opposition election travel.
- 67. An increase in Grants and subsidies primarily due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Carmody report.

Administered balance sheet

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

- 68. A decrease in Property, plant and equipment primarily due to assets written-off following the change in Government in 2012.
- 69. An increase in Non-current accrued employee benefits primarily due to movements in severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

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

- 70. A decrease in Property, plant and equipment primarily due to assets written-off following the change in Government in 2012.
- 71. An increase in Non-current accrued employee benefits primarily due to movements in severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

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

- 72. An increase in Non-current accrued employee benefits primarily due to movements in severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

Administered cash flow statement

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

- 73. An increase in Appropriation receipts primarily due to the collection of a receivable relating to 2012-13 partly offset by staff vacancies within Ministerial Offices and Office of the Leader of the Opposition throughout 2013-14.
- 74. A decrease in Employee costs primarily due to staff vacancies within Ministerial Offices and Office of the Leader of the Opposition throughout 2013-14.

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

- 75. An increase in Appropriation receipts primarily due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Carmody report.
- 76. An increase in Employee costs primarily due to enterprise bargaining arrangements.
- 77. An increase in Supplies and services due to rental increases and enhanced allocations for Opposition election travel.
- 78. An increase in Grants and subsidies primarily due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Carmody report.

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

- 79. An increase in Appropriation receipts primarily due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Carmody report.
- 80. An increase in Employee costs primarily due to enterprise bargaining arrangements and staff vacancies within Ministerial Offices and Office of the Leader of the Opposition throughout 2013-14.
- 81. An increase in Other supplies and services due to rental increases and enhanced allocations for Opposition election travel.
- 82. An increase in Grants and subsidies primarily due to the creation of the Queensland Family and Child Commission from 1 July 2014 as a result of recommendations outlined in the Carmody report.

STATUTORY BODY

QUEENSLAND FAMILY AND CHILD COMMISSION

AGENCY OVERVIEW

Strategic direction

The Queensland Family and Child Commission (QFCC) will be established from 1 July 2014, as a result of the recommendations outlined in the Queensland Government response to the Queensland Child Protection Commission of Inquiry (QCPCOI) final report – *Taking Responsibility: A Roadmap for Queensland Child Protection June 2013*.

The QFCC contributes to the Government's objectives for the community to revitalise front-line services by identifying best practice in child protection and acting as the catalyst for increasing the capacity and capability of the child protection sector to deliver more effective and targeted services to children and families. The QFCC will also help to restore accountability in government through monitoring the performance of the child protection system and providing evidenced based reporting to government and the Queensland community.

The QFCC's mandate is to:

- monitor, review and report on the performance of the child protection system in line with the *National Framework for Protecting Australia's Children 2009–2020*
- provide cross-sectoral leadership and advice for the protection and care of children and young people to drive achievement of the child protection system
- provide an authoritative view and advice on current research and child protection practice to support the delivery of services and the performance of Queensland's child protection system
- build the capacity of the non-government sector and the child protection workforce.

The QFCC will commence on 1 July 2014 and in fulfilling its mandate will:

- provide systemic oversight of the child protection system
- promote and advocate:
 - the responsibility of families and communities to protect and care for children and young people; and
 - the safety and wellbeing of children and young people, particularly children in need of protection or in the youth justice system.
- develop and review workforce planning and development strategies for the child protection system by collaborating with relevant agencies, the private sector and education providers
- inform and educate the community about:
 - services available to strengthen and support families;
 - the way in which the child protection system operates; and
 - research relevant to the child protection system.
- develop and coordinate a multidisciplinary research program to inform policies and practices, in consultation with stakeholders and relevant agencies
- assist relevant agencies evaluate the efficacy of their programs and identify the most effective service models

- provide leadership and give expert advice to relevant agencies about laws, policies, practices and services
- increase collaboration and build capacity across different sectors to improve the delivery of services to children, young people and families
- analyse and evaluate, at a systemic level, policies and practices relevant to the child protection system and the performance of relevant agencies in delivering services
- maintain a register of information relating to child deaths in Queensland.

RESOURCES AND PERFORMANCE

The QFCC has been established as a Statutory Body within the Premier's portfolio. The Commission will be led by a Principal Commissioner and a Commissioner (one of which must be an Aboriginal person or a Torres Strait Islander).

In 2014-15 the QFCC will:

- evaluate and report to the Premier on Queensland's performance in relation to achieving State and national goals relating to child protection
- develop and review workforce planning and development strategies for the child protection sector in collaboration with relevant agencies, the private sector and education providers
- develop and coordinate a multidisciplinary research program in consultation with relevant stakeholders
- establish one or more Advisory Councils to allow consumers, carers, families and support persons to advise the QFCC on effective support services to children and young people
- develop and implement strategies to educate and provide information to the community on:
 - services available across the State to assist families to access those services;
 - the way in which the child protection system operates; and
 - research relevant to the child protection system.
- analyse and evaluate, at a systemic level, policies and practices relevant to the child protection system and the performance by relevant agencies in delivering services
- prepare and provide the Premier with a report on child deaths in Queensland including recommendations the QFCC has made to improve laws, policies or practices to help reduce the likelihood of child deaths.

Staffing¹

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Strategic Research, Evaluation and Reporting Sector Partnerships, Capacity and Governance	2	..	..	42
TOTAL		..	..	42

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Staffing for the Queensland Family and Child Commission will be finalised on the establishment of the Commission from 1 July 2014.

Performance Statement

Queensland Family and Child Commission	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service standards	1	..	..	..

Note:

1. Service standards will be developed in conjunction with the development of the Queensland Family and Child Commission strategy and included in the 2015-16 Service Delivery Statement.

CONTROLLED INCOME STATEMENT¹

Queensland Family and Child Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
User charges and fees	
Grants and other contributions		10,534
Interest	
Other revenue	
Gains on sale/revaluation of assets	
Total income		10,534
Expenses				
Employee expenses		4,949
Supplies and services:				
- Outsourced service delivery	
- Other supplies and services		5,380
Grants and subsidies	
Depreciation and amortisation		185
Finance/borrowing costs	
Other expenses		20
Losses on sale/revaluation assets	
Total expenses		10,534
OPERATING SURPLUS/(DEFICIT)	

CONTROLLED STATEMENT OF CHANGES IN EQUITY¹

Queensland Family and Child Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)	
Equity adjustments (inc. MoG transfers)		1,147
Total movement in equity for period		1,147

CONTROLLED BALANCE SHEET¹

Queensland Family and Child Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets		975
Receivables		28
Other financial assets	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets		1,003
ON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Intangibles		784
Other	
Total non-current assets		784
TOTAL ASSETS		1,787
CURRENT LIABILITIES				
Payables		176
Accrued employee benefits		464
Interest-bearing liabilities and derivatives	
Provisions	
Other	
Total current liabilities		640
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES		640
NET ASSETS/(LIABILITIES)		1,147
EQUITY				
Capital/contributed equity		1,147
Accumulated surplus/(accumulated deficit)	
Reserves:				
- Asset revaluation surplus	
- Other	
TOTAL EQUITY		1,147

CONTROLLED CASH FLOW STATEMENT¹

Queensland Family and Child Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
User charges and fees	
Grants and other contributions		10,534
Interest received	
Taxes	
Other		314
Outflows				
Employee costs		(5,065)
Supplies and services		(5,721)
Grants and subsidies	
Borrowing costs	
Other		(2)
Net cash provided by/(used in) operating activities		60
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows				
Payments for non-financial assets	
Payments for investments	
Loans and advances made	
Net cash provided by/(used in) investing activities	
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		60
Cash at the beginning of financial year	
Cash transfers from restructure		915
Cash at the end of financial year		975

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement / Balance sheet / Cash flow statement

1. The Queensland Family and Child Commission will commence operation on 1 July 2014. As a result, no data is available in 2013-14 for comparative purposes.



Office of the Governor

RESOURCES AND PERFORMANCE

DEPARTMENTAL 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 is authorised and required to do and execute all matters that pertain to the office, according to law. On 29 July 2014, a change of Governor will take place from Her Excellency Ms Penelope Wensley AC to His Excellency the Honourable Paul De Jersey AC.

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 executive, administrative, logistical and personal support which enables the Governor to exercise effectively the constitutional powers and responsibilities of office and to undertake constitutional and ceremonial duties and community activities. 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 *2013-17 Strategic Plan*.

Constitutional and Legal

Provide administrative support enabling the Governor to fulfil all 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 the 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.

2014-15 highlights

During 2014-15 the Office of the Governor will continue to:

- support the official and public responsibilities of the Governor
- 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
- schedule programs of visits and events for the Governor to attend and/or host
- support arrangements for the transition of Governors.

2013-14 achievements

During 2013-14 the Office of the Governor:

- supported the Governor's attendance at meetings of the Executive Council
- supported the Governor in the swearing-in of Ministers
- conducted investitures for recipients of Australian honours and awards
- supported awards ceremonies for the Winston Churchill Memorial Trust; the Scout Association of Australia (Queensland Branch); the Boys' Brigade Australia (Queensland); Girls' Brigade Queensland Inc; Spinal Injuries Association and Autism Queensland Inc
- supported a program of engagements at Government House in Brisbane and surrounding areas
- supported the Governor in co-hosting a visit of Their Royal Highnesses the Duke and Duchess of Cambridge in Brisbane on 19 April 2014
- supported the Governor in her role as Patron of over 200 organisations
- supported the Governor's international travel to the United Kingdom and France for her farewell audience with Her Majesty The Queen and in support of Queensland's economic and trade interests in the United Kingdom and France
- planned and supported regional travel by the Governor, providing support to rural and regional communities
- supported the Governor in issuing approximately 1,100 congratulatory letters and similar correspondence received and referred for the Governor's consideration, 14 petitions for pardon, eight general petitions seeking the Governor's intervention and 92 complaints and queries
- hosted Carols in December attended by approximately 400 visitors, Australia Day Open Day attended by 2,904 visitors and a further Open Day for Queensland Day to be held on 8 June with more than 1,000 visitors expected
- hosted approximately 50 school and community group visits for 1,884 visitors
- finalised stage two of the upgrade to the Office's security infrastructure
- undertook planning for the change of Governor in July 2014.

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 executive, administrative, logistical, and personal 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, 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.

Departmental Budget Summary

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

Office of the Governor	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue	5,925	6,055	6,263
Deferred from previous year/s	..	..	..
Balance of service appropriation	..	..	..
Other revenue	..	..	..
Total income	5,925	6,055	6,263
Expenses			
Executive, administrative, logistical and personal support for the Governor and management of the Government House Estate	5,925	6,055	6,263
Total expenses	5,925	6,055	6,263
Operating surplus/deficit	..	..	..
Net assets	2,135	2,319	2,293

Staffing¹

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Executive, administrative, logistical and personal support for the Governor and management of the Government House Estate		44	44	44
TOTAL		44	44	44

Note:

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

Performance Statement

Office of the Governor	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area: Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate				
Service standards				
Visits to Queensland regional centres		45	46	45
Days in Queensland regional centres		70	99	70
Client satisfaction with support provided to the Governor on constitutional, legal and ceremonial duties of office	1	New measure	New measure	90%
Increase in the number of visitors to Government House	2	New measure	New measure	10%
Client satisfaction with presentation of gardens and grounds	3	New measure	New measure	85%
State contribution (\$000)		5,925	6,055	6,263
Other revenue (\$000)		..	..	..
Total cost (\$000)		5,925	6,055	6,263

Notes:

1. This service standard indicates the level of the Governor's satisfaction with the effectiveness of support and advice provided in carrying out the constitutional, legal and ceremonial responsibilities of office.
2. This service standard indicates the level of public engagement with the Governor and Government House. The term "visitors" includes all who participate in the Government House visit program.
3. This service standard informs the level of the Governor's satisfaction through the effectiveness and quality of services provided to maintain the estate's gardens.

CAPITAL

Capital program

During 2014-15 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 their role.

Capital budget statement

Office of the Governor	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
Capital Purchases¹				
Total plant and equipment		41	184	41
Total Capital Purchases		41	184	41

Note:

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

BUDGETED FINANCIAL STATEMENTS

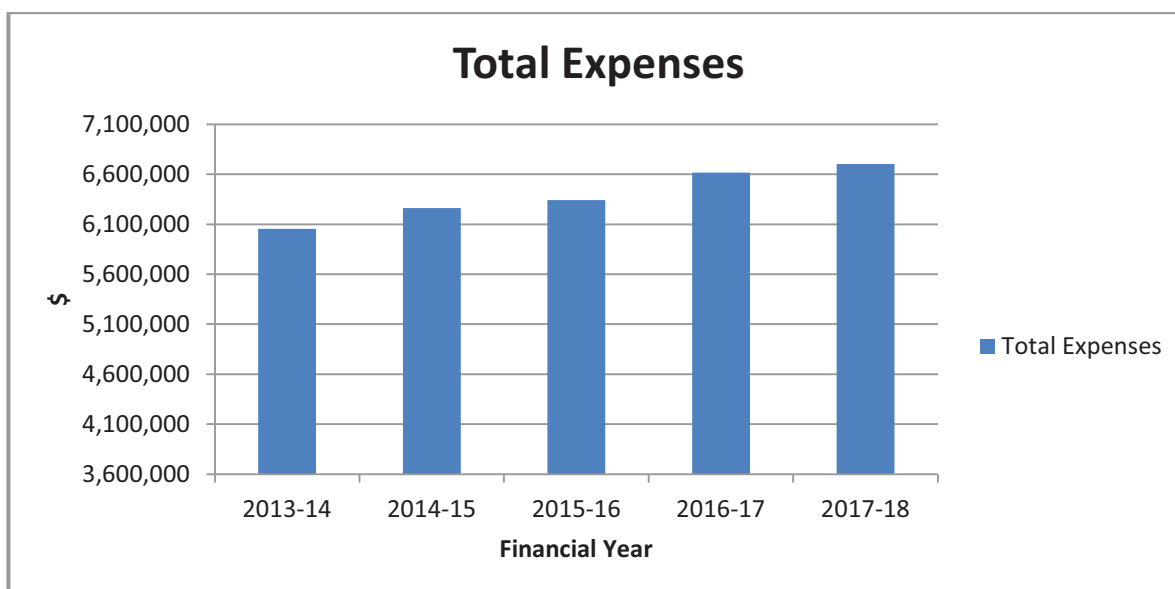
ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

Departmental income statement

Total expenses are estimated to be \$6.263 million in 2014-15, an increase of \$0.208 million from the 2013-14 financial year. The increase is mainly due to the impact of enterprise bargaining increases and increases in the cost of essential services such as information technology services. The increase over the forward estimates is a result of these same impacts.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The Office's major assets in 2014-15 are in property plant and equipment (\$1.454 million) - primarily the heritage and cultural collection - and intangibles (\$0.297 million). These categories are expected to remain steady over the next three years, following the enhancements to the Customer Relationship Management (CRM) database in 2013-14. The Office's main liabilities relate to trade creditors at year-end. These are not anticipated to change markedly over the forward estimates.

CONTROLLED INCOME STATEMENT

Office of the Governor	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	1,4,7	5,925	6,055	6,263
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		5,925	6,055	6,263
Expenses				
Employee expenses	2,5,8	4,157	4,361	4,507
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3,6,9	1,650	1,531	1,593
Grants and subsidies		..	..	..
Depreciation and amortisation		94	139	139
Finance/borrowing costs		..	..	..
Other expenses		24	24	24
Losses on sale/revaluation assets		..	..	..
Total expenses		5,925	6,055	6,263
OPERATING SURPLUS/(DEFICIT)		..	..	..

CONTROLLED STATEMENT OF CHANGES IN EQUITY

Office of the Governor	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve		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	
Equity injection/(withdrawal)		(53)	90	(53)
Equity adjustments (inc. MoG transfers)	
Total movement in equity for period		(26)	117	(26)

CONTROLLED BALANCE SHEET

Office of the Governor	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets		631	633	678
Receivables		101	127	127
Other financial assets		..	..	..
Inventories		32	31	31
Other		21	1	1
Non-financial assets held for sale		..	..	..
Total current assets		785	792	837
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		1,467	1,472	1,454
Intangibles	10,12,14	242	350	297
Other		..	..	..
Total non-current assets		1,709	1,822	1,751
TOTAL ASSETS		2,494	2,614	2,588
CURRENT LIABILITIES				
Payables	11,13	264	185	185
Accrued employee benefits		95	110	110
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		359	295	295
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		359	295	295
NET ASSETS/(LIABILITIES)		2,135	2,319	2,293
EQUITY				
Capital/contributed equity		1,396	1,539	1,486
Accumulated surplus/(accumulated deficit)		96	164	164
Reserves:				
- Asset revaluation surplus		643	616	643
- Other		..	..	..
TOTAL EQUITY		2,135	2,319	2,293

CONTROLLED CASH FLOW STATEMENT

Office of the Governor	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	15,19,22	5,925	6,055	6,263
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Taxes		..	..	..
Other		..	..	..
Outflows				
Employee costs	16,20,23	(4,157)	(4,361)	(4,507)
Supplies and services	17,21,24	(1,650)	(1,531)	(1,593)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(24)	(24)	(24)
Net cash provided by/(used in) operating activities		94	139	139
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	18	(41)	(184)	(41)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(41)	(184)	(41)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections		..	143	..
Outflows				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(53)	(53)	(53)
Net cash provided by/(used in) financing activities		(53)	90	(53)
Net increase/(decrease) in cash held		..	45	45
Cash at the beginning of financial year		631	588	633
Cash transfers from restructure		..	..	..
Cash at the end of financial year		631	633	678

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. An increase in Appropriation revenue to fund unavoidable cost increases principally for Information Communication Technology charges (ICT) and Fringe Benefits Tax (FBT) costs partially offset by a transfer from appropriation to equity for plant and equipment and intangible asset purchases.
2. An increase in Employee expenses due to the realignment of costs associated with horticultural services along with increased FBT costs.
3. A decrease in Supplies and services due to the realignment of costs associated with horticultural services, along with a transfer of appropriation to equity to fund plant and equipment purchases partially offset by increased ICT charges.

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

4. An increase in Appropriation revenue received for enterprise bargaining arrangements along with funding received for unavoidable cost increases for FBT and ICT charges and costs associated with the change of Governor in July 2014.
5. An Increase in employee expenses due to revised enterprise bargaining estimates and increased FBT costs.
6. A decrease in Supplies and services due to re-alignment of costs associated with in-sourcing horticultural services partially offset by increased ICT charges.

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

7. An increase in Appropriation revenue received for enterprise bargaining arrangements along with funding received for unavoidable cost increases in ICT and FBT and costs associated with the change of Governor in July 2014.
8. An increase in Employee expenses due to revised enterprise bargaining estimates and increased FBT costs.
9. An increase in Supplies and services due to additional costs associated with the change of Governor in July 2014 along with increased ICT charges.

Balance sheet

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

10. An increase in Intangibles due to enhancements to the Government House CRM database.
11. A decrease in Payables due to fluctuations in accrued expenses at year-end.

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

12. An increase in Intangibles due to enhancements to the Government House CRM database.
13. A decrease in Payables due to fluctuations in accrued expenses at year-end.

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

14. A decrease in Intangibles due to depreciation of the Government House CRM database.

Cash flow statement

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

15. An increase in Appropriation receipts to fund unavoidable cost increases principally for FBT and ICT charges partially offset by a transfer from appropriation to equity for plant and equipment and intangible asset purchases.
16. An increase in Employee costs due to the realignment of costs associated with horticultural services and increased FBT costs.
17. A decrease in Supplies and services due to the realignment of costs associated with horticultural services, along with a transfer of appropriation to equity to fund plant and equipment purchases partially offset by additional ICT charges.
18. An increase in Outflows for non-financial assets due to improvements to the Government House CRM database and security infrastructure.

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

19. An increase in Appropriation receipts received for enterprise bargaining arrangements along with funding received for FBT and IT services and additional costs associated with the change of Governor in July 2014.
20. An increase in Employee costs due to revised enterprise bargaining estimates and increased FBT costs.
21. A decrease in supplies and services due to realignment of estimates associated with in-sourcing horticultural services at Government House partially offset by increased ICT charges.

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

22. An increase in Appropriation receipts received for enterprise bargaining arrangements along with funding received for FBT and IT services and additional costs associated with the change of Governor in July 2014.
23. An increase in Employee costs due to revised enterprise bargaining estimates and increased FBT costs.
24. An increase in Supplies and services due to additional costs associated with the change of Governor in July 2014 along with increased ICT charges.



Public Service Commission

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The Public Service Commission (PSC) was established under the *Public Service Act 2008*. The PSC supports the achievement of the main purposes of the Act by driving sector-wide strategy and providing advice on organisational and culture renewal, workforce planning and human resource management, performance leadership, capability development, legislation and policy and industrial relations.

The PSC's strategic objectives address today's public service environment of complexity, fiscal restraint, renewal and increasing community expectations:

- build a high performing, engaged, customer focused workforce
- create the most productive public sector in the nation
- be the centre of excellence for workforce strategy across the Queensland public sector.

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 Queensland Register of Lobbyists. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports annually to Parliament and will meet with the Finance and Administration Committee of the Parliament at least twice a year.

2014-15 highlights

During 2014-15, the PSC will:

- embed and celebrate the public sector values and drive a high performance culture across the whole of Government
- consolidate our position as a trusted advisor and strategic business partner, providing contemporary, strategic advice and expertise to Ministers, Chief Executives and their departments
- develop leadership and management capability through targeted, high quality development programs, talent management strategies, initiatives, and supporting employee engagement and mobility
- build a connected and engaged workforce using contemporary approaches to communication, workforce management and employee engagement
- influence and drive diversity and cultural capability across the public sector in partnership with lead agencies
- streamline legislation, industrial instruments, directives and policies
- support and partner with agencies to deliver Commission of Audit recommendations and service delivery renewal, and create a modern and flexible employment framework
- integrate our workforce data and analytics as a strategic resource to drive productivity and high performance
- drive service delivery excellence, by positioning the work performance and conduct principles and operationalising the Conduct and Performance Excellence Service
- identify, replicate and promote best practice examples in workforce management within and outside the public sector.

The Integrity Commissioner is an independent Officer of the Parliament whose performance is monitored and reviewed by the Parliamentary Finance and Administration Committee.

During 2014-15, the Integrity Commissioner will:

- provide timely advice to designated persons on ethics or integrity issues, including conflict of interest issues
- provide 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 provide advice to Members of the Legislative Assembly on interests 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 heads of other integrity agencies 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
- maintain a publicly available lobbyists' contact register to enhance the transparency around contact between lobbyists and government representatives.

2013-14 achievements

During 2013-14, the Public Service Commission:

- finalised the development and approval of a refreshed set of public service values, following significant workforce engagement in the first half of 2013
- commenced activity to communicate the new values and partner with agencies and their employees to put the new values into action
- undertook a comprehensive program of consultation and information dissemination with all agencies on the results of the June 2013 Working for Queensland Employee Opinion Survey
- delivered the May 2014 Working for Queensland Employee Opinion Survey
- reported key trends in the size and profile of the Queensland public service workforce, to assist agencies manage their workforce
- developed and published a strategic workforce planning framework, in line with Commission of Audit recommendations, to support agencies in the development and management of workforce strategies supporting their service delivery renewal initiatives
- supported agencies in the development of their Strategic Workforce Plans
- developed an organisational design model to support agencies to implement flatter organisational structures and manage the organisational impacts of the service delivery renewal outcomes
- developed industrial relations legislation that ensures the government has an employment framework that is modern, flexible and relevant to Queensland public sector employees, and provided information and training sessions on the new provisions
- managed wage outcomes in accordance with government wages policy in numerous certified agreements and determinations, including the Queensland Ambulance Service, Queensland Fire and Rescue, Queensland Police Service, Department of Housing and Public Works and Queensland Corrective Services
- worked in partnership with departments, agencies and government owned corporations to build their industrial relations capability, particularly around bargaining and Queensland Industrial Relations Commission and Fair Work Commission processes, including staff secondments both to and from the Public Service Commission
- assisted in drafting amendments contained in the *Crime and Misconduct and Other Legislation Amendment Bill 2014*, placing responsibility on agency chief executives to manage employee conduct and work performance matters
- established the Conduct and Performance Excellence Service to support and streamline agencies' management of conduct and work performance matters
- developed legislation that provided automatic protection against civil liability for state employees and Queensland Police Service officers

- supported the implementation of the *Police and Community Safety Review* recommendations through the coordination and development of a communication strategy, advice and support in effecting the necessary legislative amendments to support changes to structures and key disaster management accountabilities, and undertook an audit of the workforce resourcing in establishing the Public Safety Business Agency
- amended and simplified instruments, directives and policies to remove unnecessary prescription and enable managers to manage
- developed a suite of tools for corporate service renewal and undertook a preliminary evaluation of the contestability of eight corporate services
- developed a service-wide Attraction and Retention Framework to support agencies to attract and retain employees with specialist skills, expertise or experience
- continued with the implementation of an enhanced performance management framework for chief executives, including the implementation of an on-line system for chief executives
- designed and brokered the Executive Capability Assessment and Development process for 400 executives to ensure they have the necessary leadership capability to deliver on the Government's renewal agenda
- developed and brokered the delivery of an enhanced suite of development initiatives for emerging leaders and executives to support the public sector renewal
- developed a manual for chief executive induction/on-boarding and commenced its implementation
- supported 17 agencies across government in meeting their capability and capacity gaps to deliver on their Commission of Audit and renewal initiatives.

During 2013-14, the Integrity Commissioner:

- provided timely advice on ethics, integrity and conflict of interest issues
- provided advice to the Premier, on request, on ethics and integrity issues
- expanded the material available on the Integrity Commissioner's website
- maintained the Queensland Register of Lobbyists
- provided 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 increase awareness of the Queensland Register of Lobbyists and limitations on lobbying
- met with the Auditor-General of Queensland, Chairperson of the Crime and Misconduct Commission, the Ombudsman and the Information Commissioner to discuss matters of common interest
- developed the Integrity Commissioner's website to include a secure means by which lobbyists can provide information electronically to the Commissioner
- introduced a publicly available lobbyists' contact register to enhance the transparency around contact between lobbyists and government representatives.

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

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

Machinery-of-Government changes resulted in the Office of Public Sector Renewal transitioning from the Public Service Commission to the Department of the Premier and Cabinet. This transfer was effective from 1 October 2013.

Funding for temporary projects such as Corporate Services Renewal Taskforce, Culture and Values Renewal and Health Implementation Unit ceased in 2013-14.

\$1.9 million has been carried forward to 2014-15 to continue the delivery of whole-of-Government leadership and management development programs commenced in 2013-14.

Public Service Commission	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED Income			
Appropriation revenue			
Deferred from previous year/s	4,800	8,405	1,900
Balance of service appropriation	15,735	14,230	15,574
Other revenue	1,368	658	607
Total income	21,903	23,293	18,081
Expenses			
Provision of services for a high performing public service	21,903	23,293	18,081
Total expenses	21,903	23,293	18,081
Operating surplus/deficit	..	..	..
Net assets	977	963	963

Budget Measures Summary

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

Public Service Commission	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Revenue measures					
Departmental	..	..	..	..	..
Expense measures¹					
Departmental	820	2,500	1,500	1,500	1,500
Capital measures					
Departmental	..	..	..	..	..

Note:

1. The totals reconcile with Budget Paper 4.

Staffing^{1,2}

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Provision of services for a high performing public service		88	83	83
TOTAL		88	83	83

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease in FTEs between the 2013-14 Adjusted budget and the 2013-14 Est. Actual is primarily due to the completion of the Corporate Services Renewal Taskforce.

SERVICE PERFORMANCE

Services

Provision of Services for a High Performing Public Service

The Public Service Commission (PSC) is responsible for driving sector-wide strategy and providing advice on organisational and culture renewal, workforce planning and management, performance leadership, capability development, legislation and policy and industrial relations.

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.

Red tape reduction

In 2013-14, the PSC's contribution to the Government's commitment to red tape reduction included the passage of legislation to reform the industrial relations landscape. The *Industrial Relations (Fair Work Act Harmonisation No. 2) and Other Legislation Amendment Act 2013* has created the framework to allow for the simplification of modern awards in Queensland. The process commenced in 2013-14, and will continue into 2014-15 working towards bringing awards back to their original purpose, which is to create a safety net of provisions, where they are simplified and easy to understand and apply, correcting the unnecessary complexities and ambiguities of current awards.

The PSC continued with the Culture and Values Renewal program in 2013-14, to renew public service values and drive cultural change across the public sector. The PSC engaged with over 20,000 public servants to identify improvement opportunities. This engagement highlighted the appetite and need for change. By driving the culture and values renewal, it has created a new level of flexibility and mobility, ensuring that resources are where they are needed and when they are needed. By unleashing the potential of public servants, and putting new ideas into action that have streamlined services and cut red tape, it has ultimately helped the public service deliver better services to the people of Queensland.

The Corporate Services Renewal Taskforce, created by the PSC to implement the recommendations of the high-level diagnostic review of corporate services undertaken in late 2012, completed its evaluation of the contestability of eight corporate services. The Taskforce has driven a series of actions that has enabled departments to deliver existing corporate services more effectively and sustainably through:

- modernising and enabling corporate services by removing policy and process impediments for more effective service delivery
- removing areas of duplication by clearly articulating roles and responsibilities of corporate service stakeholders
- exploring partnering and contestability opportunities to achieve the best use of corporate service resources and capability.

The PSC is leading a Timesheet Relaxation Pilot (across the three central agencies), contributing to providing a fair and equitable mechanism for employees to balance work and life arrangements. The Pilot will streamline human resource processes and overcome risk aversion by providing capacity for employees to dispense with formal timesheets while retaining the ability to access accrued time off. Whilst reducing red tape around the completion of timesheets, this Pilot will also contribute to creating a positive workplace culture by building trust between management and staff and creating flexible and responsive teams.

The PSC is continuing to undertake a refresh of its directives and other instruments. This has resulted in further streamlining, removing impediments to managers managing and an ongoing reduction in the number of pages/documents that are used by public sector agencies.

Performance Statement

Public Service Commission	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area: Provision of services for a high performing public service				
Service standards				
Enterprise arrangements where employee costs are contained within Government wages policy	1	90%	100%	90%
Participant satisfaction with development programs brokered by PSC	2	80%	91.8%	80%
Percentage of agencies that have implemented the Queensland Public Sector executive staffing structure within the approved time period	3	95%	90%	95%
State contribution (\$000)		19,830	22,635	17,474
Other revenue (\$000)		1,368	658	607
Total cost (\$000)	4	21,198	23,293	18,081

Notes:

1. Target is 90% as enterprise agreements may be subject to arbitration by industrial tribunals.
2. Participants report on their satisfaction across four dimensions:
 - the program was effective in helping me do my current job better
 - the program will assist the progress of my career path
 - the program develops a whole of Government perspective
 - I would recommend the program to others.
3. Estimated actual calculation based on agencies that have complied with staffing models established by the PSC. 5% variation between Target and Estimated actual is associated with structural realignment within agencies that experienced machinery-of-Government changes throughout 2013-14.
4. The 2013-14 Target/Estimate and the 2013-14 Estimated actual have been adjusted to exclude the full-year cost of the Public Sector Renewal Service which transferred from the Public Service Commission on 1 October 2013.

CAPITAL

Capital program

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

Capital budget statement

Public Service Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	
Total plant and equipment		118	118	52
Total other capital	
Total Capital Purchases		118	118	52

Note:

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

BUDGETED FINANCIAL STATEMENTS

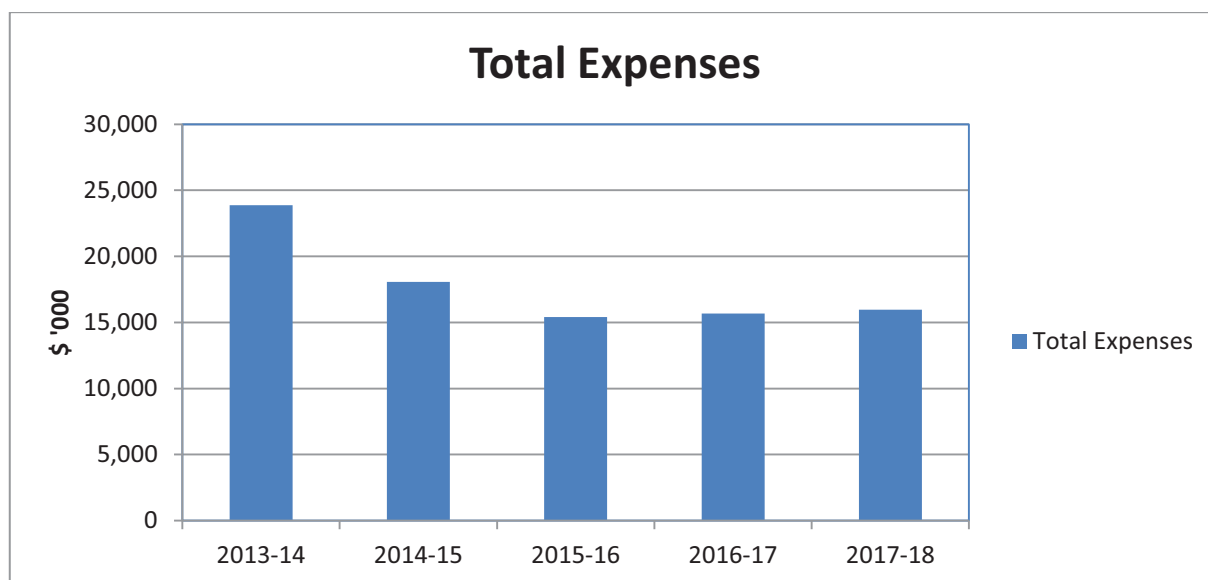
ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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 \$18.081 million in 2014-15, a decrease of \$5.212 million from the 2013-14 financial year. The decrease is mainly due to the impact of the completion of projects such as Corporate Services Renewal, Culture and Values Renewal and transfer of the Queensland Health Implementation Unit function to the Department of Premier and Cabinet.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The Public Service Commission's assets in 2013-14 included property, plant and equipment with an estimated value of \$1.7 million. Included in plant and equipment is the fit out of leasehold premises. The asset is amortised with a maturity date of 2018 when the lease expires and is expected to decrease by \$0.536 million by 2017-18.

The Commission's main liability is a lease incentive for leased premises and will decrease by \$0.472 million by 2017-18.

CONTROLLED INCOME STATEMENT

Public Service Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	1,5,8	20,535	22,635	17,474
Taxes		..	..	..
User charges and fees		279	279	135
Royalties and land rents		..	..	..
Grants and other contributions	2,9	939	249	472
Interest		..	..	..
Other revenue	10	150	130	..
Gains on sale/revaluation of assets		..	..	..
Total income		21,903	23,293	18,081
Expenses				
Employee expenses	3,6,11	13,583	12,710	10,880
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	4,7,12	8,077	10,340	6,975
Grants and subsidies		..	..	..
Depreciation and amortisation		203	203	186
Finance/borrowing costs		..	..	..
Other expenses		40	40	40
Losses on sale/revaluation assets		..	..	..
Total expenses		21,903	23,293	18,081
OPERATING SURPLUS/(DEFICIT)		..	..	..

CONTROLLED STATEMENT OF CHANGES IN EQUITY

Public Service Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)	
Equity adjustments (inc. MoG transfers)	
Total movement in equity for period	

CONTROLLED BALANCE SHEET

Public Service Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	13,17	892	815	831
Receivables		421	443	443
Other financial assets		..	..	..
Inventories		..	..	..
Other	14,18	200	29	29
Non-financial assets held for sale		..	..	..
Total current assets		1,513	1,287	1,303
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15,19,21	1,697	1,652	1,518
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		1,697	1,652	1,518
TOTAL ASSETS		3,210	2,939	2,821
CURRENT LIABILITIES				
Payables	16,20	976	623	623
Accrued employee benefits		230	327	327
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		118	118	118
Total current liabilities		1,324	1,068	1,068
NON-CURRENT LIABILITIES				
Payables	22	909	908	790
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		909	908	790
TOTAL LIABILITIES		2,233	1,976	1,858
NET ASSETS/(LIABILITIES)		977	963	963
EQUITY				
Capital/contributed equity		934	934	934
Accumulated surplus/(accumulated deficit)		43	29	29
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY		977	963	963

CONTROLLED CASH FLOW STATEMENT

Public Service Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	23,27,30	20,535	22,891	17,474
User charges and fees		279	279	135
Royalties and land rent receipts		..	..	..
Grants and other contributions	24	939	249	472
Interest received		..	..	..
Taxes		..	..	..
Other	31	150	130	..
Outflows				
Employee costs	25,28,32	(13,583)	(12,710)	(10,880)
Supplies and services	26,29,33	(8,077)	(11,878)	(6,975)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(158)	(158)	(158)
Net cash provided by/(used in) operating activities		85	(1,197)	68
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	34	(118)	(118)	(52)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(118)	(118)	(52)
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		(33)	(1,315)	16
Cash at the beginning of financial year		925	2,130	815
Cash transfers from restructure		..	..	..
Cash at the end of financial year		892	815	831

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$0.562 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$0.574 million.

Income statement

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

1. An increase in Appropriation revenue primarily due to alternative funding arrangements replacing internal agency charging for sector wide development programs and corporate services and the net effect of project deferrals between years.
2. A decrease in Grants and other contributions due to alternative funding arrangements replacing internal agency charging for sector wide development programs and corporate services.
3. A decrease in Employee expenses primarily due to the completion of temporary projects and deferral of funding to 2014-15 to continue executive leadership and development services.
4. An increase in Other supplies and services primarily due to additional project expenditure for sector wide executive capability development programs.

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

5. A decrease in Appropriation revenue primarily due to the completion of temporary projects and full year effect of machinery-of-Government transfers.
6. A decrease in Employee expenses primarily due to the completion of temporary projects.
7. A decrease in Other supplies and services primarily due to the completion of temporary projects.

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

8. A decrease in Appropriation revenue primarily due to the completion of temporary projects and the full year effect of machinery-of-Government transfers.
9. An increase in Grants and other contributions due to funding arrangements reverting to internal agency charging for sector wide development programs.
10. A decrease in Other revenue due to the cessation of management fees received in relation to a contract with an external program provider.
11. A decrease in Employee expenses primarily due to the completion of temporary projects.
12. A decrease in Other supplies and services primarily due to the completion of temporary projects.

Balance sheet

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

13. A decrease in Cash assets due to improved settlement processes for creditor payments.
14. A decrease in other current assets due to lower than anticipated prepayments due to the cessation of a supplier contract.
15. A decrease in Property, plant and equipment due to the amortisation of the leasehold fit out.
16. A decrease in Current payables due to improved settlement processes.

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

17. A decrease in Cash assets due to improved settlement processes for creditor payments.
18. A decrease in Other current assets due to lower than anticipated prepayments due to the cessation of a supplier contract.
19. A decrease in Property, plant and equipment due to the amortisation of the leasehold fit out.
20. A decrease in Current payables due to improved settlement processes.

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

21. A decrease in Property, plant and equipment due to the amortisation of the leasehold fit out.
22. A decrease in Non-current payables due to the reduction in leasehold liability incentive.

Cash flow statement

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

23. An increase in Appropriation receipts due to additional funding provided during the year for alternative funding arrangements replacing internal agency charging for sector wide development programs and corporate services and the net effect of project deferrals between years.
24. A decrease in Grants and other contributions due to alternative funding arrangements replacing internal agency charging for sector wide development programs and corporate services.
25. A decrease in Employee costs primarily due to the deferral of funding to 2014-15 to continue executive leadership and development services.
26. An increase in Supplies and services primarily due to additional project expenditure for sector wide executive capability development programs.

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

27. A decrease in Appropriation receipts primarily due to the completion of temporary projects and full year effect of machinery-of-Government transfers.
28. A decrease in Employee costs primarily due to the completion of temporary projects.
29. A decrease in Supplies and services primarily due to the completion of temporary projects.

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

30. A decrease in Appropriation receipts primarily due to the completion of temporary projects and full year effect of machinery-of-Government transfers.
31. A decrease in Other revenue due to the cessation of management fees received in relation to a contract with an external program provider.
32. A decrease in Employee costs primarily due to the completion of temporary projects.
33. A decrease in Supplies and services primarily due to the completion of temporary projects.
34. A decrease in Payments for non-financial assets due to deferral of asset replacement program of IT infrastructure.



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).

QAO is established by section 6 of the *Auditor-General Act 2009* (the Audit Act) and comprises the Auditor-General and Deputy Auditor-General (statutory positions established also by section 6) and the staff of the Office. QAO benefits Queenslanders by strengthening public sector accountability through the provision of independent public sector auditing services and reporting. This is achieved through the following key activities:

- direct reporting services to the Parliament
- financial audit services to the public sector.

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 Auditor-General undertakes performance audits of public sector entities on behalf of the Parliament and reports the results of these audits to the Parliament. A performance audit includes an opinion on whether the objectives of a public sector entity are being achieved economically, efficiently and effectively and in compliance with relevant laws.

The Auditor-General also has a statutory responsibility each year to audit the consolidated fund and financial statements prepared by all public sector entities, and to report on the results of these audits to the Parliament. Public sector entities are defined in the Audit Act and comprise departments, statutory bodies, Government-owned corporations and local governments, and include entities that they control.

As part of the financial audits the Auditor-General provides independent audit opinions to each entity on their financial statements, as well as audit certificates relating to the acquittal of government funds.

Further information including access to reports provided to Parliament is available from the QAO website at www.qao.qld.gov.au

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

Our vision for the future is to be a recognised leader in public sector audit.

Our purpose is to strengthen public sector accountability and be a catalyst for improved performance.

QAO's activities encompass:

- reporting to the Parliament on the results of financial audits and performance audits
- providing advice and assistance to members of Parliament and Parliamentary committees
- reporting to public sector entities on their financial statements
- providing advice and assistance to public sector entities on ways to strengthen their internal controls and better manage their financial and operating risks.

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 internal support services
- People – encourage a highly motivated, committed and competent workforce.

2014-15 highlights

During 2014-15, QAO will:

- further strengthen our engagement with members of Parliament, Parliamentary committees and the public sector
- make better use of data in financial and performance audits through the application of advanced data analytics
- better engage with our workforce to renew our values and the desired organisational culture
- increase our focus on training, development and performance management of our workforce
- strengthen our workforce management practices to engage the required skills
- better manage our relationship with our audit-service-providers and better manage their performance
- renew our ageing information technology and better integrate our information systems.

Services to the public sector

QAO charges fees to public sector clients when we conduct financial audits. The hourly charge-out rates used recovers the full cost to QAO of these audits. Improvements in audit efficiency have enabled us to reduce our overall audit fees and for a fourth consecutive year there has been no 'real' increase in our hourly charge-out rates. The last rate increase was in 2011. Our improvements in audit efficiency reflect a stronger relationship between our assessment of audit risk and the effort applied to our financial audit activities.

We continue to engage with Chief Financial Officers, Accountable Officers and Audit Committees about the factors that impact the risk and complexity of their operations and how this relates to our assessment of audit risk and ultimately our audit strategy and audit fees. The potential exists for our clients to further reduce their external audit fees as they strengthen their financial and risk management practices. This includes implementing more cost effective internal controls, achieving earlier year-end closes and more timely financial statement sign-off and audit certification processes.

2013-14 achievements

During 2013-14, the QAO:

- delivered more reports to the Parliament than in any previous year
- provided briefings and made submissions to Portfolio committees and members of Parliament
- further enhanced our approach to selecting performance audit topics, as demonstrated in the release of our third, three-year Strategic Audit Plan in June 2014
- continued to promote better practices in the delivery of financial statements by public sector entities, raising significant audit issues and making recommendations to improve their financial management
- contributed to improving financial reporting and auditing frameworks by providing submissions and presentations on Australian Accounting Standards Board (AASB) exposure drafts; Auditing and Assurance Standards Board exposure drafts; and topical audit issues to the Australasian Council of Auditors-General in response to central agency and client requests
- rationalised our organisational structure including our financial audit sector groupings (from nine down to seven) to further improve our service delivery efficiency
- rolled-out a new release of the QAO's public sector financial audit methodology software, Integrated Public Sector Audit Methodology (IPSAM), to achieve better alignment between our assessment of audit risk and the plans we develop for audits
- continued to rationalise business processes in corporate support areas, which will result in lower overhead costs for our audit practice.

SERVICE PERFORMANCE

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

The key deliverables under our service area are:

Direct reporting services to the Parliament

The Auditor-General reports to Parliament on the results of the QAO's performance audits and on the results of financial audits of the consolidated fund and public sector entities. We also provide advice and assistance to members of Parliament and Parliamentary committees. This links to the QAO's strategic objective of Parliament – provide independent assurance and advice about the accountability and performance of the public sector.

Our reports on the results of financial audits analyse key governance responsibilities including:

- timeliness of financial reporting
- results and accuracy of financial reporting, including how significant risks and reporting issues have been addressed within sectors
- effectiveness of internal controls
- financial sustainability
- the follow up of the implementation of previous audit recommendations.

Performance audits determine whether the objectives of public sector entities are being achieved economically, efficiently and effectively and in compliance with all relevant laws. Performance audits are funded from consolidated revenue as part of the annual budget specifically appropriated by the Parliament.

Under this service QAO also provides advice and assistance to members of Parliament and Parliamentary committees. Our reports are referred by the Parliament to relevant committees, and we provide briefings to committees and members of Parliament.

Financial audit services to the public sector

We conduct financial 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.

Financial audits provide the users of financial statements of public sector entities with independent assurance that they are reliable and comply with prescribed requirements. The independent auditor's report accompanying the financial statements adds credibility to the financial information reported therein, also allowing each entity to discharge its accountability obligation to produce an annual report each year.

Financial audits are funded by fees charged to each audited entity.

Departmental Budget Summary

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

Queensland Audit Office	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue	6,400	6,388	6,486
Deferred from previous year/s	..	..	..
Balance of service appropriation	..	..	..
Other revenue	34,464	35,605	31,869
Total income	40,864	41,993	38,355
Expenses			
Independent public sector auditing services and reporting	40,947	40,243	38,372
Total expenses	40,947	40,243	38,372
Operating surplus/deficit	(83)	1,750	(17)
Net assets	5,959	7,745	7,728

Staffing¹

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Independent public sector auditing services and reporting		193	178	190
TOTAL		193	178	190

Note:

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

2014-15 Service Summary¹

Service Areas	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Independent public sector auditing services and reporting	38,372	6,486	31,315	..	554
TOTAL	38,372	6,486	31,315	..	554

Note:

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

Performance Statement

Queensland Audit Office	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area: Independent public sector auditing services and reporting				
Service standards				
<i>Direct reporting services to the Parliament</i>				
Level of Parliamentary satisfaction (index points)	1,2	80	74	80
Audit client satisfaction with performance audit services (index points)	2	80	71	80
Percentage of performance report recommendations agreed to by audited entities	3	95	100	95
Average costs of reports tabled:				
• Results of financial audits (\$'000)		174	151	175
• Results of performance audits (\$'000)		412	426	410
Average time taken to produce reports:				
• Results of financial audits – from applicable balance dates (months)	4	5	5.3	5
• Results of performance audits from initiation of audits (months)	5	<8	7.5	<8
<i>Financial audit services to the public sector</i>				
Audit entity satisfaction with financial audit services (index points)	2	80	77	80
Percentage of financial audit recommendations agreed to by audited entities	3	95	94	95
Average cost of financial audits:				
• State entities (\$'000)	6	63	56	60
• Local government entities (\$'000)		67	62	65

Queensland Audit Office	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Percentage of quality assurance reviews that substantively comply with auditing standards	7	100	90	100
State contribution (\$000)		6,400	6,388	6,486
Other revenue (\$000)		34,464	35,605	31,869
Total cost (\$000)		40,947	40,243	38,372

Notes:

1. The level of Parliamentary satisfaction is from surveys conducted with Members of Parliament. The actual result is from the first survey which was conducted in 2013-14 based on services provided in 2012-13.
2. Index points allow performance to be measured using a combination of factors. For audit services, these factors relate to the audit process, reporting and value to the audited entity.
3. Recommendations agreed to by audited entities measures the uptake of QAO recommendations from financial audits and performance audits.
4. The average time taken to produce reports on the results of financial audits is based on the year-end balance date as the starting point.
5. The average time taken to produce reports on the results of performance audits is based on an initiation letter being sent to the client as the starting point. A list of performance audits and their proposed timings is included in the Strategic Audit Plan published annually on the QAO website.
6. The average cost of financial audits is aligned with Australasian Council of Auditors-General (ACAG) macro benchmarking. The targets for 2014-15 reflect a decrease in audit fees due to the payroll tax exemption from 1 July 2014.
7. Quality assurance reviews allow the QAO to assess the appropriateness of our quality control frameworks for financial audits. In 2013-14, 20 files were sampled and assessed and 18 (90%) were identified as meeting minimum requirements, with corrective action taken to address quality issues where identified.

CAPITAL

Capital program

Queensland Audit Office's minor works expenditure of \$0.700 million is to maintain and replace current office and IT equipment, and replace core IT systems for finance, time recording and practice management.

Capital budget statement

Queensland Audit Office	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	
Total plant and equipment		250	75	100
Total other capital		600
Total Capital Purchases		250	75	700

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 2014-15 is provided below.

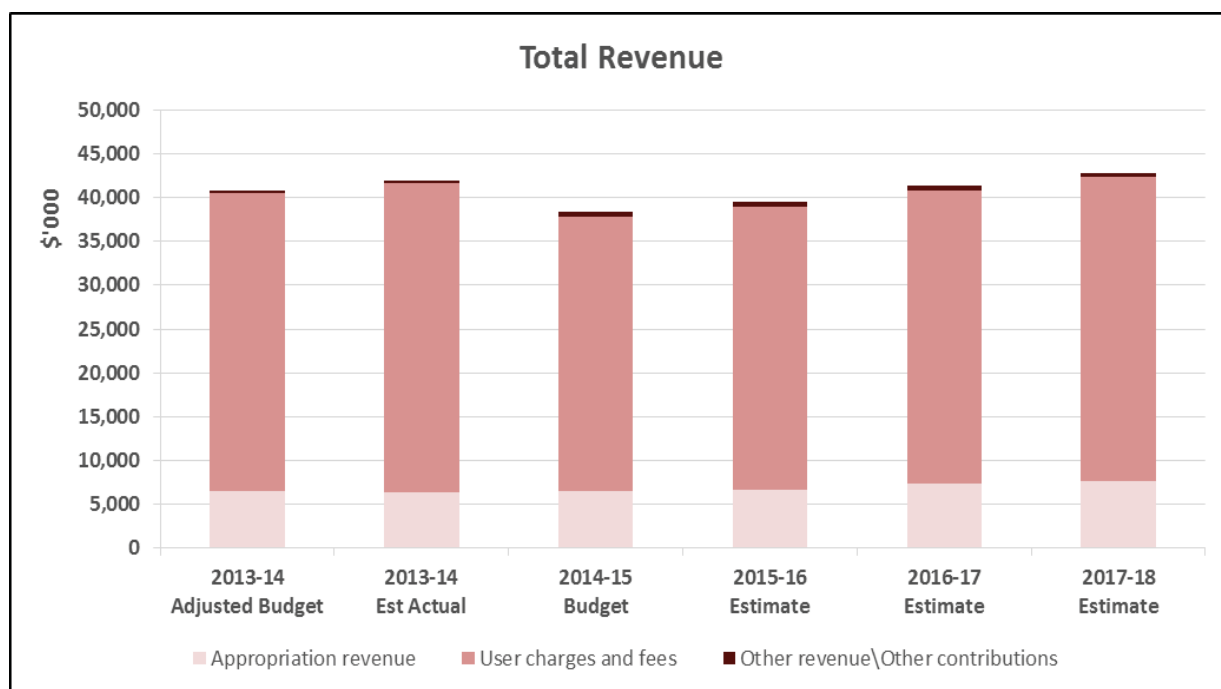
Queensland Audit Office income statement

QAO will not be increasing its hourly charge-out rates in 2014-15 despite increases in our people and accommodation costs. Our basic fee rates to clients will reduce by around 3% on average in 2014-15 compared with 2013-14 as a direct result of the payroll tax exemption for QAO. This exemption is effective from 1 July 2014 and QAO will pass this saving onto our clients in full.

Our core financial audit services represent 81.6% of total revenue in 2014-15.

QAO remains committed to delivering high quality financial auditing services through a combination of a 'critical mass' of in-house resources and our strategic out-sourcing and co-sourcing arrangements with our registered private sector audit firms. QAO will continue to drive and implement productivity improvements across the business in 2014-15.

Chart 1 - Total Revenue: 2013-14 Estimated Actual and Forward Estimates to 2017-18

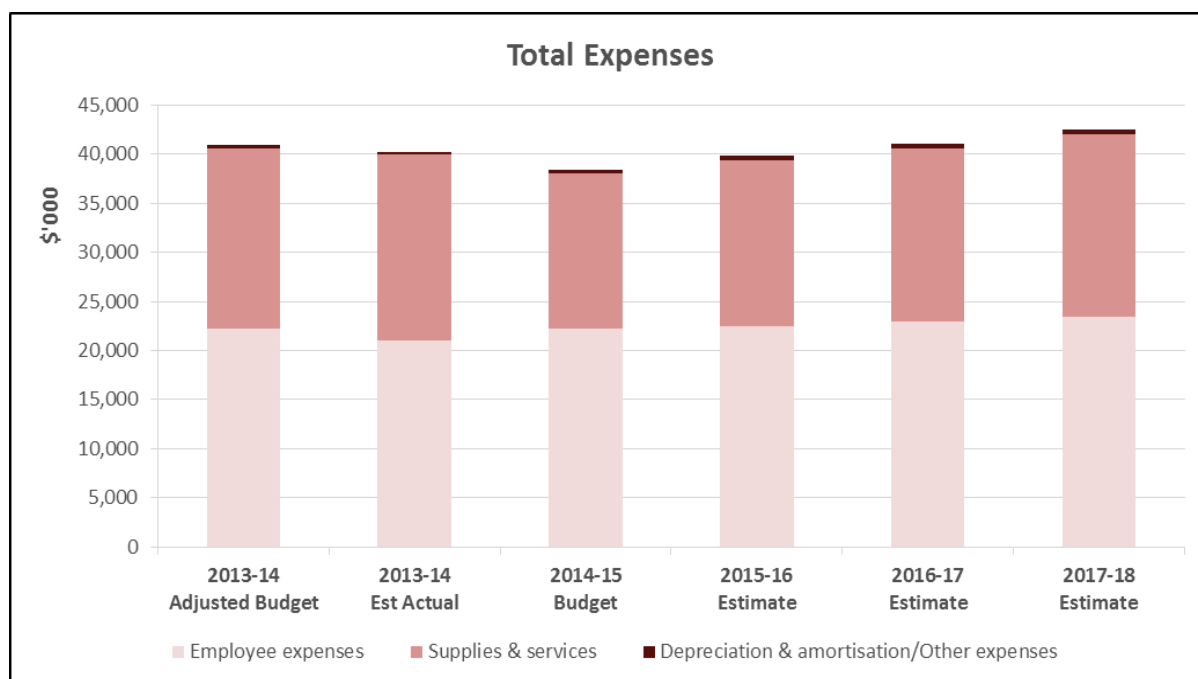


Total expenses are estimated to be \$38.372 million in 2014-15, a decrease of \$1.871 million compared to 2013-14 Estimated actual of \$40.243 million, and \$2.575 million less than the 2013-14 Adjusted budget of \$40.947 million. The overall decrease against 2013-14 Estimated actual and 2013-14 Adjusted budget is largely within supplies and services; with savings expected primarily in corporate support operating costs.

Spending on contracted-out auditing services will continue to be a significant component of the QAO business, representing \$8.814 million of the \$15.915 million supplies and services' budget in 2014-15. At around 28% of forecast 2014-15 audit fee revenue, our planned use of out-sourced audit services provides further leverage to improve our audit practice and enhance our sector, industry and client specific expertise through closer working relationships with our contract auditors.

The increase in budgeted employee expenses for 2014-15 against 2013-14 Estimated actual of \$1.206 million is largely due to higher staff numbers and approved salary increases under the Core Agreement.

Chart 2 - Total Expenses: 2013-14 Estimated Actual and Forward Estimates to 2017-18



CONTROLLED INCOME STATEMENT

Queensland Audit Office	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue		6,400	6,388	6,486
Taxes		..	..	..
User charges and fees	1,4,6	34,077	35,271	31,315
Royalties and land rents		..	..	..
Grants and other contributions		..	200	200
Interest		..	..	..
Other revenue		387	134	354
Gains on sale/revaluation of assets		..	..	..
Total income		40,864	41,993	38,355
Expenses				
Employee expenses	2,7	22,228	20,972	22,178
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3,5,8	18,395	18,956	15,915
Grants and subsidies		..	..	..
Depreciation and amortisation		180	133	113
Finance/borrowing costs		..	..	..
Other expenses		144	182	166
Losses on sale/revaluation assets		..	..	..
Total expenses		40,947	40,243	38,372
OPERATING SURPLUS/(DEFICIT)		(83)	1,750	(17)

CONTROLLED STATEMENT OF CHANGES IN EQUITY

Queensland Audit Office	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		(83)	1,750	(17)
Total recognised income and expense for the period		(83)	1,750	(17)
Equity injection/(withdrawal)	
Equity adjustments (inc. MoG transfers)	
Total movement in equity for period		(83)	1,750	(17)

CONTROLLED BALANCE SHEET

Queensland Audit Office	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	9,14,20	1,441	4,493	3,560
Receivables	10,15	6,985	3,755	3,721
Other financial assets		..	..	..
Inventories		..	..	..
Other	11,16	95	2,930	2,930
Non-financial assets held for sale		..	..	..
Total current assets		8,521	11,178	10,211
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		246	123	150
Intangibles	17,21	119	90	650
Other		10	10	10
Total non-current assets		375	223	810
TOTAL ASSETS		8,896	11,401	11,021
CURRENT LIABILITIES				
Payables	12,18,22	1,544	2,293	1,925
Accrued employee benefits		594	563	654
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		2,138	2,856	2,579
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		799	800	714
Other		..	..	..
Total non-current liabilities		799	800	714
TOTAL LIABILITIES		2,937	3,656	3,293
NET ASSETS/(LIABILITIES)		5,959	7,745	7,728
EQUITY				
Capital/contributed equity		5,183	5,183	5,183
Accumulated surplus/(accumulated deficit)	13,19	776	2,562	2,545
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY		5,959	7,745	7,728

CONTROLLED CASH FLOW STATEMENT

Queensland Audit Office	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts		6,400	6,388	6,486
User charges and fees	23,27,32	36,234	38,246	34,532
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		387	134	354
Outflows				
Employee costs	24,28	(22,228)	(21,015)	(22,103)
Supplies and services	25,29,33	(19,376)	(19,421)	(17,690)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	26,30	(1,300)	(2,031)	(1,812)
Net cash provided by/(used in) operating activities		117	2,301	(233)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	31,34	(250)	(75)	(700)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(250)	(75)	(700)
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		(133)	2,226	(933)
Cash at the beginning of financial year		1,574	2,267	4,493
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,441	4,493	3,560

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and associated reductions have been made to Appropriation revenue and User charges and fees. The 2013-14 Adjusted budget revenue (Appropriation revenue and User charges and fees) and Employee expenses have been reduced by \$0.972 million. The 2013-14 Estimated actual revenue (Appropriation revenue and User charges and fees) and Employee expenses have been reduced by \$0.998 million.

Income statement

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

1. An increase in User charges and fees due to one-off additional revenue in relation to the National Disaster Relief and Recovery Arrangement acquittal to the Commonwealth and smoothing of financial audit program workload.
2. A decrease in Employee expenses due to lower staff number across auditing and support services.
3. An increase in Other supplies and services mainly due to higher seasonal use of contracted-in auditors and other specialist contractors.

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

4. A decrease in User charges and fees due to smoothing of financial audit program workload.
5. A decrease in Other supplies and services mainly due to lower contracted-out auditing services in line with smaller financial audit program workload.

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

6. A decrease in User charges and fees due to smoothing of financial audit program workload.
7. An increase in Employee expenses due to higher auditing staff number and approved salary increases under the Core Agreement.
8. A decrease in Other supplies and services mainly due to lower contracted-out auditing services in line with smaller financial audit program workload.

Balance sheet

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

9. An increase in Cash assets mainly due to higher user charges and fees with audit costs not increasing at the same rate through higher staff utilisation.
10. A decrease in Current receivables due to re-alignment of financial audit work-in-progress to other current assets partially offset by higher user charges and fees.
11. An increase in Other current assets mainly due to re-alignment of financial audit work-in-progress from current receivables.
12. An increase in Current payables due to higher supplies and services and rationalisation of budget methodology to better reflect actual trend and practices.
13. An increase in Accumulated surplus due to higher than budgeted surplus forecast for 2013-14.

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

14. An increase in Cash assets mainly due to carry-over of cash surpluses from the previous financial year, partly offset by proposed acquisitions of core IT systems for finance, time recording and practice management.
15. A decrease in Current receivables mainly due to re-alignment of financial audit work-in-progress to other current assets.
16. An increase in Other current assets due to higher prepayments of IT maintenance contracts at year end and re-alignment of financial audit work-in-progress from current receivables.
17. An increase in Intangibles due to proposed replacement of core IT systems for finance, time recording and practice management.
18. An increase in Current payables due to employee expenses accrual at year-end and rationalisation of budget methodology to better reflect actual trend and practices.
19. An increase in Accumulated surplus mainly due to higher than budgeted surplus forecast for 2013-14, carried-over to 2014-15.

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

20. A decrease in Cash assets due to lower user charges and fees and proposed acquisitions of core IT systems for finance, time recording and practice management.
21. An increase in Intangibles due to proposed replacement of core IT systems for finance, time recording and practice management.
22. A decrease in Current payables due to lower supplies and services particularly contracted-out audit services consistent with lower financial audit program workload.

Cash flow statement

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

23. An increase in User charges and fees due to one-off additional revenue in relation to the National Disaster Relief and Recovery Arrangement acquittal to the Commonwealth and smoothing of financial audit program workload.
24. A decrease in Employee costs due to lower staff number across auditing and support services.
25. An increase in Supplies and services mainly due to higher seasonal use of contracted-in auditors and other specialist contractors.
26. An increase in Other cash outflows due to rationalisation of GST budget methodology to better reflect actual trend and practices.

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

27. A decrease in User charges and fees due to smoothing of the financial audit program workload.
28. A decrease in Employee costs due to lower average full-time equivalent staff across the financial year, partially offset by approved salary increases under the Core Agreement.
29. A decrease in Supplies and services mainly due to lower contracted-out auditing services in line with smaller financial audit program workload.
30. An increase in Other cash outflows due to rationalisation of GST budget methodology to better reflect actual trend and practices.
31. An increase in Payments for non-financial assets mainly due to proposed acquisitions of core IT systems for finance, time recording and practice management.

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

32. A decrease in User charges and fees due to smoothing of the financial audit program workload.
33. A decrease in Supplies and services due to lower contracted-out auditing services in line with smaller financial audit program workload.
34. An increase in Payments for non-financial assets mainly due to proposed acquisitions of core IT systems for finance, time recording and practice management.

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.
<hr/>	
Administered Items	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
<hr/>	
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.
<hr/>	
Appropriation	— Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none">– delivery of agreed services– administered items– adjustment of the Government's equity in agencies, including acquiring of capital.
<hr/>	
Balance Sheet	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
<hr/>	
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.
<hr/>	
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.
<hr/>	
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.
<hr/>	
Depreciation	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
<hr/>	
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.

